Conventions. Meanings and applications of a core concept in Economics and Sociology of Conventions

Rainer Diaz-Bone (University of Lucerne) & Guillemette de Larquier (University of Lille)

Abstract

The notion of convention is a core notion of the interdisciplinary and international movement of economics and sociology of conventions (in short EC/SC). This chapter presents developments, models and different notions of the name giving concept of "convention". EC/SC can be conceived as a complex pragmatist institutionalism, which explains coordination, evaluation and interpretation in situations by referring to conventions. This way, conventions can be regarded as institutional logics for the valuation or valorization of goods, actions and persons. An early application of EC/SC has been the sociology of quantification and categorization, where conventions are analyzed as the basis for measurement. EC/SC has built up its perspective on conventions on two foregoing notions, which were introduced by Keynes and Lewis. EC/SC assumes that real situations are governed by a plurality of co-existing conventions. Therefore, a set of models have been worked out, which systematize conventions as logics of evaluation, valuation and interpretation. This chapter presents how EC/SC approaches the stability and dynamics of conventions and concludes by pointing to EC/SC as a contemporary reconciliation of pragmatism and structuralism.

Keywords (5-10): conventions, coordination, evaluation and interpretation, orders of justification, worlds of production, measurement conventions, institutions

1 Introduction

Economics and sociology of conventions (in short EC/SC) has started to develop in the Parisian region in the 1980ies and has been established in the last decades as an interdisciplinary and international institutionalist approach (Batifoulier et al. 2001, 2016; Diaz-Bone 2018; Eymard-Duvernay 2006a, 2006b; Orléan 2004).

The name-giving notion of "convention" is a core concept for EC/SC, but it is important to recognize that EC/SC is not an "one-issue-approach". Instead, the notion of convention is interrelated with many other concepts as investment in forms, tests, quality and others. In addition, EC/SC is not a theoretical program dedicated to the explanation of a common social phenomenon, conventions. Rather EC/SC is an approach dedicated to the explanation of actors' decisions and evaluations based on the mobilization of conventions to understand an economic or social situation. It is a theory of coordinated action in situations where conventions play a central role but where the problem to be studied is the coordination characterized by uncertainty.

EC/SC conceives situations as being influenced by a *first plurality of conventions* and EC/SC has worked out different models of such pluralities of conventions (Boltanski and Esquerre 2020; Boltanski and Thévenot 2006; Eymard-Duvernay and Marchal 1997; Storper and Salais 1997). This is one reason, why one can regard EC/SC as based on a pragmatist way of thinking, because pragmatism has invented the view that a plurality of principles and logics is existing, not only one. As it will become evident, EC/SC has worked out different conceptions of conventions (for example, the conventions coordinating behaviors are not necessarily of the same kind as the conventions coordinating representations), so one can find a second *plurality of concepts of conventions*. The argument is that in reality different kinds of conventions co-exist, which results in a *twofold pluralism of conventions*: in many empirical situations, a pluralism of the same kind of conventions is combined with a pluralism of conventions of a different kind. This twofold pluralism articulates in complex constellations of conventions and makes empirical analysis of situations of coordination and evaluation sophisticated, too.

This chapter is structured in sections, which introduce and embed the different applications of the notion of convention in EC/SC. In the next section 2, a first introductory presentation on the core notion of convention is given. In section 3, measurement conventions are presented as the first use of the notion of convention in EC/SC. Section 4 is devoted to the distinct analyses of convention of David Lewis and John Maynard Keynes, on which scholars in the field of convention theory refer to; this section sheds light on the (second) plurality of concepts of conventions. In section 5, the main models of EC/SC are presented; each model explains and organizes the (first) plurality of conventions. Section 6 focuses on the essentially dynamic dimension of the approach.

2 First understandings of the notion of convention

According to Robert Sugden one can approach the notion of convention by the way it is experienced by actors in everyday situations.

"When we say that a practice is a convention, we imply that at least part of the answer to the question 'Why does everyone do X?' is 'Because everyone else does X.' " (Sugden 1986: 32)

In fact, Sugden's definition of convention corresponds to the general view widely accepted implying that (Latsis et al. 2010: 536): (i) Conventions involve coordination between agents; (ii) Conventions involve regularities in behavior; (iii) Conventions are arbitrary; and (iv) Conventions are responses to uncertainty. However, this definition emphasizes regular and arbitrary behaviors, but neglects the content of conventions (their semantics) and the context in which these behaviors make sense. A more complete definition, which was worked out in EC/SC was offered by Michael Storper and Robert Salais (1997).

"The word 'convention' is commonly understood to suggest at one and the same time: a rule which is taken for granted and to which everybody submits without reflection, the result of an agreement (a contract), or even a founding moment (such as the Constitutional Convention). Thus, convention refers to the simultaneous presence of these three dimensions: (a) rules of spontaneous individual action, (b) constructing agreements between persons, and (c) institutions in situations of collective action. Each has a different spatio-temporal extent, and they overlap in complex ways at any given moment in any given situation. In practice, it is only by initially *assuming* the existence of a common context and by formulating expectations with respect to the actions of others that it is possible to engage in coordinated collective action: these are the dimensions of inherited, *longue durée* conventions, some of which take the form of formal institutions and rules. But at any given moment, the context is evaluated and re-evaluated, reinterpreted, by the individual who must choose to practice or not practice according to a given convention. Common contexts are therefore not the same things as norms or structures, and the points of reference thus do not appear as results of the encompassing social order, but rather through the built-up coordination of situations and the ongoing resolution of differences of interpretation into new or modified common contexts of action." (Storper and Salais 1997: 17; emph. i. orig.)

Thus, for EC/SC, actors refer and rely on conventions to coordinate in situations. Conventions can be regarded as the *result* of a process of agreement as well as a *tool or device* (French "dispositif"), which actors

use to achieve common interpretations, shared evaluations and to construct situations. For EC/SC it is evident that coordination is neither determined by actors and actors' preferences nor are situations determined by conventions. Conventions, as defined by Storper and Salais, are not external constraints to action and coordination, but "action frameworks" that can be evaluated, re-evaluated and enacted by actors involved in situations as social settings. This enactment requires actor's capabilities and competences to assess the relevance and adequacy of conventions for each situation. So actors are regarded to be able to question and to criticize conventions and to switch between conventions, i.e. to refer to alternative conventions as basis for critique and justification. But normally, conventions are experienced as adequate and pattern everyday coordination without being questioned. This is why conventions are mostly unaware and unrecognized as long as they can be a reliable and a well-working dispositive for everyday routines. In these situations, the informal character of conventions is characteristic for its way to exert influence on coordination.

"The convention is a form of non-explicit agreement. It prescribes the behavior to be adopted without having the form of an objective written regulation to which one can always refer." (Batifoulier and Larquier 2001: 11; own translation)

To avoid misperceptions, some remarks are needed to distance EC/SC's understandings of conventions from "conventional" usages of this term.

First, the concept of convention in EC/SC is different to understandings of "conventional" in the sense of "trivial" or "ordinary". This inadequate evaluation disregards the necessity of conventions and their (mostly) positive contribution to actors' coordination and their contribution to problem solving (Lewis 1969). In fact, the characterization of something as "conventional" is often combined with a devalorizing (or devaluing) connotation in most usages. It is also the critique by actors of conventions as a one-way practice which they reveal as an arbitrary convention. But the arbitrariness of conventions cannot be avoided, for example by abstaining from conventions, which would be pragmatically impossible as long as individuals will be part of collectives and societies. Another problem with this devalorizing usage of the term of "conventional" is that is supposes implicitly one dominant and established way of coordination. This is true for many situations, for example is the convention established to use the right side of the street for car traffic (as is the case in continental Europe). To disregard this convention would cause accidents. But it is also true, that in many situations, a complex constellation of the mentioned

twofold plurality of conventions is present. Therefore, to talk of "the conventional" ignores the empirical complexity of many situations.

Second, the concept of convention in EC/SC should not be confused with notions of "tradition" or "custom" only. This characterization is combined with – again – devalorizing connotations of "old ways of doing something" and disregards the fundamentally dynamic dimension of conventions. Of course, many conventions have a long historical continuity and it took long time for some conventions to establish. But conventions are only relevant, when they are regarded as evident and useful in the present. Conventions have to be regarded as evolving with new modes of living and new ways of economic and social coordination. The evolution and establishment of new conventions can be regarded as a specific form of social innovation and some older convention will be replaced by new ones. But in most situations, there are old conventions and new ones coexisting.

