

## What's Left for The State?

Communication au Congrès de l'AFSP,  
Aix-en-Provence, 22-24 juin 2015

### ST15: Quelle économie politique pour quelle « crise » ?

Andy Smith, Centre Emile Durkheim, Université de Bordeaux,  
[a.smith@sciencepobordeaux.fr](mailto:a.smith@sciencepobordeaux.fr)

Draft: Please do not cite without author's permission

NB. This paper is the first draft of a chapter for a book provisionally entitled *The Politics of Economic Activity*. As a whole, this 'research essay' has a specific aim which needs stating briefly here in order to fully grasp what is in this particular paper: propose and test a sharp and operational definition of politics as being *the mobilization or suppression of values in order to change or reproduce the institutions which structure economic activity*. This definition has been derived from a melding together of constructivist, institutionalist and Weberian theories and concepts. From empirically-oriented constructivism an initial premise adopted is that we live in a world of contingency within which actors shape not only their own strategies, but also the very 'problems' they seek to reduce, regularize or mediate. However, as historical and sociological institutionalism has convincingly shown, for such representations of reality to become 'social' and thereby impact upon collective and public action, they have to be judged 'appropriate' to changing or reproducing the 'institutional orders' which structure societies, economies and politics. When studying such change or reproduction, adding Weberian sociology to this framework guides research to focus upon confrontations between values, i.e. beliefs about what is 'good' or 'bad', that lie at their heart. Even within the constructivism and institutionalisms I draw upon, the role played by values is too often obscured by important, yet ultimately secondary, analysis. Indeed, the eight case studies related in my book show first that a tension between two values –Freedom and Security- lie at the heart of the contemporary politics of economic activity. More originally, it also reveals that mediations involving two other values –Equality and Tradition- support and translate the former two into the singular hierarchies of values which dominate each of the issue areas studied.

# What's Left for The State?

## Introduction<sup>1</sup>

From the beginnings of political economy, the nation state has been at the centre of research and academic debate. Indeed, particularly in Western Europe and North America, such research grew alongside the development of welfare states, national education systems and, more generally, the greater public interventionism which marked the period 1880-1970. Since that period, however, and despite overall budgets for public expenditure remaining high, the practices of the interventionist state have tended strongly to be analyzed from three angles.

Firstly, and most obviously, it has been frontally attacked by neo-liberal practitioners, 'experts' and academics for being wasteful and inefficient. Indeed, frequently armed with the Institutional Economics presented in chapter 1, the aim of this critique has been to make the state smaller and thereby 'unleash' the world of business from the excessive regulation from which it is deemed to be suffering.

Firmly opposed to this neoliberal narrative, a second critique of the contemporary state concerns how it has been weakened by developments within capitalism that have not been adequately addressed by states themselves. In particular, authors such as Wolfgang Streeck (2014), and more generally Regulationist and Keynesian economists, highlight the 'fiscal crisis' experienced by most European states due to the refusal of governments to raise revenues derived from direct taxes in particular. In similar vein, Colin Crouch (2004 & 2011) has denounced the emptying of the state of its capacity and legitimacy to act in an era of 'financial capitalism', a mode of accumulation within which, he claims, large multinational corporations have become virtually uncontrollable.

Finally, a third set of literature considers that although more actors are now engaged in the 'governance' of western societies than in the period of interventionist state expansion (Pinson, 2015), in many cases states have actually been strengthened by adopting modes of operating based upon law and norms. This has occurred through a wide range of public policies switching to problematizations and instrumentations within which the state sets the normative framework for economic activity, but contributes to it financially much less than hitherto (Le Galès & Scott, 2008). Frequently citing the case of the UK, such authors consider that 'a bureaucratic revolution' has revamped the powers of the state by encouraging more competition between socio-economic actors through state-imposed 'market mechanisms', notably indicators, audits and inspections.

While many of the claims made in this literature will be addressed in this chapter, two of its confusing aspects need addressing from the outset. Firstly, publications within this debate often conflate all public authority with the state, whereas this term will be used here to denote

---

<sup>1</sup> A considerable part of the reflection developed here stems from work undertaken recently with Matthieu Ansaloni. In thanking him for this contribution, I nevertheless underline that what is presented below is my responsibility alone.

only public bodies and their actions located and set at the national scale. Secondly, and more problematically, too much of this literature is biased from the outset by normative assumptions and claims. Although understanding the utopias of neoliberals, social democrats or neomarxists is clearly important, here I seek instead empirically grounded answers to the question of how politics at the national scale, and state activity in particular, still affects economic activity. This aim will be pursued by recasting this line of enquiry using the one theory that consistently shares my aim –Historical Institutionalism- as well as the extensions to this theory developed in chapter 2.

