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Content

Note from the editor

Body, virus, morals, and scandals

Akos Rona-Tas

This issue centers on the encounter between the economy and the human body. Economics, like other social sciences, treat people mostly as disembodied actors who never catch viruses or suffer from back pain or creeping dementia. These abstract actors are all too often assumed also to be immortal, rarely acting with an acute consciousness of a finite life. These issues become visible in our academic looking glass only when they emerge as social problems, not as the normal experience of everyday existence. Yet our mortal coil is always present in all economic transactions, and our physical condition surely affects how we make economic decisions, not to mention how we act on them. COVID-19 slowed the whole world economy to a grinding crawl, freezing entire industries because people suddenly perceive the proximity to their fellow humans as a health hazard. Physical pain or diminished mental capacity can capsize our calculating faculties, which is one of the reasons why the caveat emptor principle does not work well in healthcare. Many of our actions spring not from carefully pondered preferences or thoughtful valuations, but from biological reactions such as exuberance, excitement and repugnance, disgust, or fear of death. The neuroscientist Antonio Damasio, who has demonstrated how the entire body is involved in producing human consciousness, calls this disconnect between body and mind Descartes' error.

There are, however, situations in which the body takes center stage and can no longer be ignored. When that happens, tempers flare and moral concerns are not far behind. In the first article, Alya Guseva writes about her research on surrogacy in Ukraine and the role of scandals in shaping the field. Surrogacy, where couples pay women to carry their fertilized eggs to term, is an intensely controversial and emotionally charged business in which morality and markets are in full tension. Ukraine is now the biggest international supplier of babies born to surrogate mothers outside the United States, and there is a general unease in the country about this trade in small human bodies. The principal players, the clinics, strive to establish a medical conception of control casting surrogacy as a therapeutic intervention for the ailment of infertility, but even they acknowledge that surrogacy comes at a financial cost. However, the medical conception of surrogacy can navigate the moral friction and fervent passions much better than one that casts it as a service to consumers. But while medical discourse can minimize moral attacks, scandals can also be used to defend the positions of those who dominate the field from newcomers trying to upset the rule of this medical conception of control. Scandals are by definition emotionally charged affairs, and economic transactions involving the human body, and reproduction in particular, are especially prone to fueling passions and being expressed in moral language. The moral outrage poured on the surrogacy field has to be countered by equally powerful emotions like empathy and parental love, and cannot be overcome just by detached rational reasoning.

Etienne Nouguez takes us to the market for medicines. Medicines – or in American parlance drugs – we use to change our bodily states. Nouguez is interested in how markets function in the trade of medical drugs, what role states and professional organizations play in their operation, and how drugs achieve their economic valuation. Medicines are not commodities that we purchase freely. Our "preference" for them is biologically conditioned; therefore, selling them at prices based on our willingness to pay at the moment we need them would lead to exorbitant prices which would be morally unacceptable and revolting, as the 2015 US scandal involving the hedge fund manager Martin Shkreli and the antiparasitic drug Daraprim demonstrated. Moreover, even under less urgent circumstances, most consumers would not have the competence to choose the appropriate medicine, which is why we have doctors to prescribe them. And to make matters worse, medicines can have complex effects on the human body, which may vary from person to person, making each drug virtually a unique product. Nouguez points out that one curious feature of drug markets is the large variation of prices for the same product over time and space. This is partially because the social mechanisms that construct the price vary from country to country. Where medicines end and other forms of body-altering consumption begin is a central question for regulation. Dietary supplements and cannabis are two examples that sit awkwardly close to the fine line separating medicines from other things we ingest for the sake of improvement or enhancement.

Roi Livne in his OpEd takes us to the point in the course of human existence where any hopes of curative treatments must be replaced with palliative care – the end of life. Hospice care is an enormous business in the US, much of it is for-profit and has its own rich share of scandals involving fraud and neglect. The moral dilemma Livne focuses on is that in this new economy of dying, hospices and hospital palliative care teams must negotiate the ethical imperative of sustaining life against the enormous costs and paltry effectiveness of medical interventions. End-of-life care must inculcate an ethos of moderation in patients. While privately insured Americans with unfettered access to medical care throughout their lives are usually accepting of medical economizing at the end of life as a path towards a "good death," lower-income patients who have faced regular barriers in healthcare access are dismayed when asked to voluntarily forgo expensive care at the very moment it is available because they are desperately ill.

All three stories brush up against the COVID-19 pandemic. Guseva begins with the crying babies in a Kyiv hotel that are delivered by the surrogates and

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waiting to be picked up by their parents who cannot travel to Ukraine because of the pandemic. Nouguez tells us about the French medical researcher whose claims about hydroxychloroquine circumventing the usual regulative channels led to the hyping of the drug as a treatment for the coronavirus. And medical and residential settings with high concentrations of elderly and frail became particularly dangerous, while the quarantine brought to light another tragic side of death: dying alone.

In this issue, we also have an appreciation of the work of Viviana Zelizer, delivered by Jeanne Lazarus at Sciences Po last year when Zelizer was awarded the degree of doctor honoris causa along with Joseph Stiglitz. Lazarus provides a concise overview of Zelizer's career and intellectual contributions, including her pioneering work on the relationship between morals and markets. Zelizer's acceptance speech with her personal reflections on her career closes the first part of this issue.

Scandals, morality wars, and the field of reproductive surrogacy in Ukraine

Alya Guseva

Surrogacy – contracted gestation and birthing of babies for other people – is a multibillion–dollar global industry. Because it commodifies a practice that belongs to an intimate, "sacred" sphere of the family, and mixes babies and money, it offers a natural window into a theoretical problem of great interest to economic sociologists: the role of morality and moral framings in shaping and sustaining economic exchange.

The US is the oldest and largest commercial surrogacy market in the world. But surrogacy costs $100,000 or more there, and it is out of reach for middle-class would-be parents. Ten years ago, many Americans, Europeans, Australians, and Israelis would travel to India, Thailand, or Mexico. But following several publicized scandals involving surrogacy babies abandoned by their foreign parents, these countries banned commercial surrogacy entirely, or made it only available to the countries' own nationals and only on an altruistic basis, which means surrogate mothers cannot be paid above the costs they incur. It was then that all eyes turned to Ukraine. Ukraine has long been known in the global reproductive circuit as a source of inexpensive but high-quality Slavic eggs. It has a well-developed fertility industry and a legal environment that is generally favorable to surrogacy. Surrogacy in Ukraine is regulated by two main documents: Article 123 of the Family Code, which defines surrogacy and names the couple whose genetic material is used to create the embryo as the baby's legal parents; and Article VI of the 2013 Order of the Ministry of Health on Assisted Reproductive Technologies, which specifies who can commission surrogacy (infertile married couples only) and who can serve as a surrogate (healthy married or unmarried woman with a child of her own). It is legal to advertise surrogacy services, recruit, and pay surrogate mothers. Ukraine has now become the major destination for affordable global surrogacy outside of the US. It costs $40,000–$50,000 there, about half of what it would cost in the United States.

At this very moment, however, Ukraine is the epicenter of a global surrogacy scandal, an unexpected victim of the COVID-19 pandemic. Travel restrictions both in Ukraine and other countries have stalled all international travel in much of the world. Ukrainian surrogate mothers continue to give birth every day, but babies' parents can no longer travel to meet them and take them home. The current surrogacy scandal involves Kiev-based Biotexcom, a reproductive clinic – by its own account the largest provider of surrogacy services in Ukraine –, and it illustrates the way morality, law, and politics can rub against the markets. Biotexcom posted a video of forty-six newborns, some almost three months old, currently housed and cared for in the Kiev hotel Venezia because their foreign parents cannot travel to collect them. The video starts with a dramatic sight of dozens and dozens of neatly arranged bassinets and is accompanied by a deafening chorus of baby cries. It then shows the babies held by several women in bright uniforms, masks, and gloves, while the voiceover explains that they are fed, bathed, and even provided with physical exercise and massage by trained nannies and overseen by a pediatrician. The hotel is equipped with cameras and computers that allow the staff to talk to the parents and show the babies to them. The video was originally posted on the clinic website and its YouTube channel, but it gained broad public attention after it was reposted on a Facebook page of conservative Christian NGO Rodyna accompanied by this statement: "The aim of this video is to ensure the buyers that the goods are being held in the warehouse (pardon, the hotel) in an acceptable condition. The name of the clinic (Bio Tex, which derives from the Russian spelling of "biotechnology") indi-

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cates that human life is a technology, mass produced on an assembly line." Five days later, the video was shared more than 200 times, including by Lyudmila Denisova, an ombudsman of the Ukrainian parliament. On her own Facebook page, she wrote, critically, that she considered this video "a sort of an advertisement for the clinic that used this as an opportunity to demonstrate the scale of its operation, and the technology of surrogacy as a 'high quality good.'" Societal reaction to this video was quite predictable: it was the headline of dailies, talked about on nightly news programs, led to spirited discussions on social media, and provoked calls to ban surrogacy for foreign parents or at least to "finally regulate" it. Ms. Denisova took personal interest in this case: she held a press conference which was streamed live on Facebook explaining the gist of the problem and lamenting that this situation constitutes a violation of babies' rights to be brought up in families. She also appeared in several interviews assuring that she was working tirelessly liaising between the parents, their countries' consulates, and branches of the Ukrainian government trying to ensure that parents can travel to Ukraine and receive all necessary exit documents to take their babies home. If she held a critical position towards surrogacy, she was willing to suspend it for the time being in order to focus all her energies on helping to reunite families. In one of the interviews, she added that there may be as many as one hundred newborn babies currently being held throughout Ukraine, and that in the next month or two it may become "thousands" unless the countries coordinate their efforts to ensure that parents can travel to Ukraine and back. Biotexcom itself warned that they are expecting fifty more babies to be born in the next month or two. Two weeks after the original post, when The New York Times reported the story, the number of babies had grown to sixty.

I have been studying surrogacy markets in Ukraine, Russia, and Kazakhstan since 2015. I conducted sixty interviews with fertility doctors, embryologists, heads of assistant reproductive clinics, the leadership of national associations of reproductive medicine in the three countries, owners and managers of surrogacy agencies, lawyers, and surrogate mothers. I conducted participant observation at three reproductive medicine symposia – two in Ukraine and one in Kazakhstan – as well as at several other smaller meeting and roundtable discussions organized by Ukrainian lawyers. I have not specifically set out to investigate surrogacy scandals, but the past scandals were frequently mentioned by my interviewees, and in the last three years I have witnessed several of them firsthand, as they spilled onto the pages of newspaper publications, social media posts, including by many people I interviewed, made their way into official briefings, press conferences, and, most recently, webinars. Widely publicized scandals are what brought down global surrogacy hubs in India and Thailand. It should not be surprising to a sociologist that public scandals are an excellent entry to understanding a topic (recall the famous Dreyfus Affair and the crisis of anti-Semitism it helped to highlight). It is where the tensions and the conflicts that are managed every day covertly and behind the scenes become unmanageable and come into full view (Adut 2010; Fine 2019). Scandals illustrate where the present legal regulation of surrogacy is weak, contradictory, or simply lacking. And subsequent reactions to scandals by various social actors – reproductive clinics and fertility doctors, the legal profession, surrogacy agencies, journalists, lawmakers, and law enforcement – help reveal their interests and claims vis-à-vis one another, as well as the skill with which resources are mobilized to protect those interests and positions. In other words, scandals matter not only because of their effects, but also because of what they reveal about present social dynamics (Adut 2010). All recent surrogacy scandals involved foreign parents, and several followed a similar pattern: first, law enforcement informs the public of an investigation; next, several members of the parliament file an initiative to ban surrogacy entirely or specifically for foreign parents; finally, representatives of fertility medicine, medical tourism, and law that would stand to lose if the flow of reproductive tourists to Ukraine dried up attempt to contain the damage by controlling the narrative around surrogacy and proposing their own draft laws.

What makes surrogacy particularly prone to scandals is that it sits at the uncomfortable spot of mixing the intimate realm (family, reproduction, parenthood) and commerce. This particular scandal is a result of an unexpected force majeure, not the fault of any particular actor in the Ukrainian surrogacy market. In fact, many of the US fertility clinics were similarly affected, struggling to care for the newborns while their parents were desperately trying to travel to the US. But Ukrainian public reaction to this scandal underscores the general unease with surrogacy, and in particular when it involves foreign parents. Like other contested commodities (Radin 2001) and peculiar goods (Fourcade 2011), surrogacy is a battleground for morality wars. A common reaction to surrogacy follows the "hostile worlds" position (Zelizer 2005) that intimacy and reproduction should be kept apart from markets because otherwise markets would contaminate them, reduce them to tradeable commodities, and erode human values. Opponents of surrogacy dub it "baby selling" and "womb renting" and accuse organizations involved in surrogacy of exploiting women and violating the rights of children (Markens 2007; Pande 2014; Rudrappa 2015).

Rather than conceiving of markets as necessarily destructive to social fabric and human values, economic sociologists point out that morality and commerce are often inextricably intertwined in markets (Fourcade and Healy 2007) and remind us that practices that are legal – reselling of life insurance policies on secondary markets – may nevertheless be challenged as immoral and illegitimate (Quinn 2008). Establishing legitimacy – shared cultural and moral frames or conceptions of control – is necessary to establish a working market (Beckert 2010; Fligstein 1996; Rona-Tas and Guseva 2014). Scandals undermine the legitimacy of surrogacy simply by bringing surrogacy practice into the open and subject to public inquiry, which inevitably leads to moral battles striking at the heart of surrogacy practice and raising familiar objections.

So what brings about these frequent scandals? In his analysis of economic scandals, Swedberg (2005) questions the arguments that economic scandals are driven mainly by greed and are inherent in the economic system, following a progression from economic boom, to mania, and finally to a crash (Kindleberger 2015), or that economic scandals necessarily follow the Polanyian double-movement logic or a cycle where opportunism struggles with restraint (Abolafia 1996). Instead, Swedberg proposes that rather than being inevitable, scandals are more likely a result of specific combinations of social mechanisms brought about by purposeful or strategic action. Whatever the specific focus of a particular scandal, they are fundamentally moral tales about transgressions that are articulated in ways to make them resonate with particular institutional realms and organizational cultures (Fine 2019).

Here I broadly follow Swedberg's insight and frame surrogacy scandals as outcomes of strategic action by field actors (Fligstein and McAdam 2012) who struggle for jurisdictional control (Abbott 2001) over the surrogacy field. Strategic action fields are meso-level social spaces where actors mobilize and deploy resources and "jockey for positions" vis-à-vis other actors (Fligstein 1996; Fligstein and McAdam 2012). Incumbents – dominant actors within a field – cooperate with each other and the state to develop rules of exchange and shared conceptions of control – understandings of the fundamental guiding principles of exchange in a given field that are imposed on the rest of the field actors. The goal of incumbents is to mitigate competition and ensure stability. Stability benefits everyone, but it benefits them in particular, because they occupy dominant positions in the field and ensure that their worldviews dominate. Challengers are smaller, younger, or less centrally positioned and less influential actors. Fields are subject to external and internal dynamics that provide opportunities for challengers to destabilize existing fields and challenge incumbents' positions and worldviews, or organize new fields, where they may assume the role of incumbents. Field-level struggles are as much about actors' positions and resources they can claim as they are about the ability to define key field parameters, including "what is going on" in the field, what are its boundaries, who are the actors, and what are the rules and conceptions of control (Beckert 2010; Fligstein 1996; Rona-Tas and Guseva 2014). Scandals have not been specifically theorized as elements of field dynamics, but while frequent scandals can be a symptom of field instability, they also provide opportunities for both challengers and incumbents to "fight it out" for field control. Because the scandals are public, they are played out with the help of new allies – media, politicians and the general public. For instance, challengers can use scandals to draw attention to injustices, moral corruption, or weakening legitimacy of incumbents in order to precipitate field change. As much as incumbents usually want to avoid scandals because they benefit from maintaining stability, they too can use scandals to their advantage, as the scandals open a platform to publicly delegitimize challengers in the hopes of preserving their position.