Third, conventions in EC/SC should not be regarded in a way, which Max Weber introduced, when he characterized the constraining and sanctioning effect of conventions and when he conceives of conventions as close to law (Weber 1978: 29). Seen this way, conventions are external forces to action and appear mainly as (negative) constraints. In contrary to Weber, economics and sociology of conventions emphasize another (and more positive) view on conventions as dispositives. Conventions not only enable actors' coordination, interpretation and evaluation; but it is also the other way round: conventions have to be enacted, evaluated and applied in situation by competent actors (Boltanski and Thévenot 2006; Storper and Salais 1997).

Fourth, for the EC/SC, conventions should not be restricted to rules and standards only, because in some cases it is evident, that rules and standards need to be accomplished with more substantial conventions to be understandable and applicable. Part of the twofold pluralism of conventions is that some conventions work as standards, but others are different in character and work differently (Batifoulier and Larquier 2001).

3 Measurement conventions

One of the birth moments of EC/SC has been the analysis of statistical categories and quantification at the *Institut national de la statistique et des études économiques* (INSEE), the French national statistical institute, in the early 1980s (Diaz-Bone 2018). As Alain Desrosières has stated: "To measure is to agree about a convention and then to quantify" (Desrosières 2008, 10). Numbers and figures therefore are never pure representations of social facts, but the result of measurements, which are

based on measurement conventions. EC/SC asks for the invention and mobilization of new «ontologies» by collective measurement practices: measurements are social constructions and invent new realities/entities. Therefore, measurements are linked to common goods (collectives are aiming for), and collective/public action. But measurement conventions are also introducing the qualities of quantified (or categorized) objects, which is nothing less than their perceived ontologies and reality (Desrosières 2009; Centemeri 2012). For Desrosières statistical objects (as unemployment rates, gross domestic product) are at the same "conventional" (based on conventions) and made "real" (by the process of "objectification"), this way EC/SC combines a realist and an anti-realist standpoint at once (Desrosières 1998, 2009). Figure 1 sketches EC/SC's perspective on measurement.

Figure 1: Measurement conventions
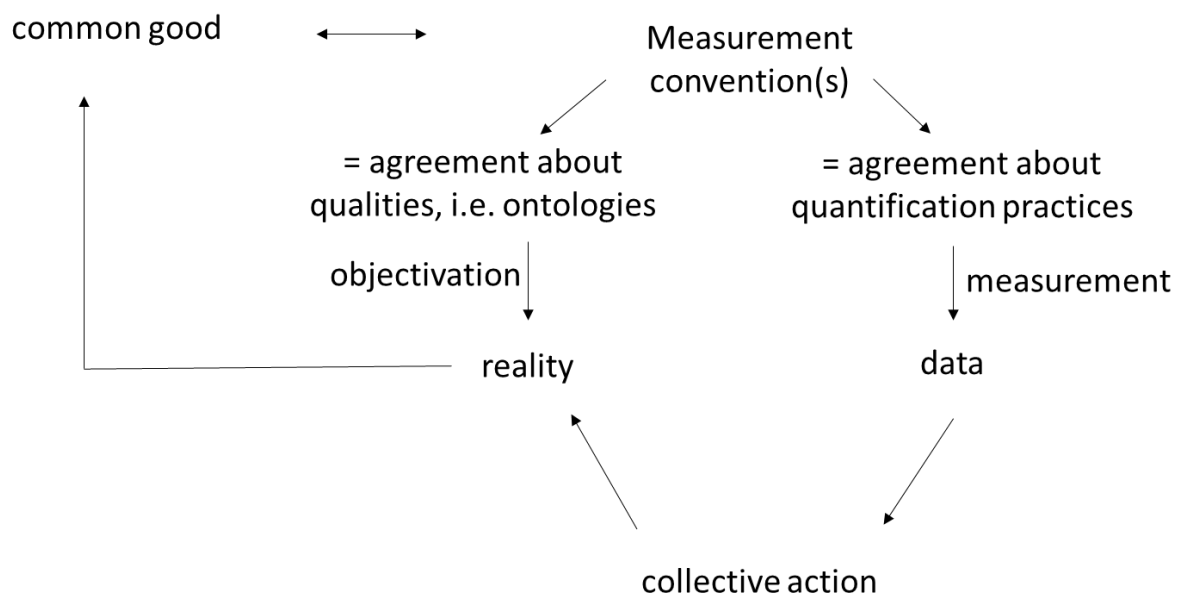
For EC/SC it is important not to restrict sociological analysis on the consequences of measurement only (power effects, unintended usages etc.), but to open the black box of measurement, to ask for the adequacy of measurement conventions and to focus on far ranging situations or linked situations, which are called "statistical chains" (Desrosières 2000; Diaz-Bone 2016). The concept of statistical chains emphasizes also the division of labor between different kinds of actors (statisticians, "substance matter" scientists, employees, politicians and others) who are entangled in the process of the production and distribution of statistics. In this chain, coherent or conflicting ways of interpreting statistical categories and fig-

ures can emerge and result in coherent respectively incoherent practices of categorization and quantification. For EC/SC, it takes time and the engagements of social groups to establish coherent statistical chains and to establish statistical categories as accepted social representations (Desrosières and Thévenot 2002). In his analysis of classifications Desrosières (1998) has introduced the notions of "conventions of equivalence" and "space of equivalence". Conventions of equivalence are the principles for the construction of (socio-economic) classifications, which make objects comparable and therefore classifiable. Also, these conventions are the foundation for the experienced "reality" (consistency and objectivity) of categories and classified objects. Measurement, conceived this way, is a series of practices, which mobilizes new realities.

"Reality appears as the product of a series of material recordings: the more general the recordings – in other words, the more firmly established the conventions of equivalence on which they are founded, as a result of broader investments – the greater the reality of the product." (Desrosières 1998: 12)

The notion of space of equivalence grasps the range or scope of these measurements, its resulting categories and quantifications. For Desrosières (1998), it is the realm of politics and administration, which is enforcing spaces of equivalence and which is relying on them, because these spaces enforce and extend political and administrative standardization. This way, for EC/SC state and statistics are interlinked (Desrosières 1998: 8/10).

Tensions and social critique are rising, when the measurement conventions are evaluated as inadequate or when they are opaque although individuals are affected by data-based decisions. More recently, different studies in the field of EC/SC have criticized quantifications in times of big data and artificial intelligence, when the underlying conventions are not visible to the public or when conventions as well as the datafication and the data analysis itself are not aware to individuals, although individuals are tracked by data-generating devices as in the case of health apps (Al-Amoudi and Latsis 2019).

4 Two economic pillars of EC/SC and two concepts of conventions

Outside INSEE, EC/SC became visible with a special issue of la *Revue économique* published in 1989, entitled "Économie des conventions". It is remarkable that all the authors, Jean-Pierre Dupuy, Olivier Favereau, André Orléan, Robert Salais and Laurent Thévenot, with the exception of François Eymard-Duvernay, cited in their respective articles the notions of

convention developed by the philosopher David Lewis in 1969 and the economist John Maynard Keynes in 1936. These are clearly the economic references of the EC/SC. They have in common to study situations characterized by an infinite specularity of individual reasoning. Confronting the two approaches lead to question the hypothesis of rationality that was best suited to the plurality of coordination studied by EC/SC (Dupuy 1989; Thévenot 1989). Later, Batifoulier and Larquier (2001) saw in the works of Lewis and Keynes the bases of the two main approaches of conventions in economics: respectively the strategic approach (using game theory tools) and the interpretative approach (recognizing a place for the work of interpretation within the rationality of the actors, which thus becomes reflexive).

In this section, the overview of the two approaches will highlight the two concepts of conventions that Favereau (1986, 2019) articulates to show how conventions work for directly and indirectly coordinate actions. Lewis and Keynes do not deal with the same concept of convention: the first deals with behavior within individual strategic interactions, the second with representations of a common world. It is the second plurality mentioned in the introduction of this chapter. For EC/SC, the two types are linked: a convention coordinating representations creates a space favorable to certain conventions coordinating behavior. In other words, the latter are a particular type of rule that directly coordinates behavior, conventional rules alongside contractual rules and constrained rules; the former coordinate the representations that give meaning to all rules, conventional or not (Favereau 1986, 1989).