Right from its initial formulations in the late 1980s and early 1990s (Evans, Rueshemeyer, Skocpol, 1985), Historical Institutionalism has sought to identify and compare, internationally and over time, how states have intervened in their respective economies. More precisely the overall project of this new institutionalism was to rethink the specificity of the state and of its autonomy in particular, and this by conceptualizing each state as a set of organizations with cross-cutting structures and norms. The central claim made was that despite its interdependencies with interest groups, the state is not just a passive receptor of demands from socio-economic actors and their interest groups. Developed to understand the differing role played by states in sectors such as the railways (Dobbin, 1994), this approach was synthesized in particular by Hall and Soskice's much cited *Varieties of Capitalism* (2001). Put succinctly, the thesis brought together in this edited volume was that each state interacts with its economy around institutions; i.e. stabilized rules, norms and expectations which feature high degrees of regularity over time and across sectors. Specifically, each national pattern of 'institutional complementarity' was claimed to have forged its own variety of capitalism. This approach has since been further developed by researchers such as Thelen (2004) to explain national models of professional training provision, or Carpenter (2010) in order to analyse a US model of pharmaceutical regulation centred upon the Food and Drug Agency.

Notwithstanding the quality of research undertaken by Historical Institutionalism (HI) and its contribution to understanding the relationship between economics and public policy, three developments of this theory are vital if analysis is to go a step further and fully reveal the economics-politics nexus within which its causes reside. The first extension of HI made here is to reject the assumption that 'national' economies can unquestioningly be used as a rigorous unit of analysis. Economic activity has always extended across formal borders meaning that the question for research is best reformulated as one of how scales of regulation –global, European, national, local- criss-cross economic activity, rather than how this activity can be 'photographed' as a national phenomena (Jullien & Smith, 2014). Secondly, as a range of literature has shown for at least three decades (Cawson, 1985; Jobert & Muller, 1987), within each nation state there are considerable differences between how each industry is impacted upon by public authorities. Think for example of the agricultural or the steel industries in the US, both heavily structured by national norms and subsidies that are a far cry from the neoliberal, 'nightwatchman' state generally said to predominate in other parts of American productive and commercial activity.

Finally, and more fundamentally still, the development of HI theory proposed here consists not only of making it simultaneously constructivist (Hay, 2015), but of ensuring that the aim of this constructivism extends to capturing the values which, I claim, cause the problematizations, instrumentations and modes of legitimation that structure economic activity. Indeed, it is precisely by targeting these values that research can go beyond analysis of the role of politics in economic activity in terms of commitments made during national elections campaigns and their impact upon governmental agendas and mandates (Amable &

Palombarini, 2009). If the role of politicians and elections must indeed be taken into account, states are much bigger and more complex than the executives which, temporarily, find themselves at their head.

This line of questioning on the state within a national scale of politics will be pursued in two parts. Centred upon the example of state support for electric vehicles as a response to environmental and economic ‘crises’, the first of these developments examines whether public authorities at the national scale, and those of France in particular, still engage in ‘economic patriotism’. More precisely, by defining this term with Clift and Woll (2012: 308) as ‘a prism to investigate how actors negotiate compromises between abstract economic objectives and territorially bound political objectives’, our aim is to tease out the value judgements and prioritization which have caused and shaped state intervention in the production and commercialization of the goods and services produced by the car industry. As will be shown, the key tension revealed is between Security (of sales and employment) and Freedom (of carmakers, but also of their imagined drivers). Mediated around particular definitions of Equality, this tension has left conceptions of Security in terms of environmental protection firmly on the sidelines.