The Ukrainian surrogacy field is comprised of three types of actors: assisted reproduction clinics that carry out medical testing, fertilization, and embryo transfers; lawyers or legal firms that draft surrogacy contracts and help obtain birth certificates and exit documents in the case of foreign parents; and the various brokers (some of them are called "surrogacy agencies") that assist in recruiting and matching prospective parents and surrogate mothers and managing relations between them throughout pregnancy. These three types of actors represent the three sides of surrogacy: medical, legal, and organizational/relational. The fertility profession and its professional association, the Ukrainian Association of Reproductive Medicine (UARM), has assumed the role of incumbents who successfully claimed their professional jurisdictional control over surrogacy. Surrogacy is defined as a last-resort *medical* treatment for infertility, available to married couples that are unable to bear their own children for one of several stated *medical* reasons; the surrogate cannot at the same time be the egg donor, which means the surrogate cannot gestate her genetic baby, and can only get pregnant by IVF, in a *medical* clinic, and never by artificial insemination like in traditional surrogacy arrangements that are still sometimes practiced in the US; and at least one of the intended parents has to be genetically connected to the baby, again necessitating a *medical* test. These requirements and conditions are specified by the Order of the Ministry of Health (for a field analysis of surrogacy market in

Kazakhstan, see Guseva and Lokshin 2018). But the increased global demand for Ukrainian surrogacy has led to the change in the composition of field actors and to the challenge to the incumbents' position. The last ten years have seen an explosion in the number of surrogacy agencies or various other brokers that recruit and match couples and surrogates from a handful to probably many dozens (there is no exact count). These brokers are neither licensed nor monitored, and several are now organized by Spanish and Chinese nationals who assist in bringing parents from their countries into Ukraine. Agencies mainly work with foreign intended parents because local parents can, in theory, find surrogate mothers on their own, or they can go directly to a clinic, bypassing the agency. Ukrainian fertility clinics responded to this dramatic increase in the number of foreign couples and new agencies by "in-sourcing" – organizing their own surrogacy agencies in order to provide legal and relational services in-house. According to my interviewees, the reason for "in-sourcing" is that there are too many agencies with little track record and questionable practices; the clinics do not know whom to trust, and they are concerned about risking their reputation by working with unreliable partners. The proliferation of a lot of newcomers that do not share the incumbents' views on surrogacy or may not play by the field rules threatens the clinics' ability to control the market. But there is another reason for in-sourcing: potential revenues. Medical tourism is a growing sector of Ukraine's struggling economy. According to the Ukrainian Association of Medical Tourism, around 60,000 foreign patients visited Ukraine in 2018, which generated $150 million in revenue. And fertility clinics want a piece of the action. But openly embracing surrogacy commerce – recruiting surrogate mothers, overseeing pregnancies, and managing relations with prospective parents, particularly if it is carried out on a large scale – challenges medical conceptions of control that the clinics and UARM strived to establish and maintain, signaling that clinics are embracing the commercial side of surrogacy, which casts doubt on the "surrogacy is but a last-resort medical technology" mantra. Surrogacy is poorly understood by the broader public and is frequently sensationalized as "baby selling"; clinics that start openly selling surrogacy step into shaky moral territory. That is why in my interviews and the public addresses, fertility doctors stressed over and over again their medical (as opposed to commercial) approach to surrogacy,and the desperation of their infertile patients for whom surrogacy is the last chance to become parents, while they downplayed both the scale and the profits of their surrogacy programs.

Challenges to the established order in the surrogacy field are not only coming from the outside – foreign parents and brokers – but also from within the field. One such challenge is from a group of lawyers who openly admit the limitations of the current legal regulation of surrogacy in Ukraine and call for transparency and for licensing of surrogacy brokers. A call for licensing is a classic field-level tactic intended to raise barriers to entry and control competition. Those that call for licensing typically run their own small surrogacy agencies: they can find and match surrogates with prospective parents, and they provide comprehensive legal assistance. But at the same time as these lawyers are trying to weed out non-reputable or unprofessional brokers to establish control over legal aspects of surrogacy, they are also challenging the incumbent status of fertility doctors. Infertile couples turn to fertility doctors in search of miracles, while the lawyers' services seem to be merely supportive and usually rather mundane. Yet, when scandals arise it is the lawyers that put out fires to save the parents and babies caught in the middle. Foreign parents more generally have unique legal needs that elevate the role of surrogacy lawyers vis-à-vis the doctors and challenge the latter's incumbent status. And as the number of foreign parents exploded in the last several years, the perception of the importance and visibility of lawyers' work increased too.

The second type of challenge to the incumbent clinics' control over the field comes from within their ranks. The prime example is Biotexcom, the clinic at the center of the current scandal. This is not the first time Biotexcom has found itself in a surrogacy-related controversy. In the past several years, the clinic and its owner were the subjects of several lawsuits in at least two regional jurisdictions. And soon after I started to interview key actors of the Ukrainian assisted reproductive industry, it became clear that Biotexcom had long been considered a "black sheep" by the incumbent clinics. Unlike most other clinics that were founded and headed by prominent medical doctors and typically provide a large variety of fertility services besides surrogacy, such as pioneering cutting-edge reproductive technologies like pronuclear transfer by Kyiv clinic Nadiya,[1] Biotexcom is the only large provider of surrogacy that grew out of a surrogacy agency and is headed by an entrepreneur, who, I was told, started in the assisted reproductive field as a free agent recruiting surrogate mothers for a couple of Kiev-based clinics; an outsider without a medical degree.

In the summer of 2018, Biotexcom was the subject of another public scandal. The Office of the Prosecutor General of Ukraine accused the clinic of human trafficking, tax evasion, and fraud. The human trafficking accusations referred to the 2011 case involving an infertile couple from Italy whose baby had been born by a Ukraine surrogate but was later found to be *genetically unrelated* to either of the parents, a violation according to Ukraine's Health Ministry order. After the baby's birth, Biotexcom issued a document confirming the genetic connection of the baby with one of the parents ("dovidka pro genetychnu sporidnenist"), the evidence that foreign consulates typically require to issue exit documents to any surrogate baby born in Ukraine. When Italian authorities later became suspicious and ordered a retest in Italy, the results came back negative. It was reported that the baby was taken from the parents and placed in an orphanage, while the parents faced criminal charges in Italy.

One of the most interesting aspects of this 2018 scandal was what happened afterwards, because it illustrated the mobilization of the incumbents to salvage the reputation of the whole industry. In the process, the scandal and its aftermath laid bare the existing tensions within the field, both between actors and between the competing conceptions of control. Following the prosecutor general's briefing, several members of the Ukrainian parliament submitted a draft bill, the central provision of which was to ban assisted reproductive services to most foreign nationals. If passed, the bill would have severely affected the Ukrainian reproductive industry and most likely have forced Biotexcom to close down completely, because its business model is exclusively based on serving foreign prospective parents (Biotexcom employs a large multilingual staff as well as logistical support personnel, and it owns accommodation for short-term stays in Kiev – Venezia hotel among them).

To forestall this alarming possibility of an industry-wide impact, UARM sprang into action. It submitted its own – competing – draft bill on assisted reproduction and issued a statement on its website affirming existing surrogacy legislation but condemning those that violate it, namely Biotexcom. A week later, UARM held a press conference, which was attended by its president and vice-president to further affirm their professional grip on the surrogacy field and their adherence to professional standards, ethics, and existing legal provisions.

In one of the press conference's most telling moments, Albert Tochilovskiy, the head of the embattled Biotexcom, who was in the audience, asked the panel the following question:

> Do you think we have a chance? … Portugal recently liberalized surrogacy, it is essentially turning it into an industrial process … will we, the Ukrainian clinics, be able to compete with Portugal? There, surrogacy will be cheaper … they allowed Latin [American] surrogate mothers to come, gestate and give birth … Will Portugal rather than Ukraine become the surrogacy mecca?

As he was searching for words, the UARM vice-president was visibly impatient and did not miss a beat jumping in: "If Portugal becomes [the surrogacy mecca], I would be very glad. This is my own point of view." Then he proceeded, undoubtedly referring to my earlier interview with him, though not naming me by name:

> Some time ago, one of our compatriots came to our UARM annual meeting … she is from Boston, and studies sociology of surrogacy, and she wanted to research the surrogacy market. I told her that the market is what market actors are interested in growing. I myself, as a representative of the Association of Reproductive Medicine, and I think [UARM president] too, we are not interested in making Ukraine the center of world surrogacy in other words, this method of medical treatment is necessary, particularly for married couples that have no other chances, and besides for those patients that have been going through a certain number of attempts at our clinics and you cannot help them reach the end (so you need to complete [the treatment] somehow), but to transform [Ukraine] into India, Thailand, and all that … We would not want Ukraine to become like that. So let's say … let's look for ways to make money not only on surrogacy.

This was a clear rebuke to Biotexcom for violating what I call the medical conceptions of control (Fligstein 1996; Fligstein and McAdam 2012): surrogacy is a small but necessary portion of fertility treatments, only indicated for couples who have tried everything else or have no other hope of having a biologically related child.

Second, with the last phrase ("let's look for ways to make money not only on surrogacy"), the UARM vice-president essentially admitted that Ukrainian assisted reproductive medicine has already inextricably tied itself up with commerce, yet he issued a plea to other clinics and fellow doctors to steer away from making surrogacy the global face of Ukrainian assisted reproductive medicine, despite the understandable lure of profits. If it was not a plea for professional ethics over commerce, it was definitely a plea for self-restraint.

Unlike that scandal, this time Biotexcom stepped into the spotlight willingly and on its own. It faced a problem it could not solve alone, and it needed help from the Ukrainian government. A New York Times article quoted Biotexcom's founder and director Tochilovskiy: "I'm in a very difficult situation … Hundreds of parents are calling me. I'm exhausted."[2] Several other clinics and surrogacy agencies are in the same boat, but the scale of Biotexcom's operation must make Tochilovskiy feel like Charlie Chaplin's character in the movie *Modern Times*, who falls behind the pace of the conveyer belt and gets sucked into the factory machine trying to catch up. Biotexcom is now juggling the growing number of babies whose final delivery to their parents has been stalled so abruptly, while the biological processes of pregnancy and birth continue their relentless pace accumulating new tiny lives without any solution in sight.

It was a risky move to draw the attention of the public and the state to surrogacy, and particularly to the scale of surrogacy programs catering to foreign parents. Recent history illustrates that public surrogacy scandals are swiftly followed by moral panics that "babies are trafficked abroad for who-knows-what purposes" and attempts by politicians to ban or severely limit the practice. None of these attempts have been successful so far, at least not in Ukraine: draft laws proposing to ban foreign parents from contracting surrogate mothers in Ukraine have never been passed, moral panics eventually died down, fertility clinics that were accused of violations, including, most recently, Biotexcom, never ceased their activities, and everything eventually went back to normal. Except the fear and the desire on the part of the fertility industry to avoid the unwanted attention at all costs.

UARM's strategy can be best characterized as "don't ask don't tell," and it has run along two parallel tracks. The first was to publicly downplay the scale of surrogacy programs and the extent to which it is a rapidly developing global business. UARM's motto has been that surrogacy is "but one of the many assisted reproductive technologies, a small and boutique treatment for most desperate patients, for whom nothing else works." The second was to overstate the effectiveness of legal regulation of surrogacy in Ukraine and to downplay the need to pass a comprehensive law on surrogacy, as doing so would unavoidably involve public debates and the attention to the industry that the industry desperately wanted to avoid. The first strategy made UARM resistant to monitoring the number of surrogacy births in Ukraine. When the arguments erupt whether or not Ukraine is a mecca of global surrogacy or not, neither side has hard data to draw on, only guesses and estimates. The second strategy, overstating the effectiveness of current legal regulation, prevented UARM from following through with a comprehensive law on surrogacy (or, more generally, on assisted reproduction). Such a law was passed by the Ukrainian parliament in 2012 but vetoed by the then president Yanukovich in 2013, shortly before he was ousted from office by the popular uprising setting off a chain of events that involved annexation of Crimea, hybrid war with Russia, and economic recession. Since then, the fertility profession has favored the status quo, responding to periodic scandals with an already familiar set of claims and supporting the idea of a new law on assisted reproductive technologies only when threatened with a potential clampdown.

Scandals and their immediate aftermath reveal field-level struggles and illustrate that the unilateral grip of the fertility profession on the surrogacy field is weakening. Once the unchallenged incumbents, prominent fertility clinics and reproductive doctors now have to reckon with new actors entering the field – quickly proliferating surrogacy agencies, both local and foreign. These actors scale up the "production" of surrogacy, making it difficult to maintain UARM's favorite "surrogacy is a small portion of everything we do" motto. The challenge also comes from some of the clinics, whose practices violate the laws and attract the unwanted public attention to surrogacy, prompting UARM to go on the defensive for damage control. Biotexcom is the usual suspect, but several other well-known clinics have been implicated in more recent scandals. For instance, the Kiev-based Mini-IVF clinic was recently raided by Ukrainian security forces, its medical director, her adult son, and three Chinese nationals accused of human trafficking. It was reported that they arranged fictive marriages for single Chinese men with Ukrainian women and organized surrogacy programs for these "couples" based on false diagnoses of infertility. The scheme fell through when one of the "wives" tried to get a birth certificate for the surrogate baby and it turned out that she had recently given birth to her own baby, despite having a diagnosis of infertility. Additional challenges are coming from legal professionals who have been very active in bringing visibility to surrogacy and advocating for a need to pass a new law on surrogacy, which, unlike the version submitted to the parliament by UARM, contains a proposal to license surrogacy agencies and other brokers. Lawyers have a particularly strong voice when it comes to foreign parents, who by now comprise the overwhelming majority of couples commissioning surrogacy in Ukraine. Helping couples that have suffered endless miscarriages, or women who were born without uteri or had hysterectomies to become parents is undoubtedly an accomplishment. Fertility doctors are superheroes in the eyes of couples desperately trying to have children, and many proudly exhibit pictures of babies that they helped bring into this world. What many of the scandals poignantly illustrate, however, is that when it comes to foreign parents, particularly from countries where surrogacy is illegal, legalizing the baby, and getting all the documents needed to send the family home is no trivial task, and no less of an accomplishment than achieving that coveted pregnancy in the first place. Legal professionals are claiming their rightful place at the table, asking doctors to move and make space. And the latest scandal helps their case: fertility doctors may be the parents' heroes, but it is the lawyers that ultimately help bring the babies homes.

