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## Book Reviews

*Donald MacKenzie, Fabian Muniesa and Lucia Siu (eds)*

### **Do Economists Make Markets? On the Performativity of Economics**

Princeton, NJ: Princeton University Press, 2007, 373 pp.

For some time, the notion of performativity has been a subject for discussion mostly among European economic sociologists. However, this recent publication by MacKenzie, Muniesa and Siu, *Do Economists Make Markets? On the Performativity of Economics*, with contributions from economists and sociologists on both sides of the Atlantic, is an indication that the discussion has broadened considerably in appeal.

According to these contributions, performativity means economic theories being made to work through a change in the world they are about. Performativity is above all the performance of neo-classical economics, which is assumed to be the dominating school of economics. The performativity approach builds on ideas developed in the science and technology literature that rejects the old-fashioned observer perspective of science, which states that scientists are not part of the world they observe, and that they do not affect it. The general idea of performativity can also be found in the works of John Austin and Judith Butler, but Friedrich Nietzsche was probably the first to discuss it.

The edited book reviewed here comprises mostly empirical studies discussing performativity. It is a volume with an introduction and ten substantial chapters by many of the researchers who have become associated with the notion of performativity, a volume that ends with a concluding chapter by the leading thinker and founder of the idea, Michel Callon. Two chapters, one by Petter Holm the other by Donald MacKenzie, are already available in English, but republished here. There is also a much-welcomed translation of the study by Marie-France Garcia-Parpet on the emergence of the strawberry market in Fontaines-en-Sologne. This study was of great importance to Callon, which he acknowledges (p. 335), when he initially formulated the performativity idea.

What I especially like with this volume is that it highlights some of the problems connected with the idea of performativity. I praise the editors for including the chapter by Francesco Guala, as well as the one by Philip Mirowski and Edward Nik-Khah. These two chapters voice substantial critique of the idea of performativity and help to clarify what it means. Mirowski and Nik-Khah put the searchlight on performativity by drawing partly on earlier work by Guala. They report on an empirical study of the construction of a way to 'auctioning spectrum licenses to the highest bidder' (pp. 200–1). In contrast to Callon, they show that conflicts over how markets should be constructed involved more than one idea of the market. Their chapter includes a thorough critique of the actor-network approach that Callon and Latour have developed.

We can understand this critique in relation to what Callon writes in the concluding chapter of the book. Callon's defence of his position, however, is murky. Essentially, he says that 'everything' is performed, and that the ontology of social reality is reduced to speech acts in a language game. He argues that everyone, or at least 'economists' in the broad sense, which

includes practitioners, performs markets. This general statement makes it possible to accommodate the critique by Mirowski and Nik-Khah. However, once Callon has made his statement weaker, he immediately reinstates the distinction between academic economists, 'confided economists' and practitioners, 'economists in the wild' (p. 336), but maintains that virtually all partakers in the economy perform it (pp. 332–5). Thus, performativity refers to 'economics at large'. When Callon says that everything is performed, he means that the answer to the question raised by the editors, 'Do Economists Make Markets?', is true by definition, since essentially everyone involved in the construction of a market is an economist.

There are a few studies that support Callon's strong statement, but it is nonetheless valid only in a minority of the real markets that surround us. This fact is nowhere mentioned in the book. Thus, the majority of real markets are not so-called 'auction markets', which is the kind discussed by all contributors to the volume, but producer markets, in which firms hold permanent roles as sellers, such as markets for cars or furniture. Moreover, even among those markets that are auction markets, which the neo-classical model refers to, the causal order of their emergence is anything but clear. Already, in his *Principles of Economics*, Marshall pointed out that many markets have been modelled on real stock exchange markets. Marshall, who really knew the economy, observed something that may still be true: theory and reality are intertwined in highly complex patterns.

So, how is it possible to account for the commotion caused by Callon in introducing the notion of performativity? Among sociologists, most certainly including Callon and most economic sociologists, there was, and to some extent still is, the perception that economics is identical with neo-classical economics. This perception may have been reasonably accurate in the 1980s, but is becoming an increasingly unsuccessful – to use a Callonian expression – description of contemporary economics. The reason Callon's ideas were applauded, I fear, is that the economic sociology audience that applauded him had the 'false' and essentially outdated impression that economics was made up of one unified school.

In sum, this volume includes important texts clearly informing readers who want to learn more about how one can apply the notion of performativity, but also those who want to engage with it more critically. It is a well-timed book, and the first to seriously address and discuss the ideas of performativity and their implications.

*Patrik Aspers*

Max Planck Institute for the Study of Societies, Germany