The second part of this chapter then tackles the question of what actors at the national scale still do to protect and develop employment within their respective frontiers. Although most aspects of welfare state provision have been castigated by neoliberal critics, employment policies which actively seek to put people to work have generally been welcomed by actors from all political parties as important and legitimate levers for reshaping economic activity. Indeed, at least in the EU, employment policy has been jealously retained as a member state prerogative (Jullien & Smith, 2014). Given this strong level of legitimacy, the puzzle that remains is why actors at the national scale, and state representatives in particular, experience such difficulty in orientating workers into the sectors said to contain the best prospects for growth and employment? Illustrated by the contrasting cases of aquaculture in Norway and wine in France, the key value tension examined here is between Equality (of workers) and Freedom (of employers), a tension mediated around distinctly biased conceptions of Security.

Overall, this chapter thus seeks to contribute to analysis of the role of politics in economic activity by critically examining not just the ‘authority’ of states, but above all their capacity to make and implement public policies while infusing them with normative justification and legitimacy (Le Galès, 2014: 17; Muller, 2015).

## Equality Run Over by Freedom and Security: Electric Vehicles

At least in Europe and the US, the car industry has been associated with states for more than a century. During this period automobiles clearly became central to transportation practices and, more fundamentally still, the organisation and regulation of geographical and social space. In so doing, the Freedom of carmakers to produce relatively unregulated cars, as well as that of car-drivers to use them as they see fit, has been consistently defended in terms of values and thus politics (Gusfield, 1981). Just as importantly, however, this industry has long been associated with ‘industrial’ production and thence the generation not only of private and national wealth for owners of capital, but also of substantial numbers of jobs. Put succinctly, and as the massive public subsidies given to carmakers since the 1970s testify, the value of Security –defined as security of employment as much as of transportation- has long been mobilized to legitimize production in this industry. Moreover, alongside a progressive concentration of the industry which, paradoxically, has entailed many mergers and joint ventures that cross national frontiers, makes of car continue to be associated with one particular state: Renault with France, Volkswagen with Germany, Volvo with Sweden, etc. In this way the symbolism of each nation-state has permeated practices of finance, production, marketing and consumption, and vice versa. Moreover, specific definitions of the values of Freedom and Security, as well as their mutually-sustaining relationship, have institutionalized throughout much of the world.

Notwithstanding the highly value-laden, political significance attached to the car industry and the very usage of automobiles, the 1970s also saw the beginnings of a questioning of its dominant product: cars with combustion engines. Sparked by the first ‘oil crisis’, but also by increasing concerns over the environmental impacts of vehicles fuelled by hydrocarbons, for a short period carmakers and governments began to invest in alternative engines, and in electric vehicles in particular (Callon, 1979). However, when oil prices dropped, these initiatives quickly lost both commercial and public support. Indeed, due to reformulated concerns over ‘climate change’, energy provision in general, then the global financial crisis of 2007-8, it is only over the last decade that renewed and sustained interest in electric vehicles has re-emerged. Based upon original research conducted by Axel Villareal<sup>2</sup>, this section is devoted firstly to retracing more precisely how and why this type of vehicle came to be politically reinvented and, in France but also elsewhere, an object of ‘economic patriotism’ (Clift & Woll, 2012). Secondly, I then go on to explain why this reinvention has not brought about the reinstitutionalization of the car industry which, in 2008-9, looked a distinct possibility. The key analytical claim here is that if some proponents of electric vehicles certainly worked intensely to both redefine and mobilize the value of Security from an angle of environmental sustainability and rehierarchize Equality as an intervening (and thus equally important) value, they singularly failed to convince key sets of actors to share this political shift. Put bluntly, whereas the commercial failure of electric vehicles is generally ascribed to ‘technical’ or ‘functional’ issues (such as battery capacity or recharging), using Villareal’s research, I show that the causes of this failure have been deeply political.

### *Fermenting a ‘Second Revolution’ for the Car Industry*

---

<sup>2</sup> More precisely, Axel researched and wrote a Phd. on this subject under my supervision between 2009 and 2014 (Villareal, 2014). This dissertation drew heavily upon observation of actor meetings, analysis of press coverage and more than 100 semi-structured interviews. Axel gave me permission to use his findings in this book and has kindly commented upon what follows. However, I bear total responsibility for the claims made here and the interpretation of his work upon which it is based.