How can economic exchange be organized and sustained in markets for contested commodities? The case of surrogacy scandals offers a window for economic sociologists to study the moral underpinnings of markets. In Ukraine, the field of surrogacy has been organized by the fertility profession, its professional organization UARM, and the Ukrainian Ministry of Health, the latter defining who can commission surrogacy and who can act as a surrogate. Framing surrogacy as a medical technology and a last-resort treatment for infertility shifts the attention away from commercial aspects of surrogacy and downplays the core moral conflict between intimacy and reproduction on the one hand, and money and markets on the other. Recently, because of the changes in the legal regulation of surrogacy in several other global reproductive tourist destinations like India and Thailand, Ukraine has emerged as the most popular alternative to a more reputable but much less affordable US surrogacy. Rapidly increased global demand is changing the composition of the Ukrainian surrogacy field and threatens the incumbent position of the fertility profession and its ability to control the field. Periodic surrogacy scandals attest to the instability of the field, where fertility clinics' incumbent status and framing of surrogacy are challenged by clinics like Biotexcom, surrogacy lawyers, and the newly organized and completely unregulated surrogacy brokers. Irrespective of how scandals are initiated, they are unfolding in a similar way because scandals are fundamentally field-level morality battles, which provide opportunities for field actors to challenge or defend existing order. Studying morality and markets through the lens of field dynamics offers a rich toolbox to economic sociology because it makes it possible to account simultaneously for power, institutions, culture, and strategic action.

Endnotes

1 Clinic Claims Success in Making Babies with 3 Parents' DNA https://www.npr.org/sections/health-shots/2018/06/06/615909572/inside-the-ukrainian-clinic-making-3-parent-babies-for-women-who-are-infertile

2 Andrew E. Kramer, "100 Babies Stranded in Ukraine after Surrogate Births," *NYTimes*, May 16, 2020.

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How much is your health worth?

A research agenda on valuation processes and markets for medicines

Etienne Nouguez

Introduction

The stakes around the global and national medicines[1] markets have been rising steadily for the last twenty years. From the controversies over patents surrounding HIV treatments and the right of developing countries to infringe these patents and develop generic copies in the late 1990s ('t Hoen 2002; Coriat 2008), to the current debates over the exorbitant prices of certain medicines and the sustainability of the expenditure they generate for national health insurance (Vogler et al. 2016), or, in the current context of the Covid-19 pandemic, over supply disruptions and struggles between countries to access treatments, tests, and protective masks – medicines and health products raise a series of fundamental questions. How can one think of a market in which there operate companies that rank among the most capital-intensive and profitable, states that want to provide their populations with access to essential and innovative treatments without jeopardizing their national health insurance systems, and health professionals who play a central role as market intermediaries? How can one analyze a market in which there exist both innovative medicines (most often but not always) resulting from long R&D processes, protected by patents, and costing up to several hundred thousand euros per patient, and generic medicines, produced on a large scale to treat "common" diseases and costing just a few euros?

These two main questions have structured my research agenda over the last fifteen years. A first line of research is to examine the organization and regulation of health product markets. Drawing on the sociology of organizations (Friedberg 1993; Bergeron and Castel 2016) and the sociology of markets (Dobbin 1993; Fligstein 2002; Beckert 2009; Cochoy and Dubuisson-Quellier 2013), I analyze the general characteristics and specificities of these markets. At a first level, I am interested in the central role played by the state (and its expertise agencies) in these markets. The state intervenes at all levels of the market: in the regulation of market access (marketing authorization procedures), the financial regulation of health care expenditure (reimbursement procedures and even administrative price setting in France), and finally in industrial policy (financial and administrative support for research and development, production and employment). At a second level, I am interested in the dual organization of the pharmaceutical industry (reminiscent of others such as the garment trade). There are both Big Pharma companies that have adopted a productive blockbuster model centered on the financial and market valuation on a global scale of a few molecules with high (therapeutic and economic) added value (Montalban and Sakinç 2013), and generics companies whose business model is based on the large-scale marketing of low-cost and low-price copies (Nouguez 2017). Finally, it is not possible to think about the market for health products without taking into account the role of health professionals, particularly physicians and pharmacists. These professionals are market intermediaries (Cochoy and Dubuisson-Quellier 2013), who ensure, via their prescriptions, that suppliers (industry) meet consumers (patients). But they are also market makers, through their role in the construction of supply (organization, implementation, and evaluation of clinical trials; production control), demand (prescriptions for patients, and promotion and recommendations to other healthcare professionals), and market regulation (expertise in health agencies). This combination of a highly capital-intensive supply, high levels of state control, and strong professional regulation makes the medicines market unique.

The second line of research is in keeping with the rapidly growing field of valuation studies (Boltanski and Thévenot 2006; Vatin 2009, 2013; Stark 2011; Beckert and Aspers 2011; Helgesson and Muniesa 2013; Zelizer 2013). Of the different meanings of the term, I take up Vatin's (2013) conceptualization, which distinguishes within valuation processes *evaluation*, which consists in assigning (economic, aesthetic, moral, health, etc.) values to a thing, a person, a rule, or an action, and *valorization*, which consists in bringing a gain or a loss in value *(devalorization)* to that thing, person, rule, or action. In the case of medicines, I explore more specifically two dimensions of valuation.

In line with the numerous works on product classification and qualification (Bowker and Star 2000; Karpik 2010; Beckert and Musselin 2013), I analyze the actors, devices, and processes that have led to the distinction between medicines and other products (especially food and drugs) and that contribute to establishing their value compared to others. I am particularly interested in the production and uses of the medicines' indications (authorized uses), the risk/benefit balance, and the material and practical dimensions of medicines (packaging, galenic formulation, etc.). These valuation operations do not concern only the medicines but, through them, the manufacturers who produce and market them, the health professionals who discover, assess, or prescribe them, the patients who consume them, and the states that authorize, reimburse, or even price them. In addition, I am interested in the market and financial valuation of medicines through the setting of their prices (see also Doganova 2015). One of the peculiarities of the medicines market is that it gives rise to considerable variations in prices over time and space. Depending on the country or the period under consideration, the same medicine may be sold for a few euros or several hundred thousand euros due to variation in the structure of supply (monopolistic or competitive), of demand (covered by a public health insurance system, a private system, or the individuals themselves), and the mode of state regulation (controlled or free prices). However, these prices also reveal different methods of arbitration from one country to another between three potentially contradictory objectives: allowing access to treatment for all patients; controlling the level of expenditure (public or private) on medicines; and encouraging industrial development (R&D, production, employment). There is, therefore, no reason to separate the analysis of the morphology of the market from that of medicine valuation; the two dimensions interact with each other. To take an example, the marketing of a new treatment considered by experts as making a major therapeutic contribution (for example, Hepatitis C treatments) may place, at least temporarily, the laboratory selling it in a quasi-monopolistic position on the market and result in a high valuation of this product in terms of both price and sales. The marketing of me-too medicines (with the same indications but a more or less different active ingredient) or generics, with the support of the state, can then threaten this position of the laboratory and lead to a spectacular devaluation of the product, with the laboratory losing most of its market share in the space of a few weeks.

In order to understand market organization and medicine valuation, I follow the products in the different arenas where they circulate: the scientific arena, regulatory arena, industrial arena, health professional arena, and consumer arena. I conduct interviews with the key actors in these arenas and analyze the documents they produce or rely on in the course of their activities. But to put these processes into perspective and measure their effects, I also use databases of prices, sales, or consumption. Finally, my research starts from the French market but has progressively extended to the European and global scenes in which it is deeply embedded, although it retains some peculiarities (e.g., the ratio of medicines per inhabitant, state control on prices).

The purpose of this article is to present this research agenda, which is both individual and collective. Readers interested in one of these projects may refer to the bibliographical references for further details.

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Standard equivalence versus status hierarchy: the French market for generic medicines

My first research focused on the creation and organization of the French market for generic medicines (Nouguez 2017).[2] At the beginning of the 1990s, these cheaper copies of original medicines whose patents had expired were virtually absent from the French market. Thirty years later, they account for nearly one out of every three medicines sold, although France remains far behind Germany (80 percent) or the United Kingdom (83 percent).

Three major findings emerge from this study. First, I have shown the central role of the state in the creation and regulation of this market. The state has constructed from scratch what I call "administered price competition," with three main instruments: the legal definition of generic medicines (1996), which established the rules of (bio)equivalence between brand-name and generic medicines; the administrative setting of a "competitive" price that simulated free price competition through the application of a discount to the price of the original medicine, which has increased as the market has developed (from 20 percent in the 1990s to 70 percent today); the mobilization of pharmacists through the introduction of a right of substitution (1999) and more advantageous remuneration on generics, and to a lesser extent of physicians through performance bonuses and patients through partial reimbursement (of the price differential between original and generic) or deferred reimbursement (if the substitution is refused).

I have then shown that the development of the generics market was based on a new alliance between pharmacists, generics manufacturers, and the national health insurance (NHI) around a principle of generalized equivalence between medicines (the copy is equivalent to the original), manufacturers (the generics manufacturer is equivalent to the brand-name manufacturer), health professionals (the pharmacist's prescription is equivalent to that of the general practitioner, which is equivalent to that of the specialist), and patients (the cancer patient is equivalent to the angina patient; the rich patient is equivalent to the poor patient). This new alliance has come up against the old alliance between originator companies and doctors (particularly specialists) based on a principle of hierarchy of medicines (according to their novelty, their therapeutic contribution, and their practicality of use), pharmaceutical companies (according to their alleged investment in R&D), health professionals (according to their degree of specialization and expertise), and patients (according to their morbidity level and in part to their ability to pay for any non-reimbursed additional medical fees). The French generics policy has been a real professional and economic booster for the pharmacists who have proven to be a reliable ally of the public authorities in raising the substitution rate (measuring the share of generics medicines among substitutable medicines) to 85 percent and generating several billions of economy in twenty years, and who have been rewarded with higher margins and rebates from generics companies and with new contractual prerogatives with the NHI (such as vaccination in pharmacies, pharmaceutical consultations with chronically ill patients, etc.). But it also highlighted the resistance of French (especially specialist) physicians to integrate medicine costs into their prescription choices and their dependence on the originator industry for information and training. The competition between generics and brand-name medicines has therefore been based not so much on price, as economic theory would suggest, but on the ability of statutorily dominated actors (pharmacists and generic manufacturers) to nibble away, with the support of public authorities, at the barriers erected to equivalence by the statutorily dominant actors (physicians and companies selling brand-name medicines).

Finally, I have statistically analyzed the distribution of generics in the different regions of France. I show that this diffusion has been strong in regions where morbidity levels and income inequalities are low (low differentiation of the care demand) and where the density of health professionals is low and their fees rarely exceed the rates reimbursed by the NHI (low differentiation and low concentration of the care supply). Thus it is where the health system is most organized according to a principle of standardization of care supply and demand that the principle of equivalence of medicines is accepted. Conversely, in regions where care demand and supply are the most differentiated and hierarchical, the generics have faced strong resistance from both (specialist) doctors and (high social class) patients. Taking up Bourdieu's concept of structural homology (Bourdieu 2000), I explain this unequal diffusion by way of a homology between the fields of pharmaceutical companies, health professionals, and patients. A patient who is well-off or has a high degree of morbidity is much more likely than a patient from a working-class background or with a common disease to consult a specialist doctor who charges extra fees and is much more likely than a general practitioner practicing for the agreed tariff to maintain strong links with the brand-name companies and weak links with the national health insurance, and to prescribe original non-substitutable medicines rather than their generic equivalent.

As such, generic medicines appear to be the perfect site to study the tensions in the French healthcare system between the promotion of universal access to the same quality of care at minimum cost and the hope or fear of two-tier medicine that would allow some people who can afford it to access "better" care while the others have to settle for poorer medicine. It does not matter much in the cases of generic and brand-name medicines, as they have the same outcome for health (but not for NIH expenditures). But it is much more problematic when it comes to medical interventions, such as surgery, that are less standardizable.

At the boundaries of medicines: markets for cannabis and probiotics

After having analyzed the construction of the French market for generic medicines as a process of internal differentiation through equivalence and price competition, I turned my attention to the external borders of the medicines market by analyzing two emblematic "boundary products": cannabis and probiotics. Both products entail considerable "boundary work" in which the different actors involved (regulatory authorities, industrialists, scientists, health professionals, and consumers) try to qualify and value them: Are they medicines intended to treat diseases, or health products supposed to maintain health and prevent disease, or even products intended for well-being or recreational use? How do they acquire a health value (benefit-risk balance, scientific evidence, or clinical experience) and an economic value (costs, prices, profits, taxes, etc.)? A second set of questions concerns the organization of the market(s) to which this boundary work leads: What are the rules for accessing the markets (marketing authorization, control over promotion and claims, etc.)? What are the modalities of distribution on the markets (professional control of pharmacists or doctors; distribution by retailers or supermarkets; direct sale to the consumer)? Finally, what are the devices for competition or, conversely, for monopolization allowed by this boundary work (patents, product differentiation, marketing authorizations, etc.)?

I first discussed these various issues in an article, co-written with Henri Bergeron, on the contested market for cannabis (Bergeron and Nouguez 2015). Our article seeks to outline the contours of three main forms of (dis)qualification of cannabis and their corresponding market organization. We deal first with the prohibition of cannabis that still serves as the normative basis in international treaties and for an important number of countries, despite movements in national/regional legislations toward legalization in several countries and (American) states. In this specific legal context, cannabis is qualified as a narcotic having no therapeutic benefit or scientific value and a strong risk of abuse; market regulation operates through a complete formal prohibition on its possession, use, production, and sale; in response, the cannabis trade develops in the shadows, that is, against the state (police repression) as well as outside the state (no legal regulation). We then turn to policies and practices of "risk reduction" and de-criminalization (to be distinguished from legalization[3]) of cannabis use, which have developed in Europe over the past twenty years or so. In this context, cannabis has been (re)qualified as a "soft drug" whose use, though still formally prohibited, is tolerated in practice; market regulation entails varying degrees of tolerance for possession and use, coupled with more stringent repression of production and sale; the cannabis trade then develops in the "grey areas" (such as the Dutch coffee shops) between tolerance and prohibition. Lastly, we study the development of the legal cannabis trade for medical and, most recently, recreational use. In this last approach, cannabis is qualified as a "medical treatment" or a "recreational substance," which may and indeed must be effectively regulated by the state and/or the medical profession; market regulation thus involves the development of rules regarding the characteristics of cannabis and its "acceptable" modes of production, circulation, and consumption, as well as the modes of appropriating the economic profits that such markets may generate.

The second research project, which I am currently developing with Henri Bergeron, Patrick Castel, and Solenne Carof, aims to address boundary products *par excellence*: probiotics. Probiotics were defined in 2001 by the WHO and the FAO as "a living micro-organism which, when introduced in sufficient quantity, produced beneficial health effects for the host." The principal components of probiotics used in the industry are lactobacillus and bifidobacterium. In the early 2000s, these products were sold throughout Europe in four different markets with four different statuses: medicines, medical devices, food supplements, and food with health claims. These products have thus reopened the boundary erected over the course of the twentieth century between the markets for medicines, whose primary function is to treat the sick, and those for staple foods, whose primary function is to meet the nutritional needs of healthy people (Carof and Nouguez 2019). They raise many issues for regulators, producers, distributors, and consumers. Are they health products that can usefully contribute to the prevention or even cure of chronic diseases, or marketing manipulations that are of no health interest? Should they be regulated and marketed as medicines, as food, or as a separate category?