4.1 Lewis and the coordination of behaviors

David Lewis published "Convention: A philosophical study" in 1969 to tackle the paradox of language formulated by his thesis director, Willard Quine. The paradox is: the meaning of words (the basic conventions of language) must be created by agreement, but that agreement is not possible without the use of a pre-existing language. The response of Lewis is to show that conventions can be founded without the use of language. His argument is that agents can follow a convention on the basis of a precedent and the preference for conformity, without any agreement. In this way, a convention is defined in a given population as a regularity of behavior to which each individual conforms, knowing that each one thinks the others are conforming.

In his introduction, Lewis considers that his analysis of convention is "a theory along the lines of Hume's" (Lewis 1969: 3) developed in Treatise

of human nature (1740). For David Hume, conventions are based on a general sense of common interest which leads individuals to regulate their behavior according to certain rules, without promise. This is the famous metaphor of two rowers who spontaneously follow each other's tempo without explicit communication because they have an individual interest in respecting the common rhythm. The Hume's example is the third of Lewis's eleven in his first chapter. "Suppose you and I are rowing a boat together. If we row in rhythm, the boat goes smoothly forward; otherwise the boat goes slowly and erratically, we waste effort, and we risk hitting things. We are always choosing whether to row faster or slower; it matters little of us at what rate we row, provided we row in rhythm. So each is constantly adjusting his rate to match the rate he expects the other to maintain" (Lewis 1969: 6). The example illustrates the lack of language (it is difficult to row and speak at the same time without running out of breath), the well understood interest of each one to coordinate with the other (even if this requires increasing one's effort) and also a fundamental characteristic of a convention: its arbitrariness (several rhythms are possible).

To coordinate behavior, there are therefore several solutions and to formalize this, Lewis mobilizes the coordination games of Thomas Schelling (1960) characterized by the existence of several equilibria. Lewis' first example is the meeting game between two individuals (without a cell phone at the time), that is the archetype of the coordination problems analyzed by Schelling. The Table 1 presents the payoff matrix of the meeting game. "R1, R2, and R3 are Row-chooser's actions of going to places P1, P2, and P3 respectively, and C1, C2, and C3 are Column-chooser's actions of going to places P1, P2, and P3 respectively. The equilibria are the three combinations in which Row-chooser and Column-chooser go to the same place and meet there: ⟨R1, C1⟩, ⟨R2, C2⟩, and ⟨R3, C3⟩." (Lewis 1969: 9-10) Row-chooser and Column-chooser are not indifferent between the three equilibria; "they care where they go, though not nearly so much as they care whether they meet" (Lewis 1969: 10).

Table 1: The meeting game (Lewis 1969: 11)

	C1	C2	C3
R1	(1.5 , 1) meet	(0.5 , 0.2)	(0.5 , 0.5)
R2	(0.2 , 0)	(1.2 , 1.2) meet	(0.2 , 0.5)
R3	(0 , 0)	(0 , 0.2)	(1 , 1.5) meet

Still, the final outcome of the game is indeterminate; the problem is a priori insoluble. For Schelling, the interest of these games does not lie in what can be said about them from a formal point of view, but in the cognitive phenomena that they generate in practice (Dupuy 1989: 368). The problem is not simply predicting what the other will do; it is not a problem of objective prediction. What one will do depends on how the other predicts what the first will act, while knowing that each one puts oneself in the place of the other. A limitless speculation is established. However, the problem is solved without difficulty in practice according to Schelling. He describes this concomitance of crossed anticipations by insisting on the role of imagination. To coordinate is to imagine what will focus the other's attention. The focal point puts an end to speculation, coordinates the anticipations, and enables successful coordination (Batifoulier et al. 2002: 45). However, Lewis discards Schelling's solution because focal point is not a regularity of behavior, but a salience in a novel situation. Lewis considers individuals, faced with a familiar (recurring) coordination problem and defines convention in a formal way as (in its final 1969 version): "A regularity R in the behavior of members of a population P when they are agents in a recurrent situation S is a 'convention' if and only if it is true that, and it is common knowledge in P that, in any instances of S among members of P:

(1) everyone conforms to R;

(2) everyone expects everyone else to conform to R;

(3) everyone has approximately the same preferences regarding all possible combinations of actions;

(4) everyone prefers that everyone conforms to R, on condition that at least all but one conform to R;

(5) everyone would prefer that everyone conform to R', on condition that at least all but one conform to R',

where R' is some possible regularity in the behavior of members of P in S, such that no one in any instance of S among members of P could conform both to R' and to R." (Lewis 1969: 76)

By virtue of rationality and the common knowledge of that rationality, individuals tacitly know what the others will do. Individuals just need to know what has been done in the past (precedent), even if they have forgotten the genesis of the convention. For Lewis, past conformity with a convention provides a solid basis for its future replication to be common knowledge (Batifoulier et al. 2002: 50). Lewis' objective is achieved. There is no need to communicate in order to agree on the same behavior. For EC/SC, the Lewis's approach allows to point out the theoretical conditions for conceiving coordination of behaviors by convention. "It supposes that each [member of a defined population P] identifies, at least for herself or himself, R as a regularity, as well as the nature of the situations S, their recurrent character, and the relationship between S and R." (Storper and Salais 1997: 17). In Lewis framework, the question of identification of P, R, S and of their relationships is not raised, because common knowledge is sufficient to harmonize representations. However, this last assumption is not satisfactory for the EC/SC: it fails to account for the solutions that common sense and observation of practices give to the problems in question (Dupuy 1989; Storper and Salais 1997). Finally, since the out-comes in the payoff matrix of a game are Pareto ordered, it allows for considering "bad" conventions, which the traditional EC/SC models of Section 5 do not. This concept will be presented in Section 6.

4.2 Keynes and the coordination of representations

The coordination of observable behaviors is Lewis's issue; the coordination of representations is not, by hypothesis. On the contrary, it is Keynes' issue. In chapter 12 of The general theory of employment, interest and money published in 1936, John Maynard Keynes introduced the notion of convention to explain decision-making in financial markets (Orléan 1989).

Keynes considers radical uncertainty, when computations based on probabilities are impossible in the case of long-run expectations. In financial markets, agents are unable to calculate the value of an investment on the basis of the flow of its future yields, since these yields are basically unknown in the long term. In fact, the value in the market will result from the logic of speculation, i.e. "the activity of forecasting the psychology of the market" (Keynes 1936: Chap 12 §VI). The rationality of investors is not only speculative but also self-referential (Orléan 2014: 205): the

market's opinion is both the object, what each individual seeks to antici-pate, and the product, what emerges from individual opinions. Here, Keynes uses the famous metaphor of the beauty contest: "professional investment may be likened to those newspaper competitions in which the competitors have to pick out the six prettiest faces from a hundred pho-tographs, the prize being awarded to the competitor whose choice most nearly corresponds to the average preferences of the competitors as a whole" (Keynes 1936: Chap 12 §V, underlined by us).

How can a speculative and self-referential spiral stop at a single outcome? Keynes' answer is the convention as an operator of stability of the future on the basis of the present. "In practice we have tacitly agreed, as a rule, to fall back on what is, in truth, a *convention*. The essence of this conven-tion – though it does not, of course, work out quite so simply – lies in as-suming that the existing state of affairs will continue indefinitely, except in so far as we have specific reasons to expect a change. […] We are as-suming, in effect, that the existing market valuation, however arrived at, is uniquely *correct* in relation to our existing knowledge of the facts which will influence the yield of the investment […]; though, philosophically speaking, it cannot be uniquely correct, since our existing knowledge does not provide a sufficient basis for a calculated mathematical expectation […]. Nevertheless, the above conventional method of calculation will be compatible with a considerable measure of continuity and stability in our affairs, *so long as we can rely on the maintenance of the convention*" (Keynes 1936: chap. 12 § IV; italics in the original).

The convention is thus a fixed point in a speculative spiral that has other fixed points, and yet it is effective to consider it unique for the good con-tinuity of the affairs. It puts forward a collective object, "the state of af-fairs", which makes it possible to escape from the infinite crossroads of individual anticipations that look at each other; investors all look in the same direction towards this abstract collective construction, common to all and apparently external to all (Favereau 1986: 254). In this way, the Keynesian convention coordinates not the decisions but the representa-tions on the basis of which the decisions are made. Finally, the convention implies a value judgment (Favereau 1986: 254). Indeed, the current val-uation of the market is assumed to be correct; investors project them-selves into the future by assuming the current efficiency of the market in modern terms, which is in fact "a conventional judgment" in Keynesian terms (Keynes 1937: 214).

