

Book: Ivan Boldyrev/Ekaterina Svetlova (eds), 2016. *Enacting Dismal Science: New Perspectives on the Performativity of Economics*, New York: Palgrave Macmillan.

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Two decades have passed since the publication of the edited volume that contained Michel Callon's seminal theoretical statement on the performativity of economics; one decade has passed since the empirical work of Donald MacKenzie and others ushered in a transdisciplinary 'performative turn.' Based on the notion that economics performs economic actors and the economy (by describing them), this turn has generated crucial insights in fields as diverse as economic sociology, political economy, economic geography, and management studies.

'Enacting Dismal Science' aims at bringing together sociologists, philosophers, and economists to give an overview of 'what has happened in performativity research in the last years' (p. 4). Indeed, the volume's strength is in combining theoretical and empirical contributions that give readers a good sense of this fast-growing, cross-disciplinary field, including the various lines of (at times fierce) criticism that has been directed against it.

Readers interested in an overview of the sprawling performativity literature will find a concise and highly competent guide in the editors' introductory chapter. As Ivan Boldyrev and Ekaterina Svetlova note, the question of the early years – does a causal link between theory and practice exist? – has given way to the study of the *performative practices* that establish such links in different theoretical, historical, and geographical contexts. In this vein, they advocate an encompassing definition of performativity as being concerned with the 'entanglement of knowledge, institutions, and practices' (p. 7).

One analysis of such practices that stands out for its empirical detail is Juliane Böhme's chapter on laboratory experiments in economics. Using an ethnomethodological approach, Böhme offers a close description of how experimental economics 'works' – how subjects are recruited and regimented, and how, in the process, experimenters create what Francesco Guala has called a "'hospitable environment" for observing the rational actor' (p. 106).

Guala's own contribution contains a fascinating discussion of Thomas Schelling and David Lewis' theory of conventions as equilibria of coordination games. This theory offers a way of 'rationalising' performativity by showing how economic models – such as the Black-Scholes model studied by Donald MacKenzie – act as coordination devices that effectively perform the world encapsulated in the model.

Other chapters offer primarily theoretical reflections. Fabian Muniesa offers a series of thought experiments designed to help one come to terms with the strangely 'naturalistic' self-understanding of economics. He encourages the reader to ask economists simple questions – 'Is your science a social science or a natural science?' Muniesa uses oddities that students of economics are all too familiar with – such as the linguistic contortions that are necessary to accommodate economics and other social sciences in a single sentence – to explore the 'modern forked tongue (claiming naturalism while blatantly performing)' (p. 122).

Hanno Pahl and Jan Sparsam make a highly valuable contribution by delving into the 'still largely uncharted terrain of performativity and macroeconomics' (p. 151). By tracing the development of macroeconomic ideas in the institutional and political context of Germany during the 1960s, they lead the way towards an empirical research programme on the performative potential of macroeconomics (cf. Braun 2017).

The one qualm this reviewer has is with the volume's relative silence on what Boldyrev and Svetlova call the 'politics of performativity' (p. 10) and what others might refer to as the question of power. Politics and power have, of course, been the subject of long-standing (and sometimes fierce) debates in the performativity literature, and it would be unfair to expect this volume to resolve them. However, the book could have given more voice to political economy, which seems particularly relevant in this regard. While buying into the notion of performativity as being concerned with the 'entanglement of knowledge, institutions, and practices' (p. 7), the political economy perspective insists that "power" is key, both in solidifying and unravelling these entanglements.

To be fair, the editors acknowledge this when, at the end of their introduction, they highlight 'agency' and 'critique' as two outstanding challenges, noting an 'overemphasis on knowledge' in the performativity literature (p. 15). One area of research that offers complementary methods and

insights studies the power wielded by professional intermediaries of economic knowledge, at both transnational and domestic levels (Ban 2016; Christensen 2017; Hirschman and Berman 2014; Seabrooke 2014). Looking forward, a more ambitiously interdisciplinary engagement between different research programmes will further strengthen the field of performativity studies.

References

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Book: Olivier Godechot, 2017: *Wages, Bonuses and Appropriation of Profit in the Financial Industry. The Working Rich*. London: Routledge.

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Why are payments in the financial sector so high? This important question entered public debate in the aftermath of the financial crisis; but while moral outrage over exorbitant payment levels has subsided, extravagant remuneration practices persist, though perhaps with some minor patches. In an updated and translated version of his previous book, *Working Rich* (2007), Olivier Godechot provides us with the means of understanding this phenomenon. Often-heard justifications for the existence of an extravagant "bonus culture" in finance – "It's the results! It's the market! It's the performance! It's the job!" (p. 226) – seem hardly convincing, and, indeed, he spends no more words than strictly necessary to refute them. In their place, Godechot offers the reader an exposition of the social

mechanisms that have caused compensation in the financial sector to become harmfully out of sync with what seems reasonable. The key to understanding this phenomenon, he maintains, is to rephrase remuneration practices as a struggle over ownership of a firm's productive assets which enables strategically positioned and hence powerful individuals to lay claim on the profits generated by their use.

To make his argument, Godechot stitches together a vocabulary from a variety of disciplines including sociology ("social capital"), law ("property rights"), and economics ("asset specificity"). This vocabulary remedies the shortcomings of the simplistic but prevalent opposition between wage earners and shareholders, or labour and capital, which, he argues, fails to address the skewed relations that emerge within the wage earning group in finance. Godechot proposes instead to "consider that wage earners are also, in a sense, owners of the firm's assets" (p. 67). A sense of ownership – which is distinct from the capacity to claim ownership – is distributed according to whether legitimate claims on either "first will," "first action," or "first idea" for profit making activities can be justified. The actual capacity depends on whether a firm's assets can be readily "appropriated, detached and transferred" for the benefit of individuals. For instance, while salespeople may threaten to take important clients elsewhere, heads of trading rooms can leverage their structural position to organise a collective move of an entire team – "In the finance industry", in other words, "employees can indeed leave with the cash register" (p. 203). The labour market, therefore, is more than a market for "just personal skills"; it is also a market for appropriated assets. Overall, a picture emerges of a social landscape in which the exploiters of capital are not solely to be found amongst the ranks of the capitalists, but also, and perhaps especially so, among strategically positioned wage-earners; a picture, as Godechot suggests, that may extend well to other economic sectors too, especially to those where assets can relatively easily be seized by strategically positioned individuals (you could think of, for instance, the digital technology sector).

This detailed and thorough analysis of remuneration practices is set against the background of more general debates about the appropriation of profits. Using an impressive collection of statistical data, Godechot shows, for instance, that the problem of excessive bonuses in some parts of contemporary finance is a problem not just in terms of its symbolic dimension, provoking moral outrage