

PERFORMATIVITY IN ECONOMICS

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Abstract

Introducing the theme of performativity and placing it within the field of cultural economics makes the role that performativity plays in economics a logical place to start and acknowledge. The idea that economics does not describe an existing external "economy" but brings that economy into being: economics realizes economics, creating the phenomena it describes. This idea is now recognized by many authors as one of the major contributions to economic sociology and has been accompanied by heated debates in the social sciences about the actual influence of economics and economists on economic practices and, more generally, on society and political processes. But when one considers the 'cultural' dimension - that is: when one moves beyond economic sociology to the wider intellectual domain of the social sciences and humanities in general - then an interest in performativity has developed as a way of approaching issues whose importance it goes far beyond the pure processes of language. Since some authors have outlined the philosophical proposition that speech is not primarily or exclusively "constative", that is, it does not just "state" facts, but, under certain happy conditions, "acts" or "realizes" certain realities, the idea of performativity has attracted theorists involved in political and social science, philosophy and economic theory.

Key words: performativity, economics, politics

The problem of performativity is now widespread in the social sciences. At first glance, the claim that economics is performative asserts that it shapes the social world rather than simply describing it. Coming from the field of sociology, notably from the work of Michel Callon, this topic has sparked several debates. One of them concerns the problem of the relativity of social theories. In a Popperian style, performativity can be seen as a critique of the scientific nature of economic theories. If a theory can become true, there is no real theory per se because there is no pre-existing economy to describe. The performativity of economics has been at the center of attention over the last decade in economic methodology and economic sociology. Initiated by Michel Callon, the thesis of performativity, the idea that economics, more than the description of an external social world, shapes it in its image, directly challenges economics and social sciences that have pushed its desire to become an objective science to the extreme. The fundamental problem of performativity by asking to what extent a theory can be performative. The question at stake is mainly how to explore the limits of performativity in order to understand what a true theory could be, or why one theory is capable of affecting the social world and another is not. This way of thinking about the performativity of economic theory leads to a methodological and normative question: what

conditions must a theory meet to be performative or to have an impact on the world? Economics is a logical starting point. Callon's point was that "economics does not describe an existing external 'economy', but brings this economy into being: economics realizes the economy, creating the phenomena it describes. This idea is now recognized by many authors as one of the major contributions to economic sociology and has been accompanied by heated debates in the social sciences on the real influence of economics and economists on economic practices and, more generally, on society and political processes. Some authors introduce the notion of performativity through a neurolinguistic approach and go beyond this specific link by focusing on the most general actors and social reality.

Because performativity demonstrates how economic theory is embedded in its subject matter (whatever economic niche it may interact with, from derivatives markets to auction markets), the process calls into question the extent to which economics is able to maintain its scientific independence from its subject matter. The increasing integration of theory into markets, informed by performativity research, makes clear that economics influences its subject matter in ways that the physical sciences cannot. It is not controversial to assert that many objects of the physical sciences exist independently of theory;

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however theory chooses to manipulate its variables, it is much more complex with the objects of economics.

MATERIAL AND METHOD

But when we consider the “cultural” dimension, that is, when we move beyond economic sociology to the broader intellectual domain of the social sciences and humanities in general, we also remember that Callon was not the first scholar to engage with performativity as a way of approaching problems whose importance goes far beyond the pure processes of language. Ever since Austin expounded the philosophical proposition that speech is not primarily or exclusively “contactive,” that is, that it does not simply “affirm” facts but, under certain fortunate conditions, “acts” or “realizes” certain realities, the idea of performativity has included theorists involved in political and social science, philosophy, and gender theory. Butler’s initial and decisive intervention was to deploy a reorganized version of performativity to counter the sexist approaches adopted in feminist and social theory. In Butler’s hands, a flexible and fully developed Foucauldian vision of performativity described sex and gender neither as essences nor as pure constructions, but as possible outcomes of how they are performed and reiterated. In its wake has followed a large literature showing ongoing efforts to apply, refine, and challenge performative perspectives to a wide range of political objects and questions. Given the breadth and scope of this impact, three surprising and challenging questions arise for economic sociology: Why has it taken so long in this field, relative to others, for performativity to be adopted as a means of shedding new light on its subject? What relevance, if any, does this framework have in an era of acute global financial and political crises? Ultimately, what is really at stake in the debate, and is the concern with performativity a useful tool or a mere distraction when it comes to the “big” economic and political questions? Another hypothesis can be added, namely that the contrast between the relative novelty of performativity in economic sociology and its long and rich use elsewhere in academia could be based on a much older division between two opposing worlds: the world of economics on the one hand (considered as a system of things in which language is secondary) and the political world on the other (thought of as a set of words in which things are often forgotten). This great division is the result of the historical struggle of economics as a discipline to construct and present itself as a distinct science and as an alternative to politics.

