

Book reviews

Arora-Jonsson, Stefan,
Nils Brunsson, Raimund
Hasse, and Katarina La-
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Competition: What it is and why it happens.

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The volume “Competition. What it is and why it happens,” edited by Stefan Arora-Jonsson, Nils Brunsson, Raimund Hasse, and Katarina Lagerström, is an inspiring contribution to the conceptual discussion of competition in the social

sciences and beyond. Drawing from contributions to two conferences, dating back to 2017 and 2019, it unites a wide range of empirical studies from disciplines such as sociology, anthropology, management and organization studies, accounting, educational studies, and philosophy, which are framed by a strong theoretical introduction and conclusion centred around the question of how precisely competition emerges. This constructivist approach, which, instead of taking competition for granted, directs its attention towards the elements and processes leading to the establishment and maintenance of competition in specific contexts, introduces an interesting shift of focus in the current literature on competition which is, in wide parts, dominated by discussions regarding the effects of competition and competitization. In social science literature on competition, a constructivist approach is, of course, not entirely new. However, this volume adds a very precise conceptualization of competition to the debate and illustrates how this can be studied empirically.

The theoretical foundation of the volume is laid by Stefan Arora-Jonsson, Nils Brunsson, and Raimund Hasse in their introduction, but their constructivist conceptualization of competition is further expanded through other empirical-theoretical contributions in the book. In an attempt to develop an alternative to existing theoretical approaches from economics, management, and sociology that tend to neglect the origins of competition, the editors put emphasis on the constructed nature of competition and propose understanding competition as a particular relationship in which “*a focal actor desires something that this actor perceives as scarce, because of a belief that other actors have the same desire*”

(p. 12, original emphasis). The question of how actors, their relationship, scarcity, and desire as the key elements of competition may or may not connect is taken up in the next chapter in which Daniel Sands, Gino Cattani, Joseph Porac, and Jason Greenberg discuss how market boundaries are “continuously defined, contested, and redefined” (p. 26). Complementing analytical perspectives from economic as well as organizational literature with a sense-making approach in the analysis of competition between restaurants in New York City, they show that there are considerable differences between the competitive relationships perceived and constructed by the competitors themselves and descriptions of competitive relationships in the field based on the other factors such as formal overlap of menus and prices. This points to the constructed nature of competition that cannot be described in a single objective manner.

The following two chapters develop theoretical ideas on how precisely competition arises. Using the examples of Christmas decorations and fashion, Patrik Aspers analyses cases in which competition emerges spontaneously and unintendedly through a process which he calls “mutual adjustment of actors” (p. 49). Although he describes this kind of competition in opposition to organized forms of competition, he also shows how competition by mutual adjustment can become intertwined with these. The aspect of organization is further developed in another chapter by Arora-Jonsson, Brunsson, and Hasse who state that specific modern institutions, such as a globalised economic order, a social order characterized by options for social mobility, or the evocation of new desires in consumption, promote the key

elements of competition. However, for competition to emerge, the authors argue, organizational efforts may be needed. Extending Simmel's classic triad of two competing parties and a third adjudicating party, they bring into play a so-called fourth party that is responsible for decisions regarding membership, rules, monitoring, and sanctions, but in some cases also needs to establish some of the missing elements of competition. This process is, however, far from straightforward: Sometimes competition arises from organization as a side-effect and very often different actors involved in the construction of competition, e.g. competitors, third parties and fourth parties, do not agree on whether a situation is competitive or not.

Altogether, the contributions to the volume examine competition in a variety of empirical fields, reflecting the book's basic approach that competition cannot be reduced to economic markets. The thematic focus is on competition in the field of education, both between schools (chapter 5) and between students (chapters 6 and 10), on the role of competition within organizations such as multinational corporations (chapters 11 and 12), and between organizations and companies in the fields of gastronomy (chapter 2), food waste (chapter 7), and auditing (chapter 8). Other areas in which competition is studied include topics as diverse as Christmas decorations (chapter 3), fashion (chapter 3), sports (chapter 6), financial journalism (chapter 9), and a DIY (do-it-yourself) biology community project participating in a contest (chapter 9). While the chapters all follow the book's pivotal idea that competition must be constructed through a variety of efforts and even then does not necessarily work, some chapters apply this approach more convincingly than others. Although the emphasis on

the construction of competition reasonably leads to empirical cases where competition is not yet or no longer established, in some cases it remains unclear why the situations described should be understood as competition at all.