Our research addresses two complementary objectives. Firstly, we are interested in the boundary work carried out by the regulatory authorities (European and national governments; European and national food safety agencies; European and national medicines agencies) to handle what were seen as regulatory overflows. While nutritional and health claims on foods and food supplements were flourishing because of different and often lax regulations in different European countries in the early 2000s, the European Regulation 2006-1924 of December 20, 2006, created a harmonized regulatory framework for the entire common market. First the regulation created a new boundary between food and medicine, having essentially to do with the kinds of claims made by the products: with medicines comprising any product claiming a curative effect on illness or on bodily dysfunction; and healthy foods and dietary supplements including any product claiming a preventive effect (on the risk of illness) or an effect on the maintenance or development of bodily functions. Then, it also initiated a procedure for evaluating these health benefits. It assigned to the European Food Safety Authority (EFSA) the role of studying and issuing opinions on the scientific bases for all claims submitted by member states. Based on these opinions, the European Parliament was to adopt, by 2010,[4] a positive list of all the nutritional and health claims that could be used by industry actors in the advertising and packaging of their products. Any claim not appearing on this list would be prohibited. To the astonishment of companies, the EFSA revealed itself to be particularly demanding, since only 510 claims out of 2,758 (created through the consolidation of nearly 40,000 applications submitted by member states) received positive opinions at the end of the evaluation process in 2010. As for probiotics, the EFSA rejected all thirty-nine applications, and Danone, one of the major companies promoting food with probiotics, withdrew its application before the end of the evaluation, fearing a negative opinion that would affect its products' reputation. In the same way, the EU Regulation 2017-745 of April 5, 2017, explicitly excluded "viable biological material or viable organisms, including living micro-organisms, bacteria, fungi or viruses in order to achieve or support the intended purpose of the product" from the scope of medical devices. Companies wishing to continue to market probiotics must now comply with the European Medicines Agency (EMA) or EFSA requirements for evidence-based medicine by investing in expensive clinical trials.

We also analyze the boundary work of industrialists and distributors in response to these new regulations. Two alliances of industrialists and scientists have formed to try to co-construct, with the regulatory authorities, the rules for evaluating probiotics in the field of pharmaceuticals (Pharmabiotics Research Institute) or foods (International Probiotics Alliance Europe). Both alliances seek to specify not only the technical characteristics of their products but also the level and methods of scientific proof required for the recognition of these products by their respective regulatory authorities. The regulatory division of labor between the EMA and the EFSA was then mirrored in the division of labor between companies that continued to hope to be able to modify the evaluation criteria and the opinions of the EFSA on health claims and others that considered the EFSA opinions to have definitively blocked the institutionalization of markets for probiotic food with health claims and decided to develop medicines and look toward the EMA. Producers of food supplements and ingredients seemed to still hesitate between the two strategies and thus participated in meetings and conferences organized by these two groups of producers. At the same time, many manufacturers continued to rely on regulatory loopholes to maintain or even increase their sales. This is particularly the case in the food supplement market, where manufacturers have combined probiotics with ingredients (vitamins, minerals, etc.) bearing recognized nutritional or health claims, to maintain the health labeling of their products. These companies have also strongly invested in promotion to doctors and pharmacists who are not concerned by the regulation on health claims, so that they "prescribe" probiotics to their patients.

The aim of this research is to analyze the way in which medical innovation is constructed at the boundaries of regulation in a joint effort by regulators and manufacturers to blur, shift, circumvent, or strengthen the boundary between medicines and health products (Bergeron, Castel, and Nouguez 2013). The research is still in progress and should be extended to a global project in the coming years with the creation of an international network of researchers working on boundary products between food and medicines (Frohlich 2019).

Pricing health: administrative setting of medicine prices in France

A third set of research interrogates the way markets are regulated by central agencies or public administration. Our initial research, conducted in collaboration with Cyril Benoît, focused on the pricing of reimbursed medicines in France (Nouguez 2014; Nouguez and Benoît 2017). We studied the successive forms of this policy, from unilateral state administration of prices, in effect from 1948 to the 1980s, to price negotiation in the framework of agreements between an interministerial committee (the Economic Committee for Health Products, or CEPS) and pharmaceutical companies, starting in the mid-1990s. We contend that state-imposed price controls bring together two types of market governance: a *government of values*, where the aim is to assess medicines according to principles of *social justice* (promoting public health, complying with national health insurance budget requirements, and developing industrial employment), and a *government of conducts*, where the aim is to assess pharmaceuticals in relation to market effectiveness (ensuring that the prices determined will orient pharmaceutical companies and health professionals in the direction of the public interest).

In this logic, we show that the Committee plays two roles. First, it plays a valuative role, as it tries to establish the price of medicines on the basis of an assessment of the therapeutic contribution of the medicine, its public health benefits, and also the prices set on other European markets. Second, it plays a strategic planning role, as it is supposed to manage the overall expenditure on medicines reimbursed by the national health insurance through price-volume agreements and discounts paid by pharmaceutical companies if the target set each year by parliament is exceeded. From this point of view, the Committee does not so much set prices as limit expenditure, which it redistributes among the various companies according to the interest (therapeutic and, to a lesser extent, industrial) of their product range.

Finally, we show that the Committee's policy has not only succeeded in stabilizing the budget devoted by the French parliament to reimbursed medicines, it has also introduced a new price architecture (Chauvin 2011) in which the NHI pays a premium price for a handful of recent medicines with high therapeutic added value and pays at-cost price for a huge mass of old generic medicines or me-too medicines with no or low therapeutic added value. At the same time, the Committee has not succeeded in directly shaping the conduct of physicians who, under the influence of pharmaceutical companies, largely prescribe these new expensive medicines (Nouguez 2017). But it has managed to partially neutralize the effects of these prescribing behaviors on overall medicine expenditure through price reductions on old medicines and generics and through price-volume agreements and discounts paid by companies on new medicines.

From biomedical to social valuation: medicines regulation at the French medicines agency

With Henri Bergeron, Patrick Castel, and Hadrien Coutant, we are currently (from September 2018 to December 2020) carrying out research on the French Medicines Agency (ANSM) (Bergeron, Castel, Coutant, and Nouguez 2019). Based on a rich set of interviews (more than a hundred to date, conducted by us and students under our scientific guidance), some observations of meetings between agency representatives and stakeholders (called "Temporary Specialized Scientific Committees"), and analysis of internal documents, we try to understand the Agency's internal organization, its relationships with stakeholders (other regulatory agencies, government, manufacturers, healthcare professionals, patients), and its strategies and instruments for regulating medicine markets.

Studying the recent history of the ANSM is an opportunity to address market regulation issues (Hauray 2005; Carpenter 2010) and to identify valuation practices in Health and Medicine (Dussauge, Helgesson, and Lee 2015). The history under study may be interpreted as a case of reputation management (Carpenter 2010). Like the US Food and Drug Administration, the French Medicines Agency is embedded in a complex structure of social relationships that strongly impacts its reputation and power and forces it to cautiously manage its audiences. The Agency is trapped between audiences challenging its legitimacy and performance in regulating the market: the Ministry of Health, which is prompt to disavow it under media pressure, and the European Medicines Agency (EMA) with which it shares the power of regulating the market and which may take opposite decisions. But unlike the US FDA, the ANSM since its creation in 1993 has undergone a series of crises that have undermined its reputation and power. The Mediator scandal (2010–12)[5] almost led to the disappearance of the Agency and profoundly disrupted its organization (Ansaloni and Smith 2017). It led to opening up the Agency to its audiences (such as patient associations and medical societies), while establishing a strong barrier against company influence. Moreover, the Agency's management has since 2014 promoted a new regime of regulation that would not only focus on the evaluation of biomedical benefits and risks related to medicines but also take into account social, economic, and political benefits and risks related to the socio-political environment of the Agency.

It is too soon to present definitive results from this research, but we are working around four main assumptions. First, this new valuation regime enriches rather than replaces the health-safety approach, by adding management of social and regulatory risks to the management of biomedical risks. It is thus a way for the Agency to internalize the relationships with the different audiences in its risk assessment and management. Second, it therefore has important consequences for the internal organization of the Agency (leading to the creation or elimination of units within it) and on expert practices within the Agency (leading to new priorities and new assessment criteria). Third, it also plays an important role in shaping the relationships between the Agency and its different audiences (leading to the creation of new interfaces and new modes of association between the Agency and its stakeholders). Fourth, it has an important influence on decisions regarding medicine regulation. A medicine that would not have been authorized from a pure health-safety point of view may be put or stay on the market, because it meets "social needs."

To date, our research has focused on the internal organization of the Agency. We will analyze more closely the effects of this new regulatory regime on the Agency's relationship with its stakeholders and on the valuation of medicines by following step by step some emblematic cases (levothyroxine, anti-cancer, anti-epileptic, therapeutic cannabis, breast implants). I will also integrate a new research project led by Thibaut Serviant-Fine on the way French public authorities (mainly ANSM and CEPS) are dealing with shortages in anti-cancer medicines and antibiotics.

Conclusion

As a (provisional) conclusion to this (still ongoing) research agenda, I would like to highlight its main contributions to the fields of research in economic sociology mentioned in the introduction.

A first contribution deals with the market organization. In many respects, I have highlighted the complexity of the architecture of the medicines markets, the analysis of which cannot be limited to the strategies of companies or regulators. While there is undoubtedly a process of globalization of production and research and development, medicines markets retain many national peculiarities because they are embedded in healthcare systems whose regulation and organization are still largely national. This has two major consequences for the analysis. First, it is essential to think jointly about the medicines market and the market of health professionals and organizations, because these professionals and organizations are intermediaries in the medicines market and as such contribute to structuring supply and demand, but symmetrically because medicines are a central resource in the positioning of these professionals and organizations vis-à-vis patients and public authorities in the healthcare system. This is illustrated by my research on generics, according to which the statutory competition between brand-name and generic medicines (and their producers) mirrors that between specialist doctors, general practitioners, and pharmacists. Secondly, although the medicines market is not the only one that is subject to strong state regulation, it is undoubtedly one where state control extends to the widest range of dimensions: marketing authorization, technical characteristics of products, property rights, reimbursement, and even prices. This regulation plays a major role in structuring the market, by determining its external (what may or may not be considered a medicine) and internal (what may or may not be considered an equivalent and substitutable medicine) borders but also the conditions and modalities of competition between suppliers and the conditions and modalities of access for patients and health professionals.

As such, it seems to me essential to describe both the formal organization (or structure) of the medicines markets and the organizational work carried out by these different actors. Here again, a whole literature, grouped under the label of "disease mongering" has insisted on the ability of Big Pharma to build and transform markets at the whim of their marketing departments. While it is not at all my intention to deny the financial power of these companies and their great ability to influence regulators, physicians, and patients, I want to emphasize the role of these other actors in structuring medicines markets. If we look at the regulatory agencies, we can only note the inability of the probiotics industry, which is extremely powerful, to influence the position of the EFSA and the European institutions on the regulation of health claims. Similarly, David Carpenter's work on the FDA (2014) underlines the extent to which a unilateral reading of the capture of regulatory authorities by private interests prevents us from grasping the complex and diverse mechanisms of cooperation or confrontation between regulators and the regulated. Much more than total opposition or perfect collaboration between the FDA and the industry, drug regulation in the United States has been based on an alliance built over time between the FDA and some ("reputable," "serious," and "professional") companies around a standard of quality and scientific evidence that excluded other companies (considered "less trustworthy"). If we now turn our attention to healthcare professionals, we can only observe that doctors and pharmacists occupy key positions at all levels of the market, whether as simple prescribing physicians or pharmacists, as university or company researchers in charge of conducting clinical trials and publishing results, or as experts solicited by companies or by regulatory agencies or governments to assess medicines and establish guidelines. Whether we look at regulation or healthcare organizations and professionals, the medicines market does not appear so much as a horizontal architecture bringing supply and demand face to face as a multiscalar and multipolar architecture giving rise to relationships of alliance, competition, and hierarchy between actors with different characteristics and located in different markets and organizations.

A second contribution relates to valuation processes. Like pragmatist works on valuation, I highlight the many uncertainties about the categorization of medicines and people, but more generally about the valuation principles that can be mobilized. Considering whether a product is a medicine or not also means positioning on what disease, health, well-being, or comfort are. Establishing the benefit-risk balance (and not the "ratio," as it is sometimes said) of the medicine relies on evidence from clinical trials but also, as Boris Hauray (2005) has shown, on the legitimacy of the expectations of patients, healthcare professionals, and manufacturers and on the responsibility of the regulatory agency and these different actors in the circulation of the product on the market. Setting a reimbursement rate or price means valuing not only the therapeutic interest of the medicine but also the capacity and willingness of the NHI to socialize or privatize the expenditure and, finally, the financial support to be provided to an industrial sector, a profession, or a category of patients. In this respect, analyzing the evaluation processes at work on medicines makes it possible to overcome the opposition between the economy and health by introducing a third term: politics. This political dimension of valuation is also to be seen in the use of these operations as an instrument of governance. Valuing a medicine means both assigning values to the product and to the actors who produce, prescribe, or consume it, but it also means organizing a distribution of values (financial, professional, symbolic rewards, etc.) between these actors. And through these operations of attribution and distribution of values, one also designs a possible government of actors' conducts. To take a topical example, the hype surrounding Dr. Raoult's statements and publications on the treatment of Covid-19 with hydroxychloroquine (in combination with an antibiotic) has caused a series of cascading effects on the exponentially growing demand for this medicine (from patients and physicians), on its regulation (the ANSM deciding to reserve the prescription of this product to hospital doctors, provoking the anger of general practitioners who initiated petitions to obtain the right to treat their patients with this medicine like any decent doctor), on its supply (some patients who were taking this treatment for other recognized indications being deprived of it because of shortages), on its production (the government considering rescuing the only French factory producing hydroxychloroquine, which was in bankruptcy), on clinical trials (chloroquine having been included at the last minute in the European clinical trial "Discovery" and some French patients refusing to be in the groups of the trial that would not receive hydroxychloroquine), and so on. By its convulsive dimension, this example is a perfect illustration of the entanglement between market organization and the medicine valuation process. It is also one more case to add to our research agenda in the coming years.

Endnotes

1 Two different words are used for "medicinal product" in English: "drug" is the most common word used in the USA and "medicine" is more frequent in the United Kingdom and Europe. I chose to use "medicine" in this article, as my research takes place in a European context.

2 Jeremy Greene (2014) developed a similar analysis of the introduction of generic drugs in the US thirty years earlier than in France. Despite the differences between the French and American healthcare systems, it is striking to see the many similarities between the generics policies implemented in both countries. See https://www.ema.europa.eu/en/human-regulatory/marketing-authorization/generic-hybrid-medicines.

3 Decriminalization does not challenge the principle of prohibition but is a system that provides use and possession for personal use with soft if no sanction (in particular, deprivation of liberty is excluded *de facto* or *de jure* in such a system).

4 The first list, which contained only generic health claims, was finally adopted in 2012 as an annex to EU Regulation 2012-432.

5 The Mediator is an anorectic (a diet pill) marketed by Servier, a French company, and indicated as adjunctive treatment for type 2 diabetes in overweight patients. It has been massively prescribed off label and has caused the death of hundreds of patients and disabling sequelae in thousands. While this medicine was withdrawn from all European markets in the early 2000s, France waited until 2009 to suspend its marketing authorization. In an inspection report, the Agency was criticized as a "complex, slow, unreactive, fixed organization," as being "structurally and culturally in a conflict of interest situation,", and that had been "inexplicably tolerant of a medicine with no real efficacy" (Ansaloni and Smith 2017). The Agency is being prosecuted as a legal person in proceedings that started in September 2019.