Orléan (1989, 2018) developed an EC/SC approach of financial markets in line with the Keynesian conception of uncertainty. It is not possible to de-

fine an objective intrinsic value, as neoclassical finance does thanks to the probabilistic hypothesis. On contrary, in situations characterized by significant doubt about the evaluation of fundamental values, mimetic movements occur, leading to extreme instability in quotations. The convention then appears as the social form capable of preventing these dynamics of generalized distrust. Finally, the financial market is an essentially normative mechanism, endowed with its own power, which produces a valuation in the form of a financial convention that is imposed on the actors.

According to Favereau (1986, 2019), the Economics of convention owes its name and its existence (as a group of different researchers accepting this common label) to Keynes' choice of the word "convention". For Favereau, Economics of convention can be interpreted as a continuation of Keynes's "radical project" by generalizing the radical uncertainty of financial markets to all economic interactions. As presented in the next section, EC/SC models study all social and economic situations (in particular production and labor relations) where coordination will be stabilized by quality conventions that shape uncertainty.

5 Models of conventions in EC/SC: organizing the plurality of conventions

This section is devoted to a series of models of conventions, which have been most fruitful for many scholars and which can be considered as belonging to the most visible contributions of EC/SC. These models became of some importance for several reasons. *First*, they present a plurality of conventions as a system of conventions – it is the first plurality mentioned in introduction. These systems can and have been applied fruitfully in many analyses to study the differences of institutional arrangements, to understand coordination and collective forms of evaluation. *Second*, they introduce principles (as fundamental oppositions), which allow to organize this system. There are not only several possible conventions (as with Lewis or Keynes), but one can also evaluate and understand these conventions in terms of their oppositions and familiarities. *Third*, these can also be used as more general principles, that allow to evaluate what should be regarded as a convention and what not.

5.1 Orders of justification

The most widely applied model of convention was worked out by Luc Boltanski and Laurent Thévenot since the 1980ies. These authors identified a set of conventions, that have to be conceived of as culturally established logics, actors can rely on when criticizing or justifying worth (in French "grandeur") and qualities of person, actions and objects. It is im-

portant here to regard these orders of justification at the same time as quality conventions. In French the word "qualifier" means not simply to train someone or to judge, but also to identify its essential aspects. In "On justification" Boltanski and Thévenot (2006) presented six orders of justification, respectively quality conventions: the domestic convention, the market convention, the industrial convention, the inspired convention, the civic convention, and the convention of opinion. Later on, the green convention (Lamont and Thévenot 2000) and the network convention (Boltanski and Chiapello 2005) were added, so that all in all eight quality conventions have been identified. Boltanski and Thévenot (2006) propose a set of axioms as conditions that quality convention should fulfill to be regarded as a legitimate order of justification (Boltanski and Thévenot 2006 labelled it "city", French "cité") – as the assumption that human being's worth ("grandeur") is differently defined and ranked according to the quality conventions and that the worth (and the common good) can in principle change. Every quality convention is aligned with its specific evaluation criteria and its cognitive format. As Table 2 shows, these conventions also rely on specific ways, how persons are evaluated as "equipped with value" and what is the interpersonal relation characteristic for these conventions.

Table 2: Eight quality conventions

Convention	Worth / Quality	Evaluation criteria	Information format	Persons' Qualification	Interpersonal relation
Domestic	tradition, handcraft	esteem, reputation	oral, exemplary	authority and flexibility	trust
Market	demand-orientation, free exchange	price	money units	desire, purchasing power	exchange
Industrial	planning and standardization	efficiency, productivity	measurable criteria, statistics	professional, expertise	functional link
Inspired	grace, non-conformity, creativity	originality, innovative capacity	newness, emotionality	creativity, ingenuity	passion
Opinion	renown	amount of recognition	semiotic	celebrity	recognition
Civic	collective interest	relevant for collectivity	formal, official	equality	solidarity
Green	ecology (its integrity)	environmental compatibility	narrative	ecological knowledge	responsibility
Network	activity, self-management	successful projects	meetings	capacity for teamwork	project orientation

Adopted from Diaz-Bone (2018: 162-163).

An important part of this model is the assumption that members of societies are used to these quality conventions as part of their mainly implicit knowledge about their culture. Coordination also relies on known objects and devices that are present in situations and justify a given quality convention (for example, measuring tools in the industrial convention or signed minutes in the civic one). These conventions have been established in the course of decades or centuries in societies as France, but are present also in other Western societies. This model of different quality conventions has been applied first to economic institutions and economic coordination, but the range of application was quickly extended to many kinds of social phenomena in different social realms. One must recognize that these quality conventions co-exist in most social situations and should not be linked to separate social fields or institutions. The everyday notion of markets for example is not structured by the market convention only. Instead, most markets (as markets for consumer products) are organized by a plurality of quality conventions, and it is this plurality that can explain in more detail the market segmentation.

An early example is the study conducted by Pierre Boisard and Marie-Thérèse Letablier in 1987 of the French camembert, which is originally produced in the region of Normandy (Boisard 1991; Diaz-Bone 2018). Here the regional cows deliver the fresh milk, which is regarded as a natural product and contains differences in smell because of the season and different soil properties of the Normandy meadows. The cheese is produced mainly by handcraft of experienced women, who belong to the known milk farm family, whose family name serves as a brand for "connaiseurs" of camembert. This "camembert normand" is mainly based on the domestic convention as institutional logic how to coordinate the production and how to evaluate the involved qualities. But for decades, there has been an alternative way risen up to produce camembert by implementing strategies of standardization, as the homogenization and pasteurization of milk from all over France, and by applying scientific technologies how to produce camembert in cheese factories. This camembert is evaluated and produced by relying on the industrial convention. This "camembert normé" is conceived of as a durable and (in comparison) affordable mass product, on which's quality consumers can rely on, because of its planned and scientifically controlled way of production; in particular there is no (possibly bad) surprise with its taste. The example demonstrates that the perceived quality of camembert is not determined from the start on by the product category, but by the quality convention which is the logic of coordination, interpretation and valorization all along the

production chain and which determines camembert quality as its outcome.

The example also demonstrates that EC offers a different institutionalist viewpoint on the link between the quality properties of products and institutional arrangements. The product quality is the outcome of economic coordination, based on quality conventions. The product properties therefore cannot be regarded as a pre-given "product specificity", from which an "optimal" institutional arrangement could be derived as assumed in the institutional approach of transaction cost economics (Williamson 1985). Instead for one product category (as camembert) a plurality of institutional settings is possible – resulting in a plurality of product qualities.

From the diversity of product quality conventions, François Eymard-Duvernay (1989) deduced the diversity of models of firms ("modèles d'entreprise"). From Boltanski and Thévenot's model, Eymard-Duvernay considers the market, industrial and domestic quality conventions. According to the market quality convention, the quality of the good is measured by its scarcity, signaled by its price. The firm accepts that the price instability has repercussions on its internal organization: any fixed costs and any long-term investment are in contradiction with the market logic. In the case of industrial quality convention, actors refer to a norm or standard, "a quality standard that is generally valid and stable over time" (Eymard-Duvernay 1989: 335). The associated industrial firm model is based on productivity, specialization, and mass production. Also, Eymard-Duvernay (2004) adds, in opposition to the industrial model, the network firm model, where goods are differentiated and produced according to customers' orders, the organization adopting the "just-in-time" rule. Finally, when the convention of quality is domestic, the quality of the product relies on "the personal links of proximity and the temporal fidelity of the relations" (Eymard-Duvernay 1989: 345). The seniority of the name (the reputation) ensures the quality of the present product and thus requires the maintenance of a mode of production inherited from past practices and inscribed in customs. This link between the convention of product quality and the organization of production is also made in the alternative model of Robert Salais and Michael Storper.

5.2 Worlds of production

The second model of convention was introduced by Michael Storper and Robert Salais at the beginning of the 1990ies. (Storper and Salais 1997; the book was originally published in French as Salais and Storper (1993) in a different version) Here, conventions are logics of coordination, which

pattern regional economic production in branches centered on a specific product. As Boltanski and Thévenot did, Storper and Salais present a system of such conventions, which they name "worlds of production". Storper and Salais differentiate four ideal-typical worlds of production, which can be understood as both (meaningfully) ideal-typical and (spatially and temporally) far-reaching conventions. These are therefore called "possible worlds of production" (Storper and Salais 1997: 19/26). The four worlds of production can be systematically distinguished on the basis of two oppositions. (1) First, whether specialized (non-standardized) products or standardized products are produced here, then (2) whether production is for specific customers or for an undifferentiated general public. The following cross-tabulation of these two oppositions allows to characterize the four possible production worlds of the "interpersonal world", the "market world", the "world of intellectual resources" and the "industrial world". Table 3 presents the organized system of worlds of production by the two oppositions.