Although the dominant business model for the manufacturing of cars has made three significant shifts over time –from artisanal production (1890-1910) to Fordism (1910-1960s) then to Toyotism, i.e. ‘lean production’ (the 1970s onwards)- specialists of this industry largely concur that it was only when sustained advocacy of electric vehicles emerged in the mid-2000s that deep change became a genuine prospect (Freysenet, 2009; Jullien & Lung, 2011). The argument made was that a concerted switch to electric vehicles would change not only the productive and commercial strategy of each manufacturer, but also consumption (and thus driving and transportation) practices. More profoundly still, this type of automobile was predicted to prompt a substantial remake of the industry’s Institutional Order (OI) and relationship to the other IOs (eg. energy’s) with which it overlaps and interacts. Before grasping precisely which institutions were predicted to change by most informed commentators and many practitioners alike, it is of course crucial to first unpack and explain the industry’s IO as it stood at the last turn of the century.

The most obvious place to start is to briefly examine the car industry’s Sourcing Institutionalized Relationship (IR) in terms of its values, rules, norms and conventions, as well as the actors who have dominated their setting. Particularly since the 1970s and the emphasis laid upon ‘lean production’, this IR has been deeply structured by a relationship between a relatively small number of large car ‘manufacturers’ and a vast amount of sub-contractor companies who are generally relatively small. Rather than produce every component of ‘their’ cars, manufacturers have strongly tended to concentrate the work of their own employees upon vehicle design, assembly and marketing. Meanwhile, sub-contractors have sought to diversify their respective clienteles by producing components for as many manufacturers as possible. Although this trend has largely developed independently of collective and public action, it is important to grasp that representatives of both have nevertheless been involved in generating frameworks for manufacturer-subcontractor relations. Providing legal systems within which contracting can take place and be guaranteed constitutes the most obvious angle from which collective (e.g. national and European trade associations) and public (e.g. ministries of industry and commerce) actors have participated in the evolution of the industry’s Sourcing IR. But the latter also includes a wide range of norms and rules concerning vehicle safety and performance around which commercial operators, interest group officials and civil servants frequently negotiate. Revealingly, over both contracting and vehicle norms, tensions between the values of Security and Freedom constantly structure and condense the politics of this IR in general, and the definition of it as a public problem in particular. Crucially, Equality has effectively been silenced, while Tradition has merely been a supporting value for the continued hegemony of hydrocarbon engines.

Much of what has just been said about the car industry’s Sourcing IR also applies to its Commercial homologue. Just as manufacturers have developed dense, interdependent relations with sub-contractors in order to make their cars, they have also built similar linkages with garages in order to distribute and sell them. Indeed, although some new cars are sold directly by carmakers and an increasing number by supermarkets, most sales continue to entail a direct exchange between a customer and a garage affiliated to a brand. Moreover, it is this relationship that is widely used to lock in the provision of after-sales servicing, repairs and even loans to buy the car in the first place. Garages are thus very much part of the car industry, as testified by the efforts made by their owners to aggregate their interests and participate in the making of institutions that structure the selling of cars. Large carmakers certainly tend strongly to dominate the making and updating of these institutions at national and EU scales (Jullien, 2008). But by sub-contracting much of their marketing and sales

activity they have also helped create another tension between the values of Freedom and Security over which public authorities have frequently been called upon to arbitrate. Focused on issues ranging from accusations of cartelization to quotas on Japanese imports, this industry's Commercial IR, and the involvement of states therein, have therefore contributed significantly to shaping its IO as a whole.

If a steady shift in manufacturer-subcontractor interdependence has deeply marked the car industry, this has been mirrored and often accelerated by a parallel displacement within its Financial IR. As in so many other industries, ownership of the larger firms involved has strongly tended to shift from families to shareholders. In so doing, the role played by banks has become less central and that of stock exchanges predominant. Just as importantly, it is important to take into account here the impact of mergers that have taken place since the 1960s and 1970s (eg. Peugeot and Citroën in 1976), as well as deeply institutionalized 'joint ventures' such as the one developed by Renault and Nissan since 1999. A third and final dimension of this industry's Financial IR concerns the role played by public authorities. As we will see more closely below, throughout the world national governments, as well as the European Union (EU), have contributed to the capitalization of vehicle-making for decades. Peaking initially in the 1970s, these 'state aids' fell considerably during the period 1985-2005. Nevertheless, such subsidies never actually disappeared and have remained a set of key policy instruments for public authorities committed to 'economic patriotism', instruments which, moreover, have been regularly coproduced and recycled by carmakers themselves (Jullien & Lung, 2011). Put succinctly, although on the surface the 'problem' of financing the car industry appears to have been dominated by practices and discourse which mobilize the value of Freedom (of the entrepreneur), its irregular but constant dependence upon public intervention has meant that the value of Security has also been omnipresent. Indeed, struggles to articulate Freedom and Security once again lie at the very heart this IR.