RESULTS AND DISCUSSIONS

Through market mechanisms, social order would no longer depend on forced control by human institutions such as religion or government, but rather on the “natural” adjustment of private needs, goods, and money. More precisely, the aim was to replace “spiritual civil war” with “world civil peace” by channeling the potential disorder of human passions into the pursuit of market interests. The dangerous human interactions that had led to decades of bloody civil war across Europe were instead to be diverted into material entities and converted into a single passion that serves as the equivalent of all others: the pursuit of self-interest. Since then, economics has attempted first to connect human exchanges to economic processes and, second, to connect these processes to laws defined as natural rather than political, or to the force of problems rather than to the falsehoods of language—interest being economic. In other words, from the beginning, economics has tried to define itself as a purely constative science describing the economy. The economy is supposed to exist and function “out there” according to certain “positive” physical mechanisms, as opposed to the more “talkative” and relativistic functioning of politics. From Durkheim to Granovetter, economic sociologists have constantly tried to counteract the point of view of economists by questioning the “unrealistic” character of their hypotheses and the “false character” of their descriptions. But the paradox is that by limiting the debate to the constant dimension of economic theories, economic sociology, instead of producing a convincing critique, has forgotten to explore how economies are shaped by economic science. Economic sociology thus reinforces the radical autonomy of the discipline that it seeks to correct. This explains why economic sociologists have devoted so much time to exploring the performative character of economics beyond its constant assertions. If classical economics and sociology are opposed as to the “correct” description of the world—each of them could only represent the two opposite sides of the great divide between nature and culture, economics and politics—both conceived their task as “describing” the world at stake, rather than “doing” through this very description—hence their blocked opposition. Of course, such a modernist opposition between two distinct worlds can be understood, as Latour explains, as the very condition of their clandestine hybridization. In this sense, it is no accident that Michel Callon has revealed the performative character of economics. Focusing on the performativity of economics implies studying the hybridization between the political language of economics, on the one hand,

and the functioning of economic devices, processes, and facts, on the other. Such a study helps to overcome the useless critique of the constitutive nature of economics and, more importantly, to understand the crucial point that economic things remain stable and meaningful thanks to economic words. This approach gives the Polanyian idea (Polanyi K., 2001) – that economics is a political institution and a social project – the very theoretical schema it lacked. Once economics becomes a matter of performative language (and politics a matter of things done), the great divide between economics and politics, economics and society, is revealed as the partial and provisional result of a long historical project of separation. and economies are not so much separated as they are made to be separated.

An approach to performativity as politics could open up debates around economic performativity beyond their current place in economic sociology and thus contribute to: (1) the development of a more robust and general theory of performativity; (2) revisiting the politics of performativity to help strengthen political analyses of markets and market formation; and (3) the intersection of economic sociology with other fields of sociology.