We want to single out just one chapter that applies the basic concept of the volume in an excellent way and thus illustrates the usefulness of the approach – Søren Christensen and Hanne Knudsen's contribution on *The organization of competition and non-competition in schools*. The authors are interested in competition in the classroom and how teachers try to enforce but also to reduce competition. While competition is one of the oldest techniques for reinforcing learning in schools and played an essential role throughout the history of (Western) education, the purpose of teaching was reconceived after WWII. Students should be educated into democratic citizens capable of cooperation, dialogue, and mutual understanding and no longer compete against each other. Today the situation is again different: While the primary concern of education is to maximize learning, the role of competition in achieving this goal is somewhat unclear. Christensen and Knudsen pursue this question based on a study in a contemporary Danish classroom. Using the example of an educational computer game, they show how competition could be strengthened by introducing a class wide ranking system, which made the former individual playing for rewards of the game (stars and trophies) a social concern. Nevertheless, the ranking system did not result in full-fledged competition since the teacher did not reward higher ranking with more recognition. Instead, students could decide if they wanted to compete or concentrate on their individual learning. By recognizing these different ways of relating to a concrete form

of competition, the chapter shows exemplarily how competition is constructed and how this process is characterized by ambivalence and unpredictability and is embedded in a historical context.

At the end of the volume, the editors synthesize the results of the empirically oriented chapters in a very useful way. They discuss how competition is constructed in the cases presented and point out that competition often relies on (already) institutionalized foundations such as modern notions of actorhood. While in many cases competition is the result of organizational efforts, in others competition is an unintended outcome. Sometimes it might even be difficult to avoid competition. The editors also emphasize that there might be multiple types of competition for different kinds of goods simultaneously, an "ecology of competitions" (p. 224), and that there might be trade-offs between them. As in the introduction, they point to asymmetries in construction of competition between the actors involved, be they competitors, third parties, or fourth parties. Moreover, they address possible consequences of competition, such as the attraction of attention as a social drama, the neglect of goals other than winning the competition, the loss of autonomy or the weakening, but also the reinforcement, of conflicts. Finally, the authors emphasize that it seems more difficult to eliminate competition than to introduce it.

In sum, the volume is a valuable addition to competition research. It is not only a collection of contributions on a widely defined common issue, but rather a fruitful discussion of a phenomenon and a theoretical approach to this topic from different perspectives that are well linked to each other and develop the approach further. In particular, the distinction of a fourth actor should be emphasized, which

is a helpful contribution that allows for greater accuracy in the analysis of competitive constellations. The downside of the volume's coherence is that it leaves little room for a critical discussion of the theoretical foundation and most contributions adopt it as a common base that is partly expanded, but not really challenged in itself. For example, it should be noted that the volume takes a specific approach to the constructedness of competition that pays little attention to the material aspects of construction, as do, for example, the authors of the performativity approach, who analyse the materiality of market competition. Interestingly, the book's claim that the discussion of competition beyond the economic realm is a novel approach can be questioned when looking at a number of recent publications from the fields of cultural anthropology, history, or sociology, e.g. in the German-speaking context (Bürkert et al. 2019; Jessen 2014), which deal with competition in a wide range of non-economic contexts. In any case, the volume is an interesting step towards a well-founded theoretical discussion of an important phenomenon.

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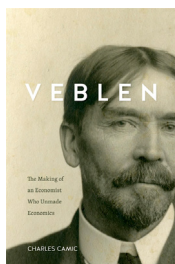
Charles Camic · 2020

Veblen: The Making of an Economist Who Unmade Economics.

Cambridge, MA: Harvard University Press

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Reading the introduction of Charles Camic's *Veblen* may leave an aftertaste of label fraud. To many sociologists – and particularly many economic sociologists – Thorstein Veblen is one of the canonized classics of the discipline. While written by a sociologist, *Veblen* deals with Veblen as a research subject, not with Veblen's output as part of sociology's theoretical toolkit. A second obvious classification – that this must be a biography, then, written by a sociologist – is also slightly misleading. After all, the book leaves out the genre-typical deep detours into the influential thinker's private and romantic life as well as his last twenty-five years.

Veblen: The Making of an Economist Who Unmade Economics instead is a masterful piece in the sociologies of knowledge, ideas, and science. Camic's aim is to provide a historical reconstruction of the social constitution of Thorstein Veblen as a resourceful knowledge maker and innovator, embedded in his social environment, time, and place.