Table 3: Four possible worlds

	specialized products [economies of variety]	standardized products [economies of scale]
dedicated products	The interpersonal world *Evaluation of quality*: Price *Forms of uncertainty*: Personal qualities of other producers and consumers *Response to uncertainty*: Comprehension among a community of persons *Basis of competition*: Quality	The market world *Evaluation of quality*: Industrial standards by demanders *Forms of uncertainty*: Shifting prices and quantities *Response to uncertainty*: Immediate availability *Basis of competition*: Prices and rapidity
generic products	The world of intellectual resources *Evaluation of quality*: Scientific methods *Forms of uncertainty*: The path of knowledge development *Response to uncertainty*: Confidence in others *Basis of competition*: Learning	The industrial world *Evaluation of quality*: General industrial standards *Forms of uncertainty*: Business cycle, demand fluctuations *Response to uncertainty*: Short and medium term forecast of events and behavior *Basis of competition*: Price

Adopted from Storper and Salais (1997: 33)

For Storper and Salais, it is only in these worlds of production – i.e. with reference to these coordination logics – that coherent production in and between companies becomes possible in regional industries. It is also only in these worlds of production that the product quality results from the respective specific type of coordination. Also, the worlds of production are not hierarchical according to a single criterion, for example the maximization of the profit rate. "Since all models are profitable if they are implemented in coherent fashion, profitability is not a positive guide to organizational choices or to movements from one world of production to another" (Storper and Salais 1997: 53). Storper and Salais (1997: 51-52) decompose the rate of profit in four different ways, by highlighting the choices made as an adjustment to the market and those that are decided in the production process. This results in four models of profitability consistent with the worlds of production, where firms play on different levels
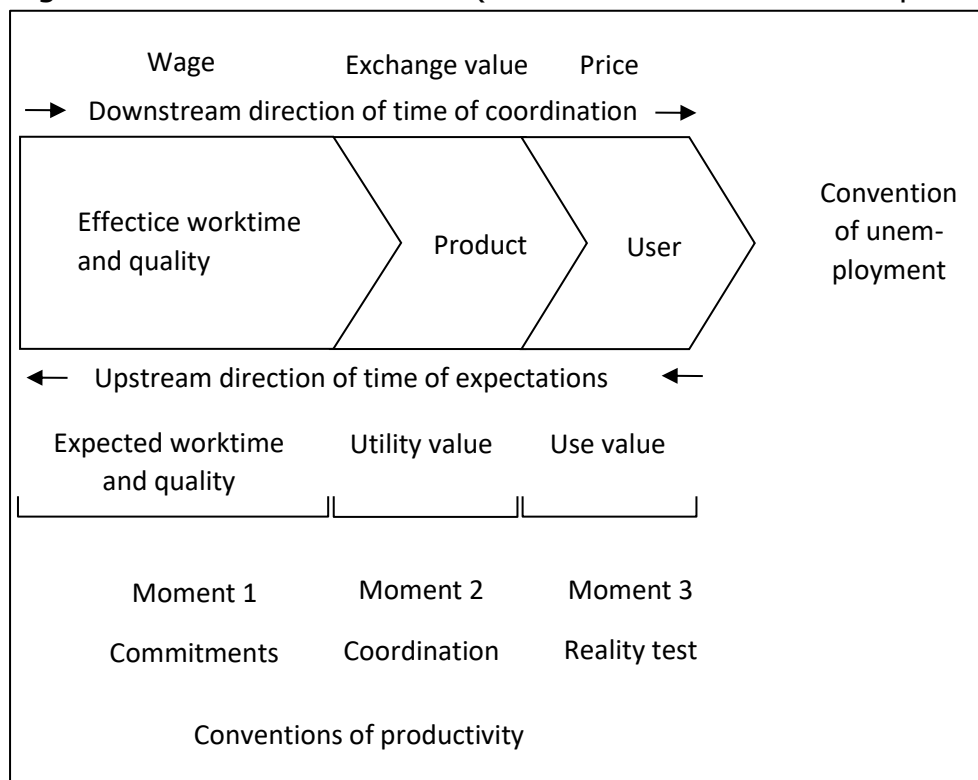
to maintain or increase their profitability. Rivaud-Danset and Salais (1992) complete the framework with four financing conventions which arise in the four worlds when there is compatibility between the forms of uncertainty that firms and their financiers (banks) are able to deal with in their own sphere of action.

Work activities in the firm are subject to uncertainty such as product quality. Storper and Salais (1997) characterize four labor conventions by applying the Salais (1989) framework. Contrary to the equality assumed in mainstream economics between wages and productivity (which mechanically links wages, employee effort and the price of the product), Salais distinguishes three times in production that make the employment relationship a priori uncertain:

- the wage is paid against future work time before the production activity takes place;

- the worker then puts his or her labor capacities into action and thus transforms his or her labor time into a product;

- the sale (or not) of the product on the market makes a direct judgment of the quality of the product and an indirect judgment of the quality of the work done.

Two conventions will allow actors to manage these uncertainties: the convention of productivity and the convention of unemployment (see Figure 2).

Figure 2: Labor conventions (for the realm of the enterprise)

Wage   Exchange value   Price

→ Downstream direction of time of coordination →

Effectice worktime and quality → Product → User → Convention of unem-ployment

← Upstream direction of time of expectations ←

Expected worktime and quality   Utility value   Use value

Moment 1   Moment 2   Moment 3

Commitments   Coordination   Reality test

Conventions of productivity

Based on Salais (2007, 2011)

The first convention allows to stabilize the uncertain link between the two first times. The convention of productivity «defines the worker's side of the bargain: in return for the assurance of being paid a wage, the worker will make concrete efforts to enable the product to succeed in market exchange. For workers, this convention resides in work routines, customs and traditions, the development of shared expectations, learning, and the transmission of skills; use of material objects (equipment, tools) and work rules contributes to the convention by encouraging and stabilizing certain behaviors." (Storper and Salais 1997: 58). The convention of unemployment makes it possible to manage external uncertainty (the market); it carries out ex post adjustments of expectations, modifying work time, the number of workers, and the total wage bill, without perturbing the convention of productivity, otherwise the latter would lose all effectiveness for the continuity of production. Productivity standards vary across production worlds that also adjust differently to the product market; this results in four additional configurations of labor conventions presented in Table 4.

Table 4: Labor conventions of worlds of production

	Interpersonal labor	Intellectual labor	Market labor	Industrial labor
Evaluation of work quality	Market price of product	Scientific and ethical standards	Availability	Job description, Classification of tasks
Wage	Individual, according to output	Investment in persons	By task, by time	Hourly rates by work station
The firm	Deliberate grouping of persons into networks	Small groups	Collection of individual agents	Internal labor market
Adjustment to unknown factors	Personnel responsability	Development of knowledge	Variability of volume work	Unemployment

Abbreviated from Storper and Salais (1997: 59)

But finally, the firm is criticized as unsuitable as the sole unit of analysis and must be placed in contexts with greater spatial and temporal scope or duration. Storper and Salais draw in particular in their studies on the state, or more precisely on state thinking. The state can be conceived of as a convention, too. This way, the state is not seen as an abstract fact far removed from action, but is thought of as a pragmatic reality for coordination. Storper and Salais find different ways of thinking the state, so that different conventions of the state can be identified (Storper and Salais 1997: 207). Significant for France is the convention of the *external state*, on which actors rely as a planning and intervening agency in coordination situations. In the Anglo-American economies, the convention of the *absent state* is widespread, which sees the state as the antithesis of the market. Storper and Salais elaborate a third state convention, that of the *situated state*. In this case, the state leaves actors uncertain whether and how it will intervene. Thus, actors should not be able to rely on the intervention or on the absence of the state in coordination, i.e. they should not be able to simply rely on the state to repair or ignore coordination deficits.

5.3 Conventions of competence

A third organized system of conventions was invented by François Eymard-Duvernay and Emmanuelle Marchal (1997). In their research on recruiting practices they discovered the role of conventions for the social construction of competence.