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OpEd

Death, economy, and the problem of excess

Roi Livne

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Open nearly every book about the US healthcare system and the problem of excess would echo throughout. Healthcare accounts for some 18 percent of US gross domestic product, and the figure continues to rise. Pharmaceutical companies, medical device producers, insurers, hospitals, clinics, laboratories, and physician groups make up a profitable industry that develops, sells, and utilizes ever-more-advanced and expensive methods to diagnose and treat disease. Procedures that only two decades ago were deemed "extraordinary" are now being used as ordinary treatments, which physicians offer and insurers cover even when their benefit is minimal (Kaufman 2015). It is mind-boggling, indeed, that in a country where so many lack even the most basic access to medical services, many others face a persistent problem of *too much.*

This problem of excess is manifest when it comes to severe and potentially terminal illness. Treating people in their last year of life consumes a staggering quarter of Medicare's annual budget (Riley and Lubitz 2010). Money aside, critics have argued that US medicine's aggressive treatment of severe illness prolongs debilitated, incapacitated, and agonized states of being, which can hardly count as meaningful lives. "The medical man," Max Weber observed in his famous lecture at the University of Munich, "preserves the life of the mortally ill man even if the patient implores us to relieve him of life, even if his relatives, to whom his life is worthless and to whom the costs of maintaining his worthless life grows unbearable, grant his redemption from suffering" (Weber [1917] 1946, 143). A century later and thousands of miles away, this foreboding description seems to have materialized in a most extreme and palpable way: excessive spending on excess treatment leads to excessively long and unwanted lives.

For the past decade, I have studied the US movement for *hospice and palliative care* as a mobilization that identified, criticized, and attempted to curb excess near the end of life. With much inspiration from the sociology of critical capacity (cf. Boltanski and Thévenot 1999), I am interested in the regimes that structure and condition this movement's critiques. My main focus, however, is analyzing the social structures that these critiques have produced.

Modern hospice ideas originated in England and reached the US in the 1960s. US hospices first developed in the form of small, idealistic, and fairly marginal groups of clinicians who advocated minimalism and simplicity in end-of-life care. Dying patients, they argued, had no interest in having their lives prolonged with sophisticated and extraordinary technologies. If allowed to reflect on their condition and assisted in accepting their inevitable death, the dying would presumably prefer to experience a "good death" at home, surrounded by family, and without artificial life-prolonging interventions. Beyond claiming to represent dying patients' wishes, hospice advocates promoted their more restrained medicine as morally and professionally superior: they stressed that when it comes to end-of-life care, *less is better*.

Some would find it ironic that by the 1980s, this iconoclastic and anti-institutional approach became the strange bedfellow of Reagan's fiscal conservatism. Against the backdrop of increasing healthcare spending, Reagan's administration sought ways to slash federal budgets. Hospice advocates were quick to recognize an opportunity and pitched hospices as a moral way to reduce healthcare costs. They argued that rejecting aggressive life-prolongation as excessive and unethical would help the government curb its expenditure (Livne 2014, 2019). Their reasoning was intuitive enough to make Congress approve hospices as a Medicare benefit in 1982. With a stable and reliable source of funding, US hospices grew into a massive industry. By 2018, Medicare was paying hospices 19 billion dollars annually to treat over 48 percent of the dying patients it insured (NHPCO 2019). These enormous amounts of money feed a thriving economy, over two-thirds of it for-profit, whose *raison d'être* is limiting life-prolongation and monetary spending on it.

In my recent book, *Values at the End of Life*, I call this economy *the new economy of dying* (Livne 2019). Like many other economies, this one comprises monetary exchanges, corporate interests, and moral views that enable and legitimize them (cf. Zelizer 1979). The actors within this economy, however, face a major challenge: How can they mobilize both current and future patients to join the economy and relinquish life-prolonging care?

The ethnographic parts of this book follow how clinicians address this challenge. I conducted participant observations in the palliative care services of three California hospitals. In the US, palliative care services work inside hospitals and typically see patients whose illnesses fall in the gray zone between curable and terminal. These would include, for example, people with severe, incurable, and slowly progressing chronic diseases; patients with incurable cancers who still seek some life-prolonging options; and older adults who experience physical and cognitive decline without facing an immediately life-threatening disease. Most of palliative care services' work involves discussing with patients, their families, and the medical teams who treat them whether, how, and when to phase out medical interventions. Some, though not all, of these patients are referred to a hospice.[1]

By shadowing palliative care teams in their day-to-day work, I could therefore follow how clinicians, families, and patients negotiated what counted as "excessive" and "unnecessary," placed limits on medicine, and decided to let patients die. The medical staff never deliberately invoked money or financial interests in these conversations. In the few cases that a clinician (never from a palliative care team) carelessly mentioned the high cost of treatment to a family, the interaction quickly devolved into a heated exchange, with the infuriated family oftentimes demanding that the patient receive maximum treatment.

The accepted and far more effective way to curb medical utilization and spending drew on soft power. Palliative care clinicians encouraged patients and families to engage in existential and introspective reflections, articulate what values and personal traits defined them (or their relative), and discuss what medical decisions would best match these values. The palliative care teams did not force external economic and organizational constraints on patients and families; they rather infused patients' and families' own judgment with a moral approach that valorized limits and informed how patients thought of themselves and their condition. This led many people to voluntarily conclude that they preferred less treatment for themselves or their family members.

This soft power, however, was effective to different degrees when applied to different populations. Patients from relatively privileged backgrounds, who had access to healthcare throughout their lifetime and the course of their terminal disease, were likely to have illness experiences that resonated with critiques of excessive and aggressive medicine. By contrast, many patients of marginalized populations who had their diseases diagnosed late due to having little or no insurance coverage, were dismayed that, when they finally saw a physician, the physician tried to convince them that less treatment was better. The new economy of dying, its moral views, and its pursuit of more economical dying trajectories is therefore a hierarchical social field, which valorizes and validates some experiences and biographies while marginalizing and remarginalizing others.

This project has several implications beyond the case of end-of-life care. First and most simply, it illustrates the value in applying an economic sociology framework to analyses of healthcare and medical practice. Despite being a major economic sector in all developed countries, healthcare has attracted relatively scant attention from economic sociologists. There is much work to do in the area. Second, it highlights how important it is to account for social hierarchies and inequalities when studying morality in economic life. Moral values and conceptions of legitimacy are crucial components in the formation and expansion of markets (Fourcade and Healy 2007; Zelizer 2011). Yet when studying them, one also has to account for the power of some groups to transform their particular experiences and views into general moral conceptions. Such conceptions may overlook, marginalize, and exclude other social groups.

Lastly, in my current work, I treat the case of end-of-life care as emblematic of an entire historical period. It is no coincidence that hospice and palliative care has proliferated since the second half of the twentieth century: this is a time when faith in the power of modern scientific progress gave way to discussions of progress's limitations and possible end. Similar discussions took place in other realms – economists warn of the exhaustion of growth (Gordon 2016; Hirsch 1978), and environmentalists highlight the finitude of Earth's resources and the imperative to rein in production and industrial expansion (Meadows et al. 1971). If the search for limits and the attempt to control growth and excess are defining features of the current historical moment, then end-of-life care and attempts to govern medical technologies may serve as an illustrative case that sheds light on far broader social dynamics.

Endnote

1 By Medicare standards, in order to qualify for hospice care, two doctors have to confirm that a patient has a life expectancy of six months or less.

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Viviana Zelizer receives honorary doctorate from Sciences Po

During a ceremony on November 13, 2019, Sciences Po in Paris awarded the sociologist Viviana Zelizer and the economist Joseph Stiglitz the titles of Doctor Honoris Causa. This distinction was given to Professor Zelizer for her work as the founder of a new school of economic sociology, and to Professor Stiglitz as the leading figure of the new Keynesian economy.

Created in 1918, the title of Doctor honoris causa is one of the most prestigious distinctions awarded by French higher education institutions to honor "people of foreign nationalities because of outstanding services to science, literature or the arts, to France or to the higher education institution that awards the title."

The European Economic Sociology Newsletter *has the pleasure of publishing the éloge by Professor Jeanne Lazarus, who delivered the commendation at the award ceremony, and the transcription of Professor Viviana Zelizer's acceptance speech. (Jeanne Lazarus' éloge was translated from French by Troy Tice.)*

Praise by Jeanne Lazarus

Mr. Director, dear Frédéric Mion
Dear colleagues
Dear students
Dear Professor Stiglitz
Dear Professor Zelizer, dear Viviana,

In consultation with you, I will deliver this address in your mother tongue, or more accurately, the mother tongue of your mother: French.

Viviana Zelizer is a sociologist and has been a professor of Sociology at Princeton since 1988. If the Department of Sociology at Sciences Po has chosen to award her the title "Doctor Honoris Causa," it is because, for many of us, Viviana Zelizer is a reference, an inspiration, and a scholar whose personality we admire as much as her work.

Viviana is arguably the most well-known and widely recognized female economic sociologist in the world. Her work demonstrates that in contemporary societies since industrialization and the advent of a capitalist economy, the economy and intimacy are paradoxically regarded as needing to remain separate even though they are deeply intertwined: intimate relations overlap with economic issues, economic practices intersect with social, cultural, and ethical issues. And yet, our societies carry out an enormous amount of work in order to create boundaries between the economic and the intimate and to give the impression that these spheres are impervious to one another. How this work is carried out and its implications for how we organize our societies is at the heart of Viviana Zelizer's research.

The work of separation is profoundly political even though it does not present itself as such: the political challenge of the twentieth century was to have the economy accepted as a world apart, obeying its own neutral rules, endowed with their alleged rationality. The early twenty-first century has called this certainty into question. Not only are the social consequences of economic decisions required to be taken into consideration, but more importantly the very idea of a neutral economy, of an economy that purports to be apolitical, amoral, detached from all ethical considerations, can no longer be maintained.

Social criticism influences both corporations, which now have "social responsibility" departments, and governments, whose economic policies are called into question when they do not consider their consequences on society. The interaction between economic activity and society, which Viviana Zelizer has described since the late 1970s, is higher on the agenda than ever before.

Viviana Zelizer was born in Buenos Aires to a Jewish family from Europe. Her mother came from an important family in the French Jewish community. Viviana, then, was brought up in a multilingual environment, a fact that allowed her to work for a time as an interpreter between English, Spanish, and French. She left Argentina to study sociology at Columbia University in the United States where she obtained her master's degree, then her doctorate in 1977. She taught first at Barnard College, a women's college affiliated with Columbia. She became a professor there and chaired the Sociology Department before moving to Princeton in 1988, becoming one of the major figures in Sociology at the prestigious university.

Her doctoral supervisor was Bernard Barber, himself a student of Talcott Parsons. Together with Mark Granovetter and Richard Swedberg, she was part of the generation of sociologists who decided to reexamine the great disciplinary division that had taken place a few years earlier, a division encapsulated in the slogan attributed to Talcott Parsons: value for economics, values for sociology. Challenging this division, these young sociologists then founded, largely around network analysis, what they called the "new economic sociology," whose aim was to demonstrate the importance of social ties in markets.

Viviana Zelizer brought to economic sociology, if you will pardon the pun, a *voix différente* and a *voie différente*, "a different voice" and "a different path." She has succeeded in making gifts, the circulation of money within the family, consumption, and the informal economy central to inquiry. That was a challenge. It took some time for Viviana Zelizer to be considered an economic sociologist by men working on "serious" subjects like businesses, networks, or trust. However, it is clear that if the new economic sociology had several founding fathers, it had only one founding mother: Viviana.

It was while working on these subjects, seemingly less serious than markets and high finance, that Viviana was chosen as the first chair of the Economic Sociology section of the American Sociological Association, which since 2003 each year gives the Zelizer Book Award to the best book on economic sociology. But perhaps the most obvious mark of recognition is that there is not a course on economic sociology in the entire world that does not grapple with her work.

This is not an anecdotal issue, nor is it a matter of indulging ourselves by emphasizing supposed gender differences in approaches to the economy – men study markets and finance, women the domestic sphere – but rather a central scientific question. A significant number of economists, and as well as sociologists, consider "real" economics to be about businesses, finance, and "serious" markets, while domestic money, money that passes between individuals, is perceived as peripheral and incidental. Yet if domestic money is deemed to be a peripheral subject, then the demonstration of this money's multiple social meanings – derived from culture, religion, relationships among people, etc. – will not be transposed to the rest of the economy and will not undermine the idea that the economic world is governed only by cold rationality. Or more precisely, if the division between the domestic economy and the real, or serious, economy is maintained, then any manifestation of culture or socialization in economic practices will be classified as "bias."

On the contrary, Viviana Zelizer's work affirms that economic practices, not only in the domestic space but as a whole, cannot establish themselves without being consistent with the culture and the ethics of the societies to which they belong; therefore, ethical norms need to be transformed if previously unacceptable markets, practices, and forms of calculation are to be developed. Culture is not a bias; it is the foundation of all economic practice.

Viviana's early work on life insurance was already a way of moving between the different regions of economic life. Life insurance is a multi-billion-dollar industry that mobilizes financial markets and state-of-the-art calculation techniques to measure risk, uses the best of financial engineering and requires a suitable legal framework. We are at the very heart of "real" markets. Yet the history of this industry is a history of morality and ethics. Viviana's hypothesis, supported by exhaustive archival research, is that life insurance could only develop the moment a good death was redefined in conjunction with the redefinition of the role of the head of the family. No longer did good Christian husbands and fathers have only to prepare themselves spiritually for the afterlife,

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they also had, perhaps above all, to anticipate the financial consequences their deaths would have on their families. Since then, if life insurance has become such an important North American industry, it is not thanks to actuarial work or the quality of the calculations, but because of the ethical work undertaken as such by its promoters.

Her work on life insurance continued with a book with the magnificent title *Pricing the Priceless Child*, published in 1985. By exploring the monetary valuation of children, i.e., their work, the cost of adoptions and, more dramatically, financial compensation paid in the event of accidents, Viviana entered areas that are now considered taboo, but which have not always been so. It was in the middle of the nineteenth century that the American middle classes invented the child with no economic value. From the moment children were taken out of the workplace to become schoolchildren, parents no longer had their children to count on to support them in their old age but from now on had to make sure to provide for their unproductive children who were focused on their education. Modern family values dictate that money spent on children is not counted, which renders the child, literally and figuratively, "priceless."

The sacralization of family values and children, which must make them impervious to any economic valuation, has paradoxically made both calculating the costs associated with family matters a taboo *and* the education of children extremely expensive, as North American families know all too well. (As everyone knows, French families are not concerned by these changes!) Families take on debt, sometimes putting themselves in financial danger in order to live up to social expectations. Shedding light on this economic aspect of the family enables us to better understand the many political issues discussed today, in France and elsewhere. To start a family in today's world is both to be able to support one's needs and one's children until they become independent and enter the job market. If economic conditions no longer allow households to do so, considerable violence is done to people who are unable to fulfill their moral role as parents.

Viviana's best-known work in France is her work on money. Her only book translated into French, *The Social Meaning of Money,* attacks a well-established idea among economists but also among sociologists: that money is simply a necessary tool in exchanges, neutral and odorless. This supposed neutrality would be its strength: it could evaluate everything, authorize exchanges between anyone, anytime, anywhere. Yet it is also what it is criticized for: it would impoverish collective life by imposing a single value system, making everything and every person comparable. The increased circulation of money would have given birth to a rationalistic, calculating humanity that risked, if it had not already done so, losing its soul in modern, monetarized society.

Viviana pushes back against these two correlated conceptions of money: it is not neutral and impersonal, and it does not destroy social ties. Once again, her careful study of families enables her to deploy her arguments. She teaches that money has an odor, and that its users appropriate it and color it with social, cultural, or emotional meanings. Her analysis here is also grounded in the social changes of the late nineteenth and early twentieth centuries: money entered every household, including the poorest. Actors "earmarked" it according to its origin (lottery winnings, gifts, salaries, illegal income, etc.), its function (money for rent, coal, food, leisure, etc.), and its user (wife, husband, children).