Why have states accorded so much importance and social meaning to Security as a value in an industry which, after all, is not directly linked to life or death issues? A major part of this question of course lies in the jobs linked to the making and selling of cars, and thus to the Employment IR that structures them. Particularly during the period 1945-70, the making of vehicles became a major part of industrial activity and thus a source of jobs in many Western (and Soviet Bloc) countries. Even more importantly, during this period of expansion trade unions often became powerful actors who, together with the management of manufacturers and their opposite numbers within ministries of industry and of labour, developed longstanding neo-corporatist arrangements within which national negotiations took place, in particular to set wage rates, devise pension schemes and develop professional training. Indeed, in many countries this institutionalization of the car industry's Employment IR not only shaped capital-labour relations within the industry, but also considerably beyond as part of arguments in favour of 'economic patriotism'. Notwithstanding the apparent strength of the institutions built prior to 1970, however, they have since been systematically challenged by actors within and without car firms who consider that the cost of employment has become a handicap for car production in developed countries, and thus a reason for reducing it and/or relocating factories and jobs to countries where wages are lower and rules or norms are less constraining (eg. Romania). Indeed, the contingent character of institutions in the Employment IR, as well as their subservience to the industry's other IRs, has revealed itself the most clearly in states such as the UK where public support for national car manufacturers has been almost totally abandoned since the 1980s. In this extreme case, previous commitments to the value of Security in this industry were overturned in favour of the Freedom of consumers to buy products from anywhere in the world and of companies to

divest nationally or invest internationally as a consequence. In most other car-producing European countries, as well as the US, a certain commitment to the value of Security continues to impact upon the Employment IR and thence upon the framing of problems and instruments for the industry as a whole. Nevertheless, even in these national cases, by the mid-2000s commitments to the value of Freedom began to have greater institutional impacts.

In summary, the period 1970-2005 generated a number of uncertainties which seriously challenged the cohesion of the car industry's IO, and this particularly because during these years a global scale of (de)regulation began to undermine the capacity and desire of certain public authorities to continue to govern car-making and selling at the national scale in the name of economic patriotism. Crucially, the importance that had been accorded to the value of Security lost considerable ground to that of Freedom. Indeed, these were the conditions from which many experts and actors deduced in the late 2000s that 'revolutionary change' would occur when sparked into life by the environmental and financial 'crises'.

### *Political Work to Prompt Deep Change*

Identifying sources of uncertainty and reasons for change is of course one thing; actually transforming them into problem definitions, policy instruments and legitimizing discourse and symbols is quite another. Indeed, the case of electric vehicles provides a particularly salient illustration of this maxim which, moreover, highlights the causal influence of values, and thus of politics, upon economic activity. In order to grasp how this played out, let's first examine the impressive range of actors who, as of 2008-9, sought to re-problematize, re-instrument and re-legitimize the car industry from this angle.

Actors seeking to challenge elements of the IO via the promotion of electric vehicles most obviously centred their quest upon its Sourcing IR. By proposing a new form of motorization, they simultaneously sought to delegitimize and disempower departments within car-making firms, but also sub-contractors, who remained wedded to the combustion engine. Indeed, these challengers took the form of competing infra-firm organizations (e.g. Renault's department entitled *le programme voiture électrique*), entirely new carmakers (e.g. Tesla, a start-up based in California), or battery manufacturers. Indeed, given that batteries and their recharging were framed from the outset as the key problem –one of 'autonomy'– to be tackled both by producers and public authorities, considerable efforts were made to produce new relationships between firms (e.g. between Renault and Bolloré) and policy instruments in the form of national and EU R & D grants, or local subsidies for infrastructure provision.