"Our approach leads us to place judgment in the register of action. There is no competence that exists prior to the judgment and that we would have to discover: the judgment contributes to the formation of the competence. Following a somewhat overused expression, we could say that competence is a "social construction". More precisely, we shall speak of competence as resulting from a convention, that is to say, from an agreement on what competence is. The term convention is used to designate agreements that are closer to action than are fundamental social norms. [...] This approach leads to a shift in the analysis: from competences, we move on to the judgment relationship." (Eymard-Duvernay and Marchal 1997: 12; *own translation*)

As Storper and Salais did, Eymard-Duvernay and Marchal introduced four different conventions, which are also organized by two oppositions. One opposition distinguishes whether the assessment of competences in the process of recruitment relies on or uses standardization and is a priori planned or whether competences are qualified during interactions and can be negotiated (horizontal opposition). The second opposition arises from whether the competences are constructed as a person-specific characteristic or whether they are recognized on the basis of belonging to a collective (vertical opposition). These oppositions isolate four different "registers of judgment" of labor quality; Eymard-Duvernay and Marchal use the notion of conventions of competence "to mark the plurality of these registers, between which the recruiter must arbitrate" (Eymard-Duvernay and Marchal 1997: 29; *own translation*). Eymard-Duvernay and Marchal (1997) consider recruitment to be a judgment and they essentially insist on the plurality of registers or forms of judgment, a notion that they will continue to work on together or separately (Eymard-Duvernay and Marchal 2014). (Conventions of competence are also labelled "conventions of recruitment" (Diaz-Bone 2018) or "skills conventions" (Remillion 2019). Table 5 presents the four conventions of competence, as well as the roles and dispositives of the registers of judgment, which are linked to them. Depending on whether the recruiter uses academic qualifications (Institution), personal traits (Market), recommendations from a network of acquaintances (Network), or intuition (Interaction), candidates are valorized differently.

Table 5: Conventions of competence

	Competences are related to the membership of collectives		
Standardization of competences	(1) *Institution* *Recruiter: Regulator* *Dispositives that establish equivalence: Status, levels, diplomas, positions, hierarchy.* *Ontology of competence: formal qualifications*	(3) *Network* *Recruiter: Mediator* *Dispositives that create relationships: spatial proximity, guarantors, objects* *Ontology of competence: competencies distributed in the network.*	Negotiation of the competences
	(2) *Market* *Recruiter: Selector* *Dispositives of competition: ads, aptitude tests* *Ontology of competence: aptitudes*	(4) *Interaction* *Recruiter: Interlocutor* *Face-to-face dispositives: job interviews* *Ontology of competence: emergent competences*	
	Individualization of competences		

Eymard-Duvernay and Marchal (1997: 25)

The four conventions distinguishable by the oppositions are equipped with "dispositives" that stabilize the practices of action (and thus the coherence of the conventions) (Eymard-Duvernay and Marchal: 35). Dispositives are thereby to be understood as "instrumentations" for coordination and evaluation in the course of recruitment practices. With the notion of dispositives, the role of objects is emphasized in the coordination during recruitment and assessment of employees. The model of conventions, which Eymard-Duvernay and Marchal (1997) introduced makes evident, that (1) competences are not a given fact and that (2) a plurality of recruiting practices is coexisting in "labor markets". For convention theory, labor force qualities (i.e. "competences of employees") therefore cannot be regarded as standardized and pre-given product quality; they cannot be ordered along a single dimension.

Eymard-Duvernay and Marchal (1997) emphasize on the indispensable plurality of conventions of competence, as the recruiter must frequently switch from one to another in order to balance her or his judgement. If, on the contrary, the recruiter adopts a single convention exclusively, the decision is unbalanced because it refers to a single judgment of who is

competent and who is not. For example, "considering that competence is transversal to activities, stable and rooted in people [Market convention] induces a risk of discrimination" (Eymard-Duvernay and Marchal 1997: 224; *own translation*). Finally, depending on the convention of competence labor market favors, an economy does not exclude the same categories of people from employment and does not create the same type of unemployment (Remillon 2019).

5.4 Forms of valuation

The most recent model of conventions was developed by Luc Boltanski and Arnaud Esquerre in their study "Enrichment" (Boltanski and Esquerre 2020). Boltanski and Esquerre call them "form of valuation" and link this concept to the valuation practices of goods in markets.

"A form is a structure that makes it possible to connect things with the perspectives from which they must be envisaged if they are to be correctly appreciated. Considered from the outside – that is, from a disengaged overall vantage point – forms can be identified with the conventions with which the constructivist economics of conventions is concerned." (Boltanski and Esquerre, 2020: 102-103) Table 6 represents the four forms of valuation, which Boltanski and Esquerre distinguish.

Table 6: Forms of valuation

	Analytic presentation	Narrative presentation
Negative commercial potential	Standard form	Trend form
Positive commercial potential	Asset form	Collection form

Boltanski and Esquerre (2020: 107)

Again, two oppositions are employed to organize the table and to explain the differences between these forms of valuation. The opposition "analytic presentation versus narrative presentation" refers to the way an object is presented: "[…] it can be described in two types of language: on the one hand, in the language of analysis (focusing on distinct properties that can in principle be measured and codified); on the other hand, in the language of narrative (featuring events and/or persons)." (Boltanski and Esquerre 2020: 103) The opposition "negative or positive commercial poten-

tial" refers to the expectation about the future development of the value. Boltanski's and Esquerre's study is devoted to the transformation of capitalism in Western countries as France. Especially the collection form is identified as a more recent strategy to value and to transform "the past" into new sources of profit (as patrimony or, antique objects). Again, the role of critique and justification is emphasized, but these practices are now analyzed as they are related to prices, which can be judged by value. But a difference between the orders of worth (introduced in section 5.1) and the forms of valuation is that the letter are not linked to a common good.

6 Dynamics and stability

In many everyday situations, actors experience the plurality of conventions as stabilized patterns how to evaluate, interpret and how to coordinate. In many cases the stabilization took a long time to establish a combination of different conventions. And these conventions are "backed" up by cognitive forms and fitting objects (i.e. objects which correspond to and support the properties of conventions), so that actors are often unaware about existing conventions on which they rely. But from the plurality of conventions comes their evolving and dynamic character, too. From the stability of the coordination that the conventions provide comes their resistance to any change. This tension is underlined by Alain Desrosières (1998) about statistical conventions: "these spaces of durably solidified forms, which must simultaneously remain undebated so that life may follow its course, and debatable, so that life can change its course" (Desrosières 1998: 337). The tension between stability and dynamics can be decomposed in the following way (Batifoulier et al. 2009: 167):

(1) Any convention, being arbitrary, can be questioned, criticized by comparison with other possible ones;

(2) because individuals have good reasons to follow the convention, conformity to it resists criticism and anti-conformist behaviors,

(3) either the convention resists and is strengthened, or the convention is replaced by another one that supplants it.

Consequently, the analysis of coordination by conventions is not static, it is profoundly dynamic. What separates the different approaches is the "good reasons" on which resistance is based. This refers to the normative or non-normative nature of the convention.

In evolutionary game theory (Sugden 1986; Young 1998), the resistance of a convention to rival ones (the other possible equilibria) depends on its effectiveness (avoiding the absence of coordination). Two rival conven-

tions have no intrinsic quality that justifies the choice of one over the other; it is the initial conditions and the accidents of history that make a convention emerge and be followed by all, and if deviant behaviors appear, they are not critical spirits, but "mutants" without rationality or even calculation.

To explain the change of conventions, Young (1998) gives the example of the distribution of seats on a bus and linking the practice of a man giving up his seat to a pregnant woman to the practice of a Black man giving up his seat to a White man. The first convention persists while the second has disappeared. This change is not due to moral values or considerations of justice but to the efficiency and robustness properties of the equilibrium underlying the convention. "We adopted the hypothesis that changes in convention are driven by the cumulative effect of many small variations in behaviors and expectations, just as biological change is driven by variations in genetic structure. If this hypothesis is correct, the model outlined above gives us grounds for cautious optimism. It suggests that, in the long run, evolutionary forces tend to favor forms of contracts that are economically efficient, and that are more or less egalitarian in their welfare implications" (Young 1998: 829-830). Unfortunately, his cautious optimism is contradicted by the predictions of the ergodic dynamics of his model: the conventions that are most likely to emerge are those that reduce individual risk in the event of non-coordination at the expense of collective efficiency (Larquier and Batifoulier 2005).