Viviana Zelizer's sociology of money states that money does not impose its logics unilaterally but that it is domesticated. It is colored by its users. Thus, preexisting power relations, between men and women for example, will be found in how people use domestic money. At the same time, this is not meant to imply that the presence of money has no effect on ways of life and moral values. Only that this transformation is reciprocal. It should be minutely observed in order to understand its form.

Thus, to really understand the economy, Viviana decided to explore intimacy. Her sources were very original: press clippings, home economics textbooks, advice to newlyweds, professional booklets, advertising materials, etc. But it is in court archives that she has found the most material for understanding how we have come to live in a world where the economy and the intimate are deeply intertwined although the prevailing ethical code asserts that these spheres are hostile and must remain separate.

We manage to keep these spheres separated, Viviana tells us, because individually and collectively we produce an immense and permanent relational work. In each of the spaces of social life that we encounter, we make arrangements that Viviana calls "economic circuits" and that are made up of a specific arrangement of four elements: ties among participants; transactions; the means of exchange; and the circuit's boundaries.

When the relational work fails, judges are brought in; before the courts, the law is asked to categorize and reshape the boundaries between the economy and intimacy as society imagined them. Judges must decide whether a transfer of money between a man and a women is a gift or the payment of a benefit; whether a divorced parent is obligated to pay for their children's university education; whether domestic work is a service or a job, or whether a friend who helps out is an undeclared employee. What the courts are looking at in these cases is never "purely" economic or "purely" intimate. Lawyers provide them with all kinds of evidence: employment contracts, professional regulations, descriptions of the activity under question but also reports on the intimate ties that bind people, restaurant bills whose totals will be deemed justifiable or illegitimate depending on the relationship between the parties and more broadly arguments on the "normal" and "appropriate" nature of the relationships and the cash flows they generate.

The court draws the moral boundaries of the relationships between parents and children, between a lawyer and a client, between lovers, or between a domestic worker and their employers. Within these boundaries, it is crucial that the relationship, the transaction and the means of exchange match. In order to separate the good uses of money from the bad, we have categories such as corruption, prostitution, theft, but on closer inspection, and especially in court cases, their boundaries are much less clear than our moral comfort would like. Newspapers are full of the issues that fascinate us, whether the tabloid newspapers that flaunt the family wars waged over the wills of famous singers[1] or the more serious newspapers that cover the recent dismissal of the McDonald's executive who had an intimate relationship with a subordinate or that wonder whether the luxurious meals the president of the National Assembly had served to his friends were really "professional."[2] In each of these cases, there is recourse to the law but also to morality. These eminently Zelizerian subjects fill our conversations. Evidence for the intermingling of the intimate and the economic is ever under our eyes, and yet we continue, through relational work, to maintain the fiction of separations which are meant to protect the purity of each of these spheres.

Relational work is not an individual issue: marriage contracts, birth certificates, employment contracts, or declarations of interest are social translations of this relational work, i.e., of the walls we try to build in order to know where we fit in society, how to act with others and integrate the existence of the inevitable financial flows without money destroying social ties.

This approach paves the way for multiple investigations, multiple comparisons: people do not marry or divorce in the same way or at the same cost in France, the United States, China or Algeria. The "right" way to care for children and the elderly also differs. Can people entrust their sick children or parents to someone outside the family? The answer to this question is moral, cultural; it is also institutional and translated into the different forms of the welfare state. The stakes are of fundamental importance to our societies. They are a source of conflict within families, but also of political conflict. People take to the streets to defend their purchasing power and their retirement, to protest a hike in metro fares. In the end, it is a matter of making their idea of the proper way to live coincide with their economic possibilities.

French scholars have known, read, and used Viviana Zelizer's work for a long time. In 1992, her first article in French appeared in *Actes de la recherche en sciences sociales*, the journal founded by Pierre Bourdieu. It is striking that Viviana can reconcile all the trends of French sociology. The seminars she gave when she visited Paris brought together in the same room those who usually crossed paths trading barbs in the pages of journal articles. This recognition in different or even opposing epistemic universes is probably due to the ecumenism of her approach that interests historians, sociologists of the family and intimacy, scholars interested in care work, as well as economic sociologists. It is also linked to the fact that Viviana Zelizer does not enter into academic quarrels but offers her own vision of society, which she sets out in a very calm, non-aggressive way, so much so that she – almost always – steers clear of economic sociologists' favorite sport, the one thing they can all agree on: the criticism of our economist friends!

For Viviana Zelizer is a great thinker, and I would like, if I may, to take advantage of this ceremony – which has seen some of my fellow sociologists wear a gown for the first time in their lives – to reflect on what greatness is for an academic.

A great thinker delineates the world differently and reorganizes causalities. In doing so, they open up new avenues of research, pushing us to question elements that together we had not seen or thought of before. And what Viviana does, on top of that, is provide us with the tools to think. After having illuminated zones of social life that we did not see, she gives us the categories of thought to make sense of them.

This helps us to understand why Viviana is so cited and respected: her work paves the way with generosity. It offers us a new way of seeing and questioning the world and provides us with a toolkit to take with us when we explore it.

This generosity is also reflected in the way Viviana encourages younger students and researchers. I had the chance to see it firsthand when we first met. I had not even started my master's degree, yet you, Viviana, kindly gave me your time, attention, and advice. A few years ago, in the almost familial atmosphere of a symposium celebrating the twentieth anniversary of *The Social Meaning of Money* in Paris, scholars came from across Europe and the Americas to speak about the importance your work has had for them and to express something of the richness of the paths that you opened. I remember the attention you gave everyone, switching easily from Spanish to French to English, asking questions, showing an interest in each person that was far from feigned. This is evident from the care with which you frequently cite your students' most recent work in your writings, work carried out across the world by researchers interested in the subjects you have explored. Academic greatness is also defined by the benevolence and concern shown to younger scholars.

As will be obvious by now, I have great admiration for Viviana Zelizer, and it is both a great joy and a great honor to have been able, on behalf of Sciences Po, to share it with her today.

Acceptance speech by Viviana Zelizer

Chers collègues, chers étudiants
Professeur Stiglitz
Mesdames, Messieurs,

Quel grand honneur et quelle joie de recevoir cette émouvante distinction de la part de Sciences Po, une institution universitaire avec une si brillante histoire, si influente au niveau national et international. Je suis également reconnaissante à Jeanne Lazarus et au formidable département de sociologie de Sciences Po. Vous avez rassemblé une équipe qui contribue à notre discipline en général et spécifiquement à la sociologie économique avec des travaux importants et innovants. Je remercie vivement Jeanne pour son éloge: pour ma part je connais et admire ses recherches, spécialement ses efforts pour établir des liens entre les études sur la financiarisation et sur l'économie domestique, aussi bien que son intérêt pour l'étude de la moralité des transactions financières. Jeanne et ses collègues à Sciences Po font partie du renouveau de la sociologie économique.

Je voudrais aussi remercier Marina Abelskaia-Graziani pour avoir facilité si efficacement et avec tant de gentillesse ma visite.

Dans quelques instants, je reviendrai au sujet de la sociologie économique. Mais entre-temps, permettez moi quelques remarques personnelles qui expliqueront en partie mon plaisir d'être ici. Née en Argentine d'une mère française et d'un père argentin, j'ai grandi dans un monde bilingue français-espagnol bien avant d'aborder d'autres langues. Mon grand-père Simon Weill, née à Paris, rue Baudin en 1879, ingénieur agronome émigré en Argentine au début du vingtième siècle pour diriger une entreprise agricole a reçu la légion d'honneur pour sa participation à la première guerre mondiale.

Dans mon cas, émigrée aux Etats-Unis après mes premières études universitaires, je suis devenue, peut-être paradoxalement, spécialiste de l'histoire culturelle et économique américaine. Mais deux éléments inattendus m'ont rappelé mes racines françaises. D'abord, la traduction française de mon livre *La Signification sociale de l'argent*, préfacée par Jérôme Bourdieu et Johan Heilbron, m'a mise en contact avec des chercheurs français ; ce qui m'a ouvert les yeux sur l'épanouissement des sciences humaines en France. En même temps, j'ai établi un échange intellectuel et des amitiés profondes avec plusieurs collègues français. Tout cela m'a ouvert la voie d'une conversation inspirante avec des économistes et sociologues français, une conversation qui continue. Et qui aujourd'hui atteint une merveilleuse nouvelle dimension.

Vous m'excuserez, je l'espère, de continuer mon exposé en anglais, ma langue de travail malgré mes origines hispanophones et francophones.[3]

Let me start by noting that sharing this honor with Professor Stiglitz adds to the wonder of today's event. Not only because I have been his longtime fan, but because it foregrounds possibilities of interdisciplinary dialogue between economics and sociology. As it turns out, an intellectual highlight of my last few decades has been the growing exchange of ideas with economists. Especially memorable, several years ago, Princeton economist Avinash Dixit and I co-organized an Economics & Sociology workshop – the first such effort at our university, hosting speakers from both disciplines whose work focused on the social organization of economic life.

I was further drawn into the world of economics as member of the advisory council for the Paris School of Economics, as it re-organized the teaching of economics in Paris. And, also in Paris, five years ago I had the great honor of participating in an interdisciplinary conference organized by Florence Weber and other collaborators for the twentieth anniversary of my book *The Social Meaning of Money*, bringing together economists and sociologists into productive dialogue. Finally, only a few weeks ago, I had the privilege of delivering the inaugural lecture honoring Elinor Ostrom, a political scientist, on the tenth anniversary of her Economics Nobel Prize. Ostrom, the first woman to receive the Economics

Nobel, was an ardent supporter of interdisciplinary dialogue, as necessary for identifying as she put it: "the common work parts of all this buzzing confusion that surrounds our lives."

These are interesting times for both economics and economic sociology in their separate attempts to make sense of that "buzzing confusion." Certainly, we are witnessing exciting new developments within economics, as with the latest Nobel Prize awards. But don't worry, I won't talk to you about economics when we have a greater expert in the room.

Instead, here's what I see from the perch of economic sociology. After almost half a century studying economic life, and more specifically trying to make sense of intersections among economic activities, interpersonal relations, and shared culture, I am encouraged by the newest developments in our field. Let me indulge briefly in telling you about my own path within economic sociology and how it connects to more recent research in the field. Awards, much like birthdays, trigger such reflections on past, present, and future.

When I began my academic journey during the 1970s, I never in fact imagined that I would arrive at the center of a field called economic sociology. Why? Two main reasons: first, my attention to culture and morality in a field committed to explain the influence of social networks on the economy, and second, my push to redefine what we should consider as "real" economic sites, beyond the standard focus on capitalist markets and corporations. Let me tell you a bit more about each of these two issues.

First the issue of culture and morality. My dissertation and first book traced changing cultural and morally inspired responses to the life insurance industry in the U.S during the nineteenth and early twentieth centuries. That research sparked my long-term interest in the mingling of morals and markets: how, I asked, do the separate worlds of values and morality intersect with economic activity? Specifically, how did deep opposition to life insurance as the morally suspect pricing of human life become legitimized in the twentieth century as a meaningful death ritual: so that life insurance became acclaimed as a morally laudable economic investment in the future for the American middle class?

I followed the life insurance study with a second book *Pricing the Priceless Child*, examining the cultural transformation of children's economic and sentimental value in the US during the same historical period. Like my *Morals and Markets* book, the Priceless Child offered a way of thinking through how Americans responded to economic changes that other people had portrayed as inevitable rationalization.

This exploration of cultural transformations and moral debates made me an anomaly among scholars involved in launching the so-called new economic sociology of the 80s. In fact, I did not even consider myself as contributing to the fledgling field. Why? Because those pioneers concentrated on social networks, deliberately staying away from meaning systems. And, importantly, they approached the analysis of social relations as a context: as external facilitators or constraints on economic processes. That's what we mean by the "embeddedness" (encastrement) of economic phenomena in social processes. Context analysts look at standard economic phenomena such as labor markets, commodity markets, or corporations, showing how interpersonal social networks as context shape the options of economic actors.

Along with a few other dissenting sociologists, I came to challenge this context approach, in favor of more subversive alternatives. In this *analyse alternative* we identify shared meanings and social relations not as context but at the very heart of economic activity, including the previously sacred and unexplored territory of markets and money.

In my 1994 book on the social meaning of money, I thus pushed deeper into economic territory, showing that all economic reasoning is in fact social. Contra the dominant economic theory of fungibility, I drew from U.S. historical materials to demonstrate the relational, cultural, and moral differentiation of money, what I call monetary earmarking (*marcage*) depending on money's sources, its uses, its users. In the process, the book mapped out a variegated

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social and culturally meaningful economy far different from the monochromatic grey world of modernity predicted by classical social thinkers.

Importantly, culture in my analysis does not act as an autonomous force but as a constitutive element of social relations. As a result, where others focus on straightforward social network conceptions of interpersonal ties, I find the variable meaning, quality, and intensity of relational ties among economic actors. In this alternative view, negotiated and dynamic interpersonal interactions, not the individual, become the starting point for economic processes. To describe this process, I later coined the term relational work.

The second reason I remained for some time on the outskirts of mainstream economic sociology was my choice to focus on a range of economic spheres outside the capitalist firms and production markets that dominated the field's mainstream. I investigated instead intimate economies, households, caring labor, gift exchanges, remittances, welfare, and consumption. This broadened lens breaks down artificial boundaries between supposedly sturdier "real" economic spheres and those allegedly peripheral, trivial economies. To be sure, we must recognize variability in different kinds of markets and monetary transactions. But acknowledging this expanded economic territory moves us away from sentimental but erroneous dichotomies. It challenges what I call "hostile worlds" views splitting the world into economic activity and personal spheres, with the often perverse effect of increasing economic inequalities for those involved in the more personalized and therefore supposedly less seriously economic domains.

I thus entered the field of economic sociology through a side door and, let me add, also a woman's door in a specialty where most leading scholars were men. I sometimes wonder whether my different approach to economic activity, if my attention to meaningful relations and to different kind of economic arrangements stems not from the fact that I am a woman but because as a woman working in a male-dominated field I surveyed the economic landscape as the Simmelian l'étranger,[4] who Simmel described as "plus libre, pratiquement et théoriquement … moins lié dans son jugement par les conventions":[5] in this case perhaps less beholden to mainstream paradigms of what constitutes core economic institutions.

To my surprise, in the past fifteen years or so, the field has turned in my direction. It has been a delight to read the stellar work of a younger and international generation of economic sociologists as they break new ground studying the meanings and morality of markets as they probe into a variety of economic spheres: financial markets, welfare economies, art worlds, markets for human goods, informal lending and saving practices, the emerging world of cybercurrencies, and more. This twenty-first century research by (among others) U.S. and French sociologists and increasingly stellar young Latin American scholars, advances truly alternative socially based description and explanation of economic activity. These investigators are also trying to make strong connections among moral theories of the economy, ideas of social change, and public policy. I am gratified by their extensive adoption and extension of my relational work framework (documented by the brilliant sociologist Nina Bandelj in a forthcoming review essay).

Meanwhile, I am still (still is a word that comes up often after you reach a certain age!) pursuing answers to the multiple puzzles raised by the mingling of meanings, relations, and economic activity. One of my current projects that I will discuss tomorrow focuses on the college economy: As elite universities increasingly recruit low-income students into a mostly affluent campus community, how, I ask, do students manage cross-class relations in their everyday economic interactions with roommates, friends, and teammates? Note that for me, this means that after a career specializing in historical research, for the first time I find myself speaking to live informants rather than reading dead respondents' testimonies!