The theoretical argument underlying this historical account relies heavily on what the book calls *knowledge-making practices*. By tracing him through the emerging American research university

system and economics field, Camic demonstrates how Thorstein Veblen acquired the intellectual tools to materialize as the iconoclastic scholar and social critic that became canonized in the 20th century. The mechanism of practice acquisition is called *repetition-with-variation*. In different contexts, knowledge domains, institutions and academic relationships, Veblen was confronted with a core set of intellectual practices, incrementally solidifying into what Camic calls an "*academic second nature*, which the budding knowledge maker increasingly takes for granted as the right way to construct knowledge, regardless of the problem at hand" (p. 41, emphasis added.)

The major opponent of Camic's account is the long-standing theory of Veblen's scholarly style as emerging from his outsider position in turn-of-century academia and U.S. society more broadly. The portrayal of the outcast Norwegian immigrant, developing a sharp eye for the idiocy of his "host society's" mores, has emerged in the 1930s and rarely been fact-checked. Camic calls this type of explanation *overhang narrative* and finds it in a range of important biographies. He challenges it by demonstrating how much of an academic "insider" Veblen was, working with many of the most influential thinkers of the time, and by tracing how core styles of Veblen's thought were omnipresent in his environment.

The book consists of six major empirical chapters, sandwiched by a programmatic introduction and theoretical chapter and a brief conclusion mainly dealing with Veblen's later years and legacy. The empirical chapters seamlessly switch between representations of Veblen's personal life, educational and professional journey, and the development of American society and

thought. The ease of presentation and breadth of information alone makes *Veblen* a joy to read. Especially the reconstructions of educational experiences is of impressive depth and detail, down to individual syllabi and class notes.

Chapter 3 sketches the history of the Veblens' immigration to the U.S. and family life as Northwestern farmers. It quickly moves on to Thorstein Veblen's years in school and at the just-established nearby Carleton College, where Veblen studied extensively with Germany-trained economist John Bates Clark. Camic outlines how studying the classics brought students into contact with confrontational intellectual styles as well as historical thinking. Moreover, Carleton brought Veblen, an exceptionally good student, to study the professionalizing natural sciences and emerging evolutionary thinking. Chapters 4, 5, and 6 trace Veblen's educational trajectory through Carleton, a brief teaching stay in Madison, Johns Hopkins, and Yale University.

While increasingly zeroing in on philosophy and political economy as intellectual foci, Veblen came into extensive contact with some of the country's most influential intellectuals. As Camic points out, many of the "Veblenite" features of Veblen the later thinker were in circulation at these young institutions: the valuing of the creation of new knowledge, a historical mode of thinking about economy and society, evolutionary conceptions of institutional development, a confrontational mode of thinking and arguing, and the routine distinction between socially productive and unproductive activities.

Potentially the most informative of the book, chapter 7 traces Veblen's route through Cornell University, where he went for a second PhD, towards a teaching position at the newly established

University of Chicago. Camic demonstrates how Veblen transitioned to becoming a professional knowledge producer at Chicago, for the time being working between the factions of the early American economics profession's infighting. Chapter 8 shows how Veblen put his acquired practices to use to intervene in the field, produce "economic theory," and launch attacks on received wisdom. Focusing *Theory of the Leisure Class* and *Theory of Business Enterprise*, Camic argues that Veblen's capabilities for becoming a leading academic and social critic should be understood as the result of thousands of hours of layered practical experiences.

Veblen: The Making of an Economist Who Unmade Economics has been extensively reviewed as a biographical treatise. A casual survey of these reviews suggests a generally very favorable reception in this genre. As a piece of historical sociology, *Veblen* has been praised as exemplary as it tells history "from the past" (Andrew Abbott): it traces the emergence of Veblen the influential economist through the contingencies of his upbringing, rather than selecting explanatory episodes from the vantage point of the final outcome. I would like to add a third element of praise that connects to general social theory and economic sociology. In earlier work, Charles Camic has been among the major proponents of recovering the notion of *habit* from the behaviorist notion of quasi-automatic routine. In Camic's reconstruction, Veblen emerges as an entrepreneurial, innovative figure by creatively applying recombinations of acquired habits to new problems. *Veblen* may be of interest to scholars in economic sociology investigating innovation and entrepreneurship as it outlines a genuinely non-behaviorist way to think about the habitual bases of creativity.

Marlène Benquet, and
Théo Bourgeron · 2021

La finance autoritaire. Vers la fin du néolibéralisme.

Paris: Raisons d'agir

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Does Brexit represent one of the first electoral victories of a new group of financial actors seeking to impose a libertarian-authoritarian

regime on a global scale? Marlène Benquet and Théo Bourgeron's short book answers this question in the affirmative, using a three-step approach.