For Robert Sugden (1986, 1989), conventions create an order in the society and people may come to believe that they ought to act in ways that maintain this order: conventions can become norms because of the human desire for the approval of others. The belief that one must follow a convention is the product of the same evolutionary process as the convention itself. This is the spontaneous order (in the sense of Friedrich Hayek to whom Sugden refers). Therefore, if an outside observer claims to change a convention, people consider this intrusion illegitimate, going against the established order in society. "However much we might wish to deny it, our morality is in important respects the morality of spontaneous order; and the morality of spontaneous order is conservative." (Sugden 1986: 177). The normativity produced by the spontaneous order is thus very resistant to any criticism.

For the Economics of Conventions, actors have preferences and interests, but they are also endowed with language and values; they are therefore capable of justifying and criticizing in the name of values, which are plural in society. Every convention in force has its justifications that reinforce it,

without being immune to criticism. A way to understand how conventions change is to study their articulation with institutions.

There is an important conceptual difference between convention and institution. As Robert Salais (1998) has argued, the meaning of institutions is incomplete and actors have "degrees of freedom" in many situations how to interpret and how to "handle" institutions. For this they refer to conventions as additional interpretative resources to decide on the meaning (relevance). The analysis of the relation of institutions and conventions offers for EC/SC a specific approach to the analysis of stability or dynamics of situations. The reason is that the link between institutions and conventions can be perceived as coherent or as incoherent. Both of these situations can be experienced as uncritical or as critical, which results in a two-by-two table of four different situations (table 7).

Table 7: Four perceived situations

relation of institution and convention(s) is:	functioning of institution is judged as:	
	"uncritical"	"critical"
coherent	(1) normality / reliability	(2) blockage / hegemony
incoherent	(3) dynamic / change	(4) crisis / failure

Diaz-Bone (2012: 71)

Table 7 demonstrates that EC/SC conceives of conventions as both enabling dynamics as well as enabling stability. The potential to initiate social change is rising from situation (1) to situation (4): (1) the situation is stable, there is no need for social change; (2) the situation is burdened with tensions, but actors will have problems to induce social change; (3) there are few tensions in an unstable situation, it is open to social change; (4) the critique will enforce social change more easily (Diaz-Bone 2012: 72).

The resistance of conventions may explain the persistence of "bad conventions". Studying the game theory formalization where conventions are Pareto ordered (see sub-section 4.1.), Guillemette de Larquier and Philippe Batifoulier introduced this concept in EC/SC (Larquier and Batifoulier 2005; Larquier 2016). "Bad convention" designates a convention that stabilize a situation while being criticized for its failure to ensure a

common good for the greatest number. A bad convention is difficult to destabilize because, as a convention, it can be justified.

Olivier Favereau (2012, 2013) uses the concept of bad conventions to present Keynes' message in 1936 (see section 4). The massive unemployment of the Great Depression of the 1930s can be explained by the existence of two bad conventions: (1) in the financial markets, the bad (pessimistic) convention shared on the future state of the economy leads to a too high interest rate, harmful to productive investment and therefore unfavorable to employment; (2) in the academic sphere, economists, who share the bad (optimistic) convention on the capacity of markets to self-regulate, are unable to understand the cause of unemployment, namely a demand anticipated by firms that is too low, and not too high wages. Favereau then proposes a parallel with our modern era and denounces the two bad conventions that are still in force in new forms: (1) shareholders are considered as the owners of the firm, consequently investment is sacrificed for the benefit of dividends; (2) the right way to do economics is to use a technique that has been purged of all value, which prohibits controversy and prevents the advancement of knowledge. "And nothing is more difficult to move than a convention – partly because a majority is not aware of it (there is an inherent tendency to 'naturalize' conventions)" (Favereau 2012: 43).

Another example of bad convention is given by Salais (2013) about the power of finance in the construction of the European Union. During the 2008 crisis, banks in great difficulty had to be saved from bankruptcy by public financial aid. What was the exception has become the rule: the central bank has become the capital provider of last resort and, whatever the banks do, they will be supported. Salais sees a kind of negative form of coordination emerging here, which he calls the "convention of irresponsibility": "The power of central banks has become a fiction. In practice, banks and financial markets are running the show and can impose policies on central banks. The deal between them is minimal control versus maximum freedom. Thus, a convention of irresponsibility is perpetuated within finance" (Salais 2013: 235). Unlike the quality conventions discussed in section 5, this type of (more or less) implicit agreement on the illegitimate protection of the banking sector does not precisely pursue a common good. It is a bad convention that is detrimental to the common good (when public authorities have to intervene to cover the risks of the private sector), but it can nevertheless be considered a convention because it allows for the management of uncertainty in the coordination within financial markets (Diaz-Bone 2018: 267).

7 Conclusion

For EC/SC the core concept of convention solves a series of theoretical issues. Conventions are not external constraints for actors' actions, but have to be applied and interpreted by actors.

Two points need to be emphasized to avoid misunderstandings. (1) Coordination is not achieved solely at the level of individual representation and action. It is not only about cognitive capacities. EC/SC recognizes the role played by objects and dispositives in sustaining coordination (Latsis et al. 2010: 551). Actors are able to move from one convention to another; this is not the case for objects that are attached to a quality convention. As a result, their presence in a situation guides individuals towards the appropriate convention; it "reduces the weight of the constraint of rationality with which individuals are endowed to transfer it in part to the determination of their environment" (Thévenot 1989: 157). (2) The plurality of conventions does not mean their juxtaposition separating different groups of individuals. In the same situation, several conventions can be legitimate, hence the tension between a priori irreconcilable conceptions of quality. In fact, a compromise operation makes it possible to overcome this tension, by seeking a worth that would be justifiable from the point of view of the different quality conventions at the same time (Thévenot 1989: 177). Typically, the enterprise can be conceived as a compromise device intended to manage the tensions between several quality conventions, involving at least the market and industrial ones (Thévenot 1989: 179). Recruitment is another example: the compromise between several conventions of competence leads to the balanced judgment of the quality of candidates by recruiters (Eymard-Duvernay and Marchal 1997).

This way, conventions are conceived of as related to practices (actors' interpretations) and as institutional logic, i.e. deeper structures. Therefore, it can be argued that EC/SC reconciles pragmatist and structuralist traditions in the social sciences (Dodier 1995; Gomez and Jones 2000; Diaz-Bone 2018; Boltanski and Esquerre 2020) and overcomes the former deficiencies of both.

For EC/SC it is the analysis and explanation how value in different social realms (as economics, education, health or culture) is constructed and established, which is maybe the main challenge for social scientists. The plurality of conventions can explain the empirical plurality of institutional logics and ways of valuation. Also, the concept of convention enables to explain the social construction of values (of objects, persons and goods) instead of externalizing value by referring to individuals "subjective esti-

mated utility" – which is finally a psychologists' category, not a social scientists' one.

The chapter has systematically presented the different ways how convention theorists worked out the notion of convention. Because of the plurality of EC/SC's models and conceptualizations of conventions, EC/SC has proven as a useful complex as pragmatist institutionalism with a growing number of applications. Also, the chapter has demonstrated the "paradigmatically open", transdisciplinary and non-orthodox, character of EC/SC, linking economists, sociologists, statisticians and scholars from other disciplines in the field of social sciences to work out this approach, which has been established in the last decades in many different fields.

References

Al-Amoudi, Ismael, and John Latsis. 2019. Anormative black boxes. Artificial intelligence and health policy. In *Post-human institutions and organizations. Confronting the matrix*, ed. Ismael Al-Amoudi and Emmanuel Lazega, 119-142. London: Routledge.

Batifoulier, Philippe, ed. 2001. *Théorie des conventions*. Paris: Economica.

Batifoulier, Philippe, Franck Bessis, and Guillemette de Larquier. 2009. La dimension conventionnelle de la coordination. In *Les approches de la coordination en sciences sociales*, ed. Ludovic Julien and Fabrice Tricou, 155-180. Nanterre: Presses Universitaires de Paris Ouest.

Batifoulier, Philippe, Franck Bessis, Ariane Ghirardello, Guillemette de Larquier, and Delphine Remillon, eds. 2016. *Dictionnaire des conventions*. Villeneuve-d'Ascq: Presses Universitaires du Septentrion.

Batifoulier, Philippe, and Guillemette de Larquier. 2001. De la convention et de ses usages. In *Théorie des conventions*, ed. Philippe Batifoulier, 9-31. Paris: Economica*.