Pour finir, je voudrais vous remercier encore une fois pour m'avoir accordée un tel honneur. Recevoir ce titre de Docteur Honoris Causa a Science Po m'inspire a continuer a rechercher, ainsi que enseigner a mes élèves les profondes racines sociales et culturelles de nos vies économiques.

Endnotes

1 The complicated succession of the French singer Johnny Hallyday, for example.

2 In July 2019, the French politician François de Rugy was forced to resign as environment minister after revelations that he had organized a series of lavish dinners for friends and professional acquaintances when he was president of the National Assembly.

3 Dear colleagues, dear students
Professor Stiglitz
Ladies and gentlemen,
What a great honor and joy to receive this moving distinction from Sciences Po, a university institution with such a brilliant history, so influential at the national and international levels. I am also grateful to Jeanne Lazarus and to the formidable sociology department at Sciences Po. You have assembled a team which contributes to our discipline in general and specifically to economic sociology with important and innovative work. I warmly thank Jeanne for her praise: for my part, I know and admire her research, especially her efforts to establish links between studies on financialization and on the domestic economy, as well as her interest in the study of morality within financial transactions. Jeanne and her colleagues at Sciences Po are part of the revival of economic sociology. I would also like to thank Marina Abelskaia-Graziani for facilitating my visit so efficiently and with such kindness.

In a few moments, I will come back to the subject of economic sociology. But in the meantime, allow me a few personal comments that will partly explain my pleasure in being here. Born in Argentina to a French mother and an Argentinian father, I grew up in a bilingual French-Spanish world long before coming to other languages. My grandfather Simon Weill, born in Paris, on rue Baudin in 1879, an agricultural engineer who emigrated to Argentina at the start of the twentieth century to run an agricultural initiative, received the Legion of Honor for his participation in the First World War.

I emigrated to the United States after my first university studies, and became, perhaps paradoxically, a specialist in American cultural and economic history. But two unexpected events reminded me of my French roots. First, the French translation of my book *The Social Meaning of Money*, prefaced by Jérôme Bourdieu and Johan Heilbron, put me in contact with French researchers; which opened my eyes to the development of the social sciences in France. At the same time, I established an intellectual exchange and deep friendships with several French colleagues. All this opened the way for an inspiring conversation with French economists and sociologists, a conversation that continues. And which today reaches a wonderful new dimension.

I hope you will excuse me for continuing my presentation in English, my working language, despite my Spanish and French origins.

4 Simmelian stranger.

5 freer, practically, and theoretically … less bound in its judgment by conventions

Book reviews

Branko Milanovic · 2019

Capitalism, alone. The future of the system that rules the world

Cambridge, MA: The Belknap Press of Harvard University Press

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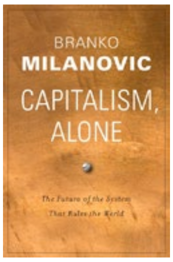

Economic inequality is the main theme of the research of Branko Milanovic, former chief economist of the World Bank, currently senior scholar at the Stone Center on Socio-economic Inequality, and one of the leading scholars in this field. His perspective on inequality as shown in his 2016 book on "Global Inequality: A New Approach for the Age of Globalization," is a worldwide one and one which, as he claims, is insufficiently taken into consideration. His new book deals, as the title says, with the future of global capitalism. Inequality, however, also remains one of his principal concerns in this book, because he sees the increasing inequality as systemic in capitalism and as an inevitable consequence of economic development and globalization. Some former Third World countries grew fast over the last decades, causing global inequality between nations to decrease, while inequality within most countries has risen. This success of some countries, notably China, came about in ways that are different from those of "the West" or the USA. He perceives a bifurcation into two competing types of capitalism, one being the "liberal meritocratic capitalism" represented by the USA and to some degree by European or Western countries, and the other the "political capitalism," which he connects with China and some other countries like Vietnam and Indonesia.

In the first two chapters he presents the main features of these two types of capitalism, starting with "liberal meritocratic capitalism" (pp. 12), which he sees based on the principle of "meritocratic equality," that is, the ideal assumption that careers are open to talent. However, instead of leading to decreasing inequality of opportunities, from the 1980s onwards this has led to a considerable rise of inequality accompanied by an unlimited striving for success measured in money terms. He especially points out the increasing concentration of capital and labor incomes, because the rich are not only rich in capital and the income drawn from it, but also earn incomes from work, mostly in highly paid positions and on the basis of a good education from the most prestigious schools (pp. 34). Milanovic embeds this fact of "homoploutia" in the socio-economic context, connecting it with a predominance of assortative mating (homogamy) between capital- and labor-rich individuals resulting in heightened inequality between households and high intergenerational transmission of wealth, while intergenerational mobility recedes. "The rich" have become a self-perpetuating upper class that, moreover, dominates politics by unrestricted private funding of political parties and of lobbying. Milanovic's critique is that "everything that enables this class to maintain and reinforce its position and is within the bounds of the law is, ipso facto, desirable" (p. 66).

In turning to "political capitalism" he discusses at some length the role of communism in the world, because he holds that political capitalism "is in many cases a product of communist revolutions conducted in societies that were colonized or de facto colonized, such as China" (p. 67). He does not discuss other forms and conceptions of political capitalism, but focuses on former Third World countries, where communism enabled these societies "to abolish feudalism, regain economic and political independence, and build indigenous capitalism" (p. 75). The communist revolutions were following a nationalist agenda aiming at a strong state run by a socialist-nationalist party. In China the reforms of Deng Xiaoping in 1978 introduced liberal capitalist elements into the economy and gave space to the private sector for developing its dynamism. But Deng did not want to adopt the Western political system because the private economy should not dominate the state. Uniting a capitalist or market economy with a one-party political system and the efficient rule by a technocratic bureaucracy set on pursuing the aim of realizing high growth without the binding rule of the law proved successful, even if inequality has markedly increased in China since. There is a high concentration of capital and high intergenerational mobility resulting in a new capitalist elite, which, however, has relatively little political power. As Milanovic sees it, the advantages of political capitalism over more democratic countries lie in its ability to surmount the legal and technical impediments to growth easier and to induce private actors to work for overall growth.

Having described these two types of capitalism, Milanovic discusses some problems that arise from globalization and that concern the issue of inequality. Regarding labor from a strictly economic viewpoint as a factor of production just like capital, he is convinced that the fully free movement of people from one country to the other would lead to an increase of global incomes and a decrease of global inequality (p. 139). From this perspective it appears desirable to remove barriers to the fully free movement of people, one of these barriers being the unwillingness on the side of rich societies to accept migrants. In this connection he introduces the concept of "citizenship premium" or "citizenship rent" based on membership in a nation-state, which he sees expressed by the differences in income levels, including social benefits, between countries and which lead migrants from poor countries to move to rich countries. Milanovic's proposition is that the native population would be "more likely to accept migrants the less likely the migrants are to permanently remain in the country and use all the benefits of citizenship" (p. 142). The solution for the problem of migration that Milanovic suggests, is to treat migrants differently, pay them less, employ them only on a temporary basis, and exclude them from receiving all social benefits, thus giving them a "citizenship light." To my understanding this mixing up of citizenship, which is a legal concept, with economic differences that stem from the status as a worker, is problematic. Apart from this, however, it is also difficult to see this differential treatment as a viable policy, since it would run counter to anti-discrimination laws and ideology, which, anyhow, he sees as exaggerated. Moreover, it would create different categories of migrants and lead to the formation of an underclass, to ghettoization, and to an increase in the level of conflicts in society. He is aware of these latter problems, but points to the future for which he expects a widespread "degrounding" of people as well as "the emergence of fully flexible labor markets with temporary jobs" (p 192), a prospect that could be less desirable than he seems to think.

Another possibility of ending the migration problem according to Milanovic, would be if poor countries would catch up with the rich in terms of individual incomes. A precondition for this is that poor countries are included in the global supply chains of Western companies, which he sees as the reason behind the universal spreading of capitalism and its dominance in the world (p. 154). He does not consider the problem of the dependence of the poor countries on the rich countries or the global enterprises, nor does he discuss the problems of global supply chains. Instead he sees a tacit coalition between the rich in the rich countries and the poor in the poor countries, because capital returns go to the capitalists in the center and skills and wages go offshore, making the middle classes in the rich countries the losers of globalization. Throughout the book he speaks of "the rich" and "the poor," implying a polarization within countries as well as between them, as if there was nothing in between, and without referring to the relativity of rich or poor. This is also apparent when he comes to discuss the welfare state in the context of globalization and argues, not surprisingly, that in the long run the two of them are not compatible. He sees "the poor" streaming into the welfare states from outside and "the rich" opting out of the welfare state, but does not consider those who are neither rich nor poor, but who make up the mass of the population in most countries, at least those with a welfare state.

Milanovic gives special attention in this book to the problem of corruption which, as can easily be understood, rises with globalization. In political capitalism the close relation of bureaucracy and business leads to endemic corruption which cannot be curbed by rule of law because that, as he says, would destroy the system. As to democratic societies, he thinks some degree of personalized as opposed to impersonal application of rules is even desirable, and that the possibilities for eliminating corruption are limited in spite of the strict anti-corruption rules in liberal capitalist countries, which he anyhow sees as excessive. Moreover, he argues that corruption has an equalizing effect on incomes in the global perspective (p. 173). In light of this he thinks that we should regard corruption up to a certain level as more or less normal, a view which for many will outright not be acceptable.

Milanovic sees no alternative to "hypercommercialized global capitalism" (pp. 177). Thus, different from others like Wolfgang Streeck (2016) or Immanuel Wallerstein et al. (2013), he does not foresee the end of capitalism or its dissolution in an era of constant crises and conflicts, but assumes the persistence of capitalism globally, at least if no "external" and highly disruptive events like nuclear war – and we may add global natural catastrophes or worldwide outbreaks of infectious diseases – occur. But the question he poses is whether liberal capitalism or political capitalism will prevail or whether some mixture of both will develop. He seems to think that the plutocratic tendencies in Western societies could lead to discarding democracy in exchange for high growth and incomes and to turning to some form of political capitalism. Does he then assume that the latter guarantees growth and income rises? He sees the chance of the spread of the Chinese system depending on the emulation by those countries in which China invests heavily, as China itself so far has not adopted a strategy of spreading its model to other countries. Milanovic, thinking probably of the US or the West, envisages two other future scenarios that, however, will depend on decisive changes of policies (pp. 215). The first is "People's Capitalism," where people have equal *shares* of capital and labor incomes, but different amounts of them with the consequence that inequality persists but does not rise while, however, allowing some degree of intergenerational income mobility. A second scenario he mentions is "Egalitarian Capitalism," where people have equal *amounts* of capital and labor incomes, so that a rise in the share of capital in national income does not result in a rise of inequality. As to measures curbing inequality, he addresses tax advantages for the middle class, high taxation on wealth and inheritance, providing good education with low cost for all, "citizenship light" for migrants, and the abolition of private funding of political parties (p. 217).

His presentation of the future of capitalism and the problems of globalization is based on clear economic argumentation, using a considerable amount of data that are presented in an accessible way. But his outlook on the Western model of capitalism and especially the situation in the US is based on a moral argument focusing on behavioral issues, not backed by empirical findings, like the "inevitable amorality" of capitalism and people becoming "capitalistic calculating machines" whose morality is "outsourced" to the legal system (p. 195). The limitation to the two forms of liberal and political capitalism, represented by the US and China, makes the argument clear, but results in the complete disregard of other parts of the world like Africa, South America or Russia, and of the differences between the US and Europe. On the whole, however, the book makes interesting reading and proposes controversial arguments which are apt to stimulate further discussions.

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Jon Shefner and Cory Blad · 2020

Why austerity persists

Cambridge, UK: Polity Press

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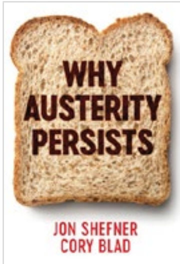

It goes without saying that *Why Austerity Persists* is a most compelling title in the current covid-19 crisis. Austerity is at once the magnifier – if not arguably the central factor – of this dramatic social crisis, and the looming policy solution, which might be escaped only by unprecedented political resistance. This seeming paradox speaks well to Shefner and Blad's argument of austerity's hegemonic status as the unavoidable "normative expectation and perpetual condition" of our societies for the past forty-five years. The authors' main contribution does not lie so much in the depth of their historical and theoretical analysis but rather in its scope. The book offers a broad overview of the varieties of austerity experiences throughout the globe since the 1970s, by selecting particular case studies that span the most studied cases of the USA and Europe all the way to Latin America, Africa, Asia, and Oceania. The acknowledgment of austerity's extensive history in the Global South allows a comparative analysis that highlights historical differences and continuities through a taxonomy with three major categories.

The first is regime type. Regimes range from the explicitly authoritarian, such as the infamous case of Augusto Pinochet's Chile, to at least formally democratic regimes, such as Alexis Tsipras' Greece or David Lange's New Zealand. It is this attention to political settings that demystifies the role of the state as a "neutral arbiter." With austerity, the state does not shrink or lose influence: it rather shifts priorities, which no longer aim at state-centered economic development but rather to "impose the new market logic and reinforce the power of the class constituency to which it responds" (51). This shift requires ever more coercive force. The cases of post-colonial countries such as South Africa and Zimbabwe are especially illuminating in this respect. The authors underline the continuity between colonial oppression and austerity's fierceness in foreclosing the expectations of the black liberation movement towards inclusion and socio-economic justice. In this sense, the political violence of Apartheid was translated into economic violence by way of the state's austerity policies, which enabled the exploitation of black labor through its submission to market forces.

Domestic agency varies across cases, especially in the Global South. The second taxonomical category accounts for this variation. The "degree of external imposition" captures the tightness of the relation between austerity, dependency, and long run-colonial practices of extraction. This relation is reproduced through the typical structural adjustment programs or even capital flight. Third and finally, the category of "the breadth and depth of the impacts of austerity" addresses the differences in the impacts of austerity not just between countries but within them. Metrics such as real wage changes, layoffs, unemployment, and inequality reveal the class face of austerity as well as its ultimate rationale: the profit of the few and subordination of the many.

The bottom line of the authors' incisive comparative analysis is that, while different contexts matter, ultimately austerity policies act everywhere in a common direction. Austerity's significance as an "economic tool" in favor of the larger political project of neoliberalism thus lies exposed.

It is here that my concerns start to emerge. The authors themselves state that they seek to recognize the "long and global history of austerity." I contend that the authors' emphatic association of austerity with neoliberalism inadvertently weakens this effort. The consequence is to partly undermine their analysis of austerity's capacity to persist.

In the first place, the history of austerity begins well before the Chilean experiment of the 1970s. Austerity as we know it today emerged in the early 1920s as a reaction to the unprecedented economic role of the state in running the war economy, and especially as a bulwark against widespread socialist revolution. Britain's acquaintance with austerity did not happen – as the authors affirm – after World War II (where the word austerity had a very different meaning to the practices we associate it with today) but actually after World War I, with the first commitment to curtail debt and inflation via the draconian combination of higher interest rates and budget cuts that produced an unprecedent level of unemployment followed by wage curtailment.[1] Moreover, it is at this time that the newborn Economic Council of the League of Nations acted as the pioneer of the current international financial institutions, such as the IMF and World Bank, in offering loans to starving countries conditional on their acceptance of the thin gruel of austerity. The austerity recipe of budget curtailment, price deflation, and wage cuts were imposed not only on countries suffering war destruction such as Greece, Hungary, and Austria but more generally and globally: Brazil, Australia, and India had a taste of it too.[2] The financial pressure of having to compete within a global capitalist market played its coercive role, while economic experts coming from the Bank of England, the British Treasury, and European universities provided the theoretical and moral backing for these disciplining mechanisms.