In their first chapter, the authors underline that two-thirds of the donations made by the financial sector during the Brexit referendum campaign were directed towards the Leave camp (p. 39). More precisely, the donations reveal a confrontation between two distinct groups of financial institutions (p. 44–45): the actors of the first financialization (banks, institutional investors, insurance companies, etc.) and those of the second financialization (hedge funds, private equity funds, etc.). While the first group of actors directed their donations to the Remain campaign (81 percent), the second group mainly financed the Leave campaign (79 percent) (p. 48). Among the donors to the Leave campaign, a "handful of men" played a decisive role: four hedge fund managers alone made 55 percent of the payments to Vote Leave Ltd (p. 50).

The second chapter of the book carries out a socio-historical analysis of the shift between the two regimes of financialization. The actors of the first regime gained a prominent position during the wave of financial deregulation in the 1980s, driven in particular by the Delors Commission. However, this “political regime of financial accumulation” (p. 13) was quickly weakened by the emergence of new financial practices in the US and competition from tax havens. These pressures pushed the actors of the City of London to find new ways to increase their profits, leading to the development of a “second finance,” of which hedge funds are the emblematic representatives. However, the growth of these new financial institutions suddenly slowed down from 2008 onwards, following the financial re-regulation measures taken by the European authorities in response to the financial crisis. In reaction, the actors of the second financialization then sought to sever their ties with both the UK political authorities and the “neo-liberalism” of the European Union, which had become too constraining (p. 72).

In the third chapter, the authors build on these observations by arguing that the accumulation regime of the neoliberal EU is gradually being replaced by an authoritarian libertarian regime. Moreover, according to the authors, the elections of Donald Trump, Jair Bolsonaro, and Viktor Orban are victories for these actors of the second financialization, who seek to emancipate themselves from the institutional architecture of neoliberal regimes. The doctrine promoted within this new ecosystem is that of economic libertarianism, whose political side is authoritarian. This combination makes it possible to curb any democratic demands that would

oppose pushing financialization further into economic sectors that do not yet follow such logics, such as the National Health Service or ecosystems. According to the authors, these new dominant elites dare to emancipate themselves from democratic logics because there are no other credible elites competing with them for power (p. 125). In fact, the actors of this new political regime of accumulation would no longer even bother with the democratic *illusio* to legitimize their domination. They are then supposed to follow a “kind of elite survivalist ideology or nihilistic hedonism” (p. 135), whereby they would enjoy the material life of this world before it collapses.

The paradox raised by the authors at the beginning of their book is stimulating and intriguing: Why are some City players committed to Brexit when it might weaken their financial profits? The analysis of the financing of the Leave campaign and its ecosystem is clear and compelling, and provides stimulating insights into the struggles within UK financial capitalism. However, the explanations put forward by the authors to address this paradox are not based on sufficiently robust empirical material and do not address many of the current debates in political economy.

First, the distinction made between two groups of financial actors, supposedly representing two moments of financialization, is questionable. Indeed, since at least the beginning of the 1990s, financial innovation and deregulation have led to a growing interconnection between regular banking institutions and shadow banking (Gabor and Ban, 2016, Tooze 2018). For example, the first signs of the 2007 financial crisis materialized when one large universal bank, BNP Paribas, froze three of its associated

hedge funds that were heavily exposed to subprime. Furthermore, some of the choices made by the authors are questionable: “passive” investment funds, such as BlackRock or Vanguard, are classified among the losers of the first financialization, whereas many studies emphasize that they were the main winners of the post-crisis period (Fichtner et al., 2017).

Second, the authors lack coherence in their analysis of the effects of European economic integration, which initially led to the deregulation of the financial systems and then, after 2007, to the divorce of the City’s players because of re-regulatory initiatives. However, the sources of financialization are as much national as supranational (Lemoine, 2016) and financial re-regulation has been less intense on the European continent than in the UK (James, 2018).

Third, the authors claim the existence of a causal link between the electoral victories of “libertarian-authoritarian” actors and the desires of financial actors for a change of political regime, without much caution. In fact, the reciprocal influence of economic and non-economic factors on voting for far right-wing nativist parties is not really addressed, even though these issues form the core of a growing and vibrant research agenda (Berman, 2021). Moreover, the authors do not provide data, nor do they refer to other empirical work, on the possible links between the actors of the second financialization and the electoral campaigns of Trump, Bolsonaro, or Orban.

In sum, while the book is convincing in the core of its analysis of the financing of the Brexit, the thesis of the replacement of the neoliberal regime by an authoritarian libertarian regime remain to be demonstrated.

Endnote

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