Batifoulier, Philippe, Jacques Merchiers, and Daniel Urrutiaguer. 2002. David Lewis et la rationalité des conventions. *Revue de Philosophie Politique* 6(2): 37-56.

Boisard, Pierre. 1991. The future of a tradition. Two ways of making camembert, the foremost cheese of France. *Food and Foodways* 4(3/4): 173-207.

Boltanski, Luc, and Eve Chiapello. 2005. *The new spirit of capitalism*. New York: Verso.

Boltanski, Luc, and Arnaud Esquerre. 2020. *Enrichment. A critique of commodities*. Cambridge: Polity.

Boltanski, Luc, and Laurent Thévenot. 2006. *On justification. Economies of worth*. Princeton: Princeton University Press.

Boyer, Robert, and André Orléan. 1992. How do conventions evolve? *Journal of Evolutionary Economics* 2: 165-177.

Centemeri, Laura. 2012. The contribution of the sociology of quantification to a discussion of objectivity economics. In *Facts, values and objectivity in economics*, ed. Jose Castro Caldas and Vitor Neves, 110-125. London: Routledge.

Desrosières, Alain. 1998. *The politics of large numbers. A history of statistical reasoning*. Cambridge: Harvard University Press.

Desrosières, Alain. 2000. Measurement and its uses: Harmonization and quality in social statistics. *International Statistical Review* 68(2): 173-87.

Desrosières, Alain. 2008. *Pour une sociologie historique de la quantification*. Paris: MinesTech.

Desrosières, Alain. 2009. How to be real and conventional: A discussion of the quality criteria of official statistics. *Minerva* 47: 307-22.

Desrosières, Alain, and Laurent Thévenot. 2002. *Les catégories sociopro-fessionnelles*. 5th edition. Paris: La Découverte.

Diaz-Bone, Rainer. 2012. Elaborating the conceptual difference between conventions and institutions. *Historical Social Research* 37(4): 64-75.

Diaz-Bone, Rainer. 2016. Convention theory, classification and quantification. *Historical Social Research* 41(2): 48-71.

Diaz-Bone, Rainer. 2018. *Die „Economie des conventions". Grundlagen und Entwicklungen der neuen französischen Wirtschaftssoziologie*. 2nd ed. Wiesbaden: Springer VS.

Diaz-Bone, Rainer, and Emmanuel Didier, eds. 2016. Conventions and quantification – Transdisciplinary perspectives on statistics and classifications (special issue). *Historical Social Research* 41(2).

Diaz-Bone, Rainer, and Robert Salais, eds. 2011. Conventions and institutions from a historical perspective (special issue). *Historical Social Research* 36(4).

Dupuy, Jean-Pierre. 1989. Convention et Common knowledge. *Revue économique* 40(2): 361-400.

Dodier, Nicolas. 1995. The conventional foundations of action. Elements of a sociological pragmatics. *Réseaux* 3(2): 145-166.

Eymard-Duvernay, François. 1989. Conventions de qualité et formes de coordination. *Revue Economique* 40(2): 329-359.

Eymard-Duvernay, François. 2004. *Économie politique de l'entreprise*. Paris: La Découverte.

Eymard-Duvernay, François, ed. (2006a). *L'économie des conventions. Méthodes et résultats. Vol. 1: Débats*. Paris: La Découverte.

Eymard-Duvernay, François, ed. (2006b). *L'économie des conventions. Méthodes et résultats. Vol. 2: Développements*. Paris: La Découverte.

Eymard-Duvernay, François, and Emmanuelle Marchal. 1997. *Façons de recruiter. Le jugement des compétences sur le marché du travail*. Paris: Metailié.

Eymard-Duvernay, François, and Emmanuelle Marchal. 2014. Entretien avec François Eymard-Duvernay et Emmanuelle Marchal. *Revue française de socio-économie* 14(2): 155-167.

Favereau, Olivier. 1986. La formalisation du rôle des conventions dans l'allocation des ressources. In *Le travail. Marchés, règles, conventions*, ed. Robert Salais and Laurent Thévenot, 249-267. Paris: IN-SEE/Economica.

Favereau, Olivier. 1989. Marchés internes, marchés externes. *Revue économique* 40(2): 273-328.

Favereau, Olivier. 2012. To move Institutional Analysis in the right direction: interview by Rainer Diaz-Bone. *Economic Sociology - the European electronic newsletter* 14(1): 40-46.

Favereau, Olivier. 2013. Keynes after the economics of conventions. *Evolutionary and Institutional Economics Review* 10(2): 179-196.

Favereau, Olivier. 2019. The Economics of Convention: From the practice of economics to the economics of practice. *Historical Social Research* 44(1): 25-51.

Gomez, Pierre-Yves, and Brittany Jones. 2000. Conventions. An interpretation of deep structure in organizations. *Organizational Science* 11(6): 589-742.

Keynes, John M. 1936. *The general theory of employment, interest and money.* London: Macmillan.

Lamont, Michèle, and Laurent Thévenot. 2000. *Rethinking comparative cultural sociology. Repertoires of evaluation in France and the United States*. Cambridge: Cambridge University Press.

Larquier, Guillemette de. 2016. Mauvaise convention. Quand un concept passe de la théorie des jeux à l'Economie des conventions. In *Dictionnaire des conventions*, ed. Philippe Batifoulier, Franck Bessis, Ariane Ghirardello, Guillemette de Larquier, and Delphine Remillon, 183-186. Villeneuve-d'Ascq: Presses Universitaires du Septentrion.

Larquier, Guillemette de, and Philippe Batifoulier. 2005. Peut-on suivre de mauvaises conventions? Coordination et Pareto-optimalité. *Économie appliquée* 58(1): 5-32.

Latsis, John, Guillemette de Larquier, and Franck Bessis. 2010. Are conventions solutions to uncertainty? contrasting visions of social coordination. *Journal of Post Keynesian Economics* 32(4): 535-558.

Lewis, David. 1969. *Convention. A philosophical study.* Cambridge: Harvard University Press.

Orléan, André. 1989. Pour une approche cognitive des conventions économiques. *Revue économique* 40(2): 241-272.

Orléan, André, ed. 2004. *Analyse économique des conventions*. 2nd ed. Paris: Presses Universitaires de France.

Orléan, André. 2014. *The empire of value. A new foundation for economics.* Cambridge: MIT Press.

Remillon, Delphine. 2019. Unemployment and turning points in careers: A conventionalist analysis. *Historical Social Research* 44(1): 92-118.

Rivaud-Danset, Dorothée, and Robert Salais. 1992. Les conventions de financement des entreprises. Premières approches théorique et empirique. *Revue française d'économie* 7(4): 81-120.

Salais, Robert. 1989. L'analyse économique des conventions du travail. *Revue économique* 40(2): 199-240.

Salais, Robert. 1998. A la recherche du fondement conventionnel des institutions. In *Institutions et conventions* (Raisons pratiques 9), ed. Robert Salais, Elisabeth Chatel and Dorothée Rivaut-Danset, 255-291. Paris: EHESS.

Salais, Robert. 2007. Die "Ökonomie der Konventionen". Eine Einführung mit Anwendung auf die Arbeitswelt. In *Märkte als soziale Strukturen*, ed. Jens Beckert, Rainer Diaz-Bone, and Heiner Ganßmann, 95-112. Frankfurt: Campus.

Salais, Robert. 2011. Labour-related conventions and configurations of meaning: France, Germany and Great Britain prior to the Second World War. *Historical Social Research* 36(4): 218-247.

Salais, Robert. 2013. *Le Viol d'Europe. Enquête sur la disparition d'une idée*. Paris: Presses Universitaires de France.

Salais, Robert, and Michael Storper. 1993. *Les mondes de production. Enquête sur l'identité économique de la France*. Paris: EHESS.

Schelling, Thomas. 1960. *The strategy of conflict*. Cambridge: Harvard University Press.

Storper, Michael, and Robert Salais. 1997. *Worlds of production. The action frameworks of the economy*. Cambridge: Harvard University Press.

Sugden, Robert. 1986. *The economics of rights, co-operation and welfare.* Oxford: Basil Blackwell.

Thévenot, Laurent. 1989. Équilibre et rationalité dans un univers complexe. *Revue économique* 40(2): 147-198.

Weber, Max. 1978. *Economy and society*. Berkeley: California University Press.

Williamson, Oliver. 1985. *The economic institutions of capitalism*. New York: Free Press.

Young, H. Peyton. 1998. Social norms and economic welfare. *European Economic Review* 42: 821-830.