This historical gap on the part of the authors drives them back toward the sort of American-centric analysis that their project on the whole properly eschews. Indeed, the economic theory supporting austerity stems from the neoclassical framework that dates to the end of the 19th century, long prior to the neoliberal ideologues of the Mont Pèlerin Society or the Chicago School of Economics. The neoclassical legacy is alive and well in many parts of the world: austerity has its global autochthonous supporters notwithstanding American direct guidance. It is enough to think about the so called "Bocconi boys" in Italy and their influence on the Troika,[3] who are the grandchildren of the neoclassical economists working to implement austerity under Fascism in the 1920s. Luigi Einaudi was both the second president of Bocconi University and its inspiring mind as well as an influential advocate of 1920s austerity. An inquiry into the logic and assumptions backing these neoclassical economic theories is crucial for understanding the deep-seated persistence of austerity, especially for a book that stresses the "power of ideas".

The importance of getting the history of austerity right is not merely scholastic. It is a matter of connecting austerity not just to neoliberalism but to the dynamics of capitalism *as such*. The study of how austerity persists cannot be understood separately from the requirements for the persistence of capitalist accumulation, and the economic coercion that is so peculiar to capitalist surplus extraction. In this respect, the emphasis of the authors on the intention of cutting labor costs is crucial to austerity's purpose. Likewise, their statement that "austerity has been used as a tool to make the poor and the working and middle classes pay for those changes in the global political economy that might have otherwise forced economic elites to diminish profits" (p. 155) leads to conclusions that are not limited to neoliberalism. It is this broader perspective that might allow Shefner and Blad to explain not merely the global diffusion of austerity but also the tight global interconnectedness of the austerity episodes they study. It would also go a long way toward explaining their strong concluding sentence: "Greece and Spain were confronted with the inevitability of neoliberalism and austerity in large part because of Chile, and later on other nations, suffered through austerity" (p. 154).

Endnotes

1 See Skidelsky, R. 1981. "Keynes and the Treasury view: the case for and against an active unemployment policy, 1920–1929". In *The Emergence of the Welfare State in Britain and Germany, 1850–1950*, edited by W.J. Mommsen, 167–87. Beckenham: Croom Helm; Mattei, C. E., 2018. "Treasury view and post-WWI British austerity: Basil Blackett, Otto Niemeyer and Ralph Hawtrey," *Cambridge Journal of Economics* 42 (4): 1123–1144; Tooze, A. 2014. *The Deluge: The Great War, America and the Remaking of the Global Order, 1916–1931*. New York: Penguin.

2 See C. Mattei. *The Guardians of Capitalism*. Chicago University Press, forthcoming.

3 Helgadóttir, Oddný. 2016. "The Bocconi boys go to Brussels: Italian economic ideas, professional networks and European austerity." *Journal of European Public Policy* 23 (3): 392–409.

Ève Chiapello and Patrick Gilbert · 2019

Management tools. A social science perspective

Cambridge: Cambridge University Press

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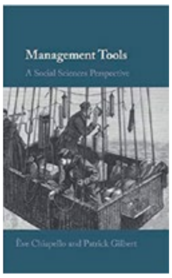

How to study management tools from a sociological perspective? Ève Chiapello and Patrick Gilbert present not one, not two, but ten possible answers to this question. Offering a concise overview of some of the most prevalent sociological theories of the past few decades, they sketch out their possible applications to matters of management. This volume first appeared in its French version in 2013. Favorably received by the French speaking research community, Cambridge University Press presented a revised English edition five years later. The careful translation is idiomatic throughout and allows for an agreeable read. More than that, it makes accessible or recalls theoretical approaches that enjoy particular popularity in French scholarship to non-French speakers, such as the psychosociological or the conventionalist tradition. Having said that, the authors also invite us to follow the trails of Marx, Foucault, Desrosières, Latour, Giddens, and others.

Mind you, this is not your book of choice when looking for a captivating storyline. Rather, it serves as a finely crafted reference guide for students and researchers in the fields of sociology, political sciences, or organizational studies who have an interest in approaching management as an object of analysis. As a result of their various teaching activities, the authors conceived the volume as material for doctoral and postdoctoral researchers. Yet, given its modular set-up and clear and simple presentation, graduate students can easily work with it, too. Teaching staff will equally benefit from consulting Chiapello and Gilbert in setting up courses in economic sociology and adjacent fields.

The book is divided into three parts: an introductory chapter detailing the authors' theoretical assumptions; the main body of the work comprising the ten social science propositions on how to make sense of management tools, which Chiapello and Gilbert term "theses"; and a synthesis suggesting ways to integrate the approaches discussed. Before they show *how* sociologists may study management tools, the authors elaborate on *why* they should do so. They consider management tools "intangible techniques," bound up with social action. Positioning themselves in the tradition of science studies, more specifically in line with authors concerned with the agency of materiality, Chiapello and Gilbert warn us of three standpoints that gloss over the complexity and social embeddedness of management tools: denial of technology, technophilia, and technophobia. Mobilizing the anthropology of techniques, they propose to understand management tools as "a specific group of organisational objects that have characteristic traits and can be described in three ways": functional ("what is the tool's use?"), structural ("what does the tool consist of?"), and processual ("how should it be used?") (p. 27).

The authors then lead the reader through the ten "theses," taking up one theoretical approach at a time. In the structured fashion that marks their writing, they distinguish three categories: critical views with which management tools can be analyzed as instruments of domination and discipline; institutionalist perspectives which may elucidate the structural dimensions of management tools; and interactional approaches which can focalize the human-object relations forming around management tools. In this, the authors achieve their declared aim of pinning down each theory's core message in a couple of pages without simplifying it. Conveniently, they round off every thesis by highlighting its key points and display the essence of each approach in useful tables. Moreover, brief excerpts of published case studies illustrate possible empirical applications. The three guest-authored sections by Bénédicte Grall, Marion Brivot, and Carine Chemin-Bouzir do not disappoint and blend in seamlessly with the writing style of the main authors.

What most starkly sets apart the English from the original edition is the last part. Previously, that chapter was devoted to four case studies putting the arguments made to the test. In the revised volume, Chiapello and Gilbert decided instead to reveal some of their recent research and produce a synthesis of the preceding sections. Their goal here is to get to the bottom of what they call the "agency" of management tools and they do so by examining their immediate ("first-order") and indirect ("second-order") effects. It may be questioned, however, if another theoretical account really does serve the purpose of a textbook better than some practical examples would.

These positive observations notwithstanding, another critical note is in order. Chiapello and Gilbert concede repeatedly that the theories chosen were not originally designed for the analysis of management tools and admit to a certain conceptual "eclecticism" (p. 203). This very openness certainly speaks for the sociological nature of their endeavor as they refrain from building on recent advances in organization and management studies and return to the classics instead. Nevertheless, it may leave aficionados of conceptual precision dissatisfied at times. The authors do seem to have an underlying idea of their object of analysis that remains narrower than they claim. Repeated enumerations point towards that: management tools, for Chiapello and Gilbert, may thus include "appraisal interviews, quality norms, coaching" (p. 58); as relevant specialists they count "computer scientists, management controllers, process engineers" (p. 191). Hence, the authors implicitly focus their study on the context of the corporation and disregard other organizational contexts where management practices play out, such as public administration. Although the authors claim to construct the notion of management tools by the very act of analyzing it, it thus remains blurry throughout. These considerations do not, however, diminish the many achievements of Chiapello's and Gilbert's contribution. *Management Tools* could become a standard reference work for students and scholars of economic sociology, management studies, and organizational psychology alike.

Daniel Beunza · 2019

Taking the floor. Models, morals, and management in a Wall Street trading room

Princeton: Princeton University Press

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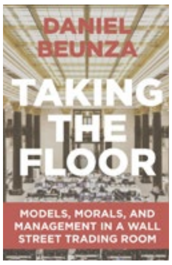

On Friday, March 20, 2020, the US stock exchanges were supposed to end one of the "blackest weeks in their history". In fact, the Dow Jones was lower than at the time Donald Trump took office. This time the reason was not the collapse of the housing market bubble or the bankruptcy of one of the most dominant investment banks, namely Lehman brothers, but a highly aggressive and dangerous form of the smallest pathogen that thrives on living tissue. In other words, the Coronavirus SARS-CoV-2. Although similar in outcome, a crucial difference is that the causes of the current loss of value in the financial markets should not primarily be sought within the financial system itself but are external. However, this does not mean that it does not affect financial systems, nor that financial systems are currently irrelevant. On the contrary: financial actors such as hedge funds now see enormous profit-opportunities by betting on the breakdown of many weakened companies through short selling. Though all consequences cannot be assessed yet, it appears plausible that the corona crisis will have a greater impact on the economy and on society than the financial crisis following 2008.

Against this background of recent financial turmoil caused by the corona pandemic, Daniel Beunzas' latest publication (2019) takes on a surprisingly new relevance. In "Taking the Floor" he addresses the role of economic models, of management, and of morals on Wall Streets' trading floors. According to his richly documented work, moral orientations and normative self-regulation in banking could make a decisive contribution to avoiding future crises. Theoretically, the book follows both the insights of social studies of finance with its focus on sociotechnical materialities as well as economic-sociological insights on "markets and morality," which acknowledge the embeddedness of economic action in social structures with a strong emphasis on its moral legitimization (Zelizer, 2017). Economic action is therefore by no means conceived as a morality-free area. However, the responsibility for the global financial and economic crisis does not lie with the individual "greedy" motives of certain bankers. Contrary, Beunza argues, that certain developments and innovations within financial markets supports moral disengagement, that "supresses the activation of self-sanction, and facilitating the practice of unethical behaviour without a feeling of distress" (237). Accordingly, Beunza claims that "morality needs to be brought back in to finance, both in practice and the study of finance" (5).

The book consists of thirteen chapters and presents, following the author, the product of an "academic version of cognitive dissonance" (11), which the two parts of the book also reflect. The first, which is based on the original fieldwork Beunza did on one of Wall Street's trading floors from 1999 to 2003, focuses on the use of knowledge, the connections between models and traders, and how the management enables collaboration. The second part is a revisiting of the same financial actors during and after the financial crisis. The financial crisis both separates and connects the two parts of the book. The former is reflected by the incompatibility of the insights he extracts from his original fieldwork with the scandals and incidents that occurred in the wake of the financial crisis: instead of competition, he had found collaboration; instead of fraud, personal commitments; and proximate control instead of greed. The latter is reflected in the Beunza's idea that an alternative organisation of trading and culture in financial sectors could be the solution to avoid crisis. Or in his own words (14): "how should banks organize the use of economic models to take into account their performative effects?"

Starting from the quantitative revolution and the emergence of the Bloomberg trading terminal that were typical innovations during the 1980s and 1990, Beunza examines daily action on Wall Street. As a consequence of this development, Knorr-Cetina and Bruegger (2002) had already observed the phenomenon that a trader's daily life is characterized by a face-to-screen-interaction and intersubjectivity without co-presence. As a result, they find that social relationships are trumped by technology. In contrast, Beunza finds a hybrid world that is both technical and social: data feeds, social relations, algorithms, and personal ties are of equal relevance for the practice of trading. In particular, local networks consisting of other desks on the floor, managers or brokers at the NYSE reduce uncertainties inherent in economic models and help traders to cope with ambiguous information, for example on corporate mergers (55). That situation resembles a "toggling back and forth between the screen world and social milieu" (97) rather than primarily being determined by infrastructure.

Within this culture, the manager – Bob – takes a key position. By explicitly questioning and criticising the established financial market culture, he enforces attitudes and norms that do not correspond to the celebration of the maximisation of individual benefit and technical rationality that Abolafia (2001) once described as typical. Here, additional norms guide action: timeliness, no "stacking of monitors" with the trader hidden behind, no renegotiations of bonuses, polite behaviour and respect for other professions (e.g., operation officers). Such enforcement of norms aims at establishing etiquette by emphasizing the benefits of civility (159) and at regulating the negative effects of "performative spirals" (129). This concept, which is central to explain financial crisis developments, illustrates the reciprocal relationship between economic models and financial properties. It is based on the assumption that new calculation methods in financial markets will lead to new investment practices. Yet, the emergence and spread of a wide range of economic models on Wall Street also leads to a diversification of the properties of financial securities. Beunza thus points out that hence the former achievement of having opened up new sources of knowledge does not necessarily lead to more security, but conversely also creates new risks and uncertainties. One danger lies in the "amplification of error arising from a cognitive similarity and confrontation with market rivals via economic models" (183); namely the concept of "resonance" as it was conceptualized by Beunza and Stark (2012).

Moreover, according to Beunza, this alternative organizational culture includes elements of an earlier "outdated" form of organizing trading floors that is more oriented through partnership and corporate capitalism. In the age of Black-Scholes and Bloomberg terminals, this could be seen as a "reaction to modern excess" (170), as reflected in the distinctive opportunism or the disregard for the law and customer interests. By contrast, Beunza's concept of "model-based moral disengagement" points to the inherent dangers of using economic models in financial markets, which is to undermine moral judgment. Thus, he concludes that economic models, derivatives and risk management affect the effectiveness of moral judgements, ethical behaviour and the forms of self-correction of traders. Using modern arbitrage as an example, he shows that the use of economic models is by no means purely technical, but social. Moral disengagement can also be a response to the frustration of having made losses despite the risk management system. This frustration is even worse if the trader himself would have decided differently than the algorithm (239). This could cause damage to the relationship between traders and management, which was previously characterized by personal obligations, collaboration and communications between different desks (35ff). Following Beunza "proximate control," as the management enforced it, might be the solution to avoid future crises.

Overall, the book can be highly recommended as it provides interesting insights into an alternative culture of Wall Street. It raises important and difficult questions about the potential of a normative change in the world of banking that require further research. A particular strength of the book is certainly to be found in its methodical approach. This shows that the combination of participant observation and the analysis of subjective perceptions and experiences on the basis of interviews generates more comprehensive knowledge. Thus, in an untypical but refreshingly alternative way, one's own ethnographic results are supplemented, revised and reinterpreted by an extended interview study. It is impressive how Beunza brings the empirical field, the sociological concepts, the analytically gained insights and their extension by other methodological perspectives into dialogue. At the same time, however, this challenges the reader, as the author's positions on his findings are not always clearly identifiable. Another remark refers to the idea that normative self-regulation, the reactivation of moral self-sanctioning can reduce, or eliminate the negative effects of the financial sector. It should be considered that the emphasis on management enforcing alternative standards in the financial system risks neglecting structural pressures such as competition. This also provokes the attribution of individual responsibility, which is actually to be avoided. Even those morally grounded banking practices that seek to take equal account of social, ecological, and economic principles can hardly prevent financialisation (Lenz & Neckel, 2019). Self-regulation or self-sanctioning relies on the implementation of a political regulation that protects from market and competition (Neckel, Czingon, & Lenz, 2018).

In view of the measures taken to prevent the spread of the coronavirus, even Wall Street traders no longer work locally but from their home office; the possibilities for "proximate control" have by nature been limited. In times of social distancing, the impact of social proximity and physical co-presence for normative self-regulation in the financial system remains to be proven. In general, future analyses dealing with the relationship between the global corona pandemic and financial markets should focus more strongly on the interpretation of morality, as Beunza has demonstrated so impressively here.

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