It is important to emphasize that the literature so far has indicated rather than ultimately demonstrated the performative character of economics. The idea of performativity in economic sociology was not to make the discipline a kind of sociolinguistics, but rather to shed new light on economics. This sometimes involves considering performativity as an axiom rather than an object. If the aim of the idea of performativity in economic sociology was to grasp economics in its pragmatic dimension and to study both what it does and what it says, this does not exhaust the need to review and reassess the assumptions inherent in economics. in the project itself. For Paul du Gay, the problem is not so much to situate or defend politics within the performativity program as to interrogate the underlying ideas of politics and political action that inform Butler's thought and, to some extent, Callon's. One of the difficulties with the theoretical definition of performative failure, he argues, is the concomitant subordination of contingent empirical questions to higher philosophical truths. But describing what, "it all depends," insists du Gay, is a necessary element of practical practice. rather than a philosophical political commitment. The dangers he detects in a politics based on higher philosophical truths resonate with those that motivated the early pragmatist philosophers' disavowal of philosophical and scientific certainties for their

historical cause. provisionally and partially, but also, and above all, because of their failure to prevent the destruction of civil war. Another author continues the debate on politics, practice, and the meaning of the empirical, but with a change of direction. Performances, Licoppe agrees with Butler, can fail or provoke surprising responses, but there is a particular benefit to be gained from the emphasis in sociotechnical accounts on what not only words are but things, or more precisely words in combination with things I can do. The focus on this method of politically engineering markets, Mitchell points out, draws attention both to some of the unexpected outcomes produced by the properties of commodities and to the experimental computational techniques on which the process actually depends. Behind his account lies the way in which certain ideas, forces, or movements seem, for a time, global, possessing a translocal logic, or an apparent irresistibility, that nevertheless fails to fully forestall unforeseen challenges. It is a question of questioning how the theoretical separation between politics and economics has played out historically, while addressing how, in practice, the devices, processes, and practices of markets and economies are deeply imbued with the political language of economics. This simultaneous separation and hybridization is never, in any context, whole and complete forever. Another political potential for economic performativity may also exist in what Callon has recently described as "performance struggles." A series of questions concerning performativity are raised. That is, how are battles between competing possible worlds to be explained? What are the political regimes that govern the choice between some economic worlds and others? And what role does economic sociology play in such politics? Does the performativity paradigm depart from economic sociology further (or elsewhere) than from the new economic sociology? The range of performativity analysis can also be extended upstream, by taking into account the variety of theories and scientific "disciplines" that can be implemented within economies. It is emphasized how conservative the theory of performativity is when it claims, contrary to most critiques of rationality, that homo economicus exists because of the incorporation of economics into economics. If economics shapes the world, there are no longer any true or false theories per se, and there is no longer any possibility of factual contestation. Other authors argue that if economics matters in the construction of reality, we must explain how and why. We must understand why, in a situation of competition between several economic theories, one is adopted and not the other.

CONCLUSIONS

The concept of economic performativity defines a particular link between economic theory and the social world. To understand the use of the notion of performativity in Michel Callon's economic sociology, it follows that the power of economists' discourse does not only rest on its linguistic force, but also on the practical conditions in which this discourse is used. Callon's general reasoning is that an economic theory shapes the world when agents use it in their interactions on the markets. Thus, "the real economy is not anchored in society, but in the economy". The sociology of performativity focuses on the links of action and especially techniques to explain how the economy constructs the world. Here, the sociology of performativity differs from other sociological approaches to the influence of the economy on the economy, for example, according to the idea that scientific work as a prescription leads the social world to behave in the way it is described. In Callonian thought, economic knowledge is embodied in action, which leads individuals to behave in accordance with this knowledge, even if they do not know the economic theory that it "imitates". On the other hand, some authors have it in mind and the capacity of the economy to shape the economy has been both neglected by economists and overestimated by Callon. The problem of relativity is a major problem in performativity theory. Following Lewis's definition of conventions, a theory could take into account the social world and others could not. The discussion can be followed along three paths. First, to function in the world, a theory must provide an empirical classification of phenomena. Second, some elements, risk, cannot always be modeled by the representation of agents. Third, to have an impact on the world, a theory must be inserted into

the institutional world. The literature uses the case study of social branding to show how social norms influence the implementation of new structures. These are the three limits to performativity in economic theory. Such a framework could be useful in the future development of this notion, because it provides a definition of performativity that includes the possibility of failure.

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