More generally, the political work undertaken by challengers within the Sourcing IR sought to redefine transportation by car through aligning and allying themselves with like-minded challengers operating within the industry's Commercial IR. For the latter, the most obvious objective was lowering the price of electric vehicles. This aim was pursued initially by removing the high cost of each car's battery from its price, then charging a subscription for its rental (along the lines of the mobile phone model). This reduced the cost of a new basic vehicle to around \$15,000, a figure that made it reasonably competitive with traditional cars. Meanwhile, an attempt was begun to encourage consumers to replace thinking in terms of purchase prices by the notion of 'Total Cost of Ownership'. Furthermore, when the financial crisis began to heavily impact upon the new car market in 2009, these commercial initiatives were supplemented by others financed by public authorities such as subsidized scrapping schemes for old cars, vehicle tax reductions, free parking or subsidies for infrastructures (eg.



recharging centres). In this way, a number of commercial and policy instruments were deployed to challenge the hegemony of conventionally powered vehicles. Just as importantly, however, partisans of electric vehicles also began to advocate a new symbolism for cars based around the concept of ‘mobility’. Instead of emphasizing performance in terms of speed and unconditional autonomy, attempts were made to ‘green’ the image of the car emphasizing how ‘going electric’ contributes to saving the planet (thus allying Security with Equality – in terms of equal rights to environmental protection), and by reminding drivers that their actual needs in terms of autonomy rarely exceed the 100km a day which electric vehicles readily cover (thus rejecting the anti-Freedom image often imposed upon them).

As emphasized by the involvement of public subsidies in the strategies presented above, no actor considered that significant changes in the Sourcing and Commercial IRs would occur without corresponding displacements within the industry’s Financial IR. Accordingly, private investors in the form of shareholders and banks were encouraged to loosen and lower their institutionalized commitments to the production of conventional vehicles and switch instead to riskier, but potentially more lucrative, investment in electric vehicles. Meanwhile, various public authorities were brought on board using a more differentiated set of arguments. In non-car-producing countries like Israel, electric vehicles received public support in the name of increasing national security in the face of perceived growing uncertainties generated by oil-producing states. If such arguments were also mobilized elsewhere, in producing states like France arguments about new markets opening up in the BRIC countries (Brazil, Russia, India and China) were given equal if not greater prominence. From this angle, ‘economic patriotism’ inspired proponents of electrical vehicles who underlined the pressing need for ‘France’ not to be overtaken by new producers in order to obtain state support (Villareal, 2014: 256). Consequently, the French government granted low-interest loans to Renault and Peugeot that amounted to 6 billion euros in order to invest in ‘technologies of the future’. In addition, EU funding for R & D on electric vehicles was also generated (Hildermeier & Villareal, 2011). Unsurprisingly, the awarding of subsidies was simultaneously legitimated in the name of safeguarding employment in countries like France where carmakers had been severely hit by fallout from the financial crisis (for instance in September 2008 Renault announced 4,000 voluntary redundancies). Indeed, political work within the industry’s Employment IR was made to keep factories such as Sandouville in Normandy open, thereby reasserting both Renault’s and the French government’s commitments to economic patriotism.

Overall then, throughout 2008 and 2009 public and private support for electric vehicles built up accompanied by impressive predictions of high market share –e.g. 23% of all Chinese cars and 6% of all French ones by 2020- and politicized discourse deployed by actors ranging from Renault’s CEO to the then President of France, Nicolas Sarkozy<sup>3</sup>. In a word, building upon the reasons for abandoning conventional motorizations set out earlier and the arguments in favour of electric vehicles outlined here, by late 2009 the stage looked set for the revolutionary change anticipated by activists and most commentators alike.

### *The Politics of Industrial and Societal Reproduction*

How can one therefore explain that since 2009 the commercial objectives set have never remotely looked likely to be achieved? (in 2013, only 112,000 electric cars were sold

---

<sup>3</sup> See in particular his speech made to the *Mondial Automobile* trade show in Paris on the 6th of October 2008.

worldwide, i.e. a mere 0.14% of total new car sales<sup>4</sup>). More profoundly how, in the space of just a couple of years, has such widespread support for electric vehicles all but disappeared? So-called technical issues have played their part. However, not only have these issues actually been political, the conflicts between values and value hierarchies they reveal have had deep and far-reaching effects considerably beyond the car industry itself.

An initial set of explanations of the resilience of this industry's pre-existing IO can be found around two uncertainties regarding electric vehicles –battery cost and vehicle autonomy– which their proponents had sought to reduce by developing new problem definitions, commercial and policy instruments, together with a legitimizing discourse within its Sourcing and Commercial IRs. The attempts made to reduce the cost of batteries for these cars have clearly proved insufficient. On the one hand, research has so far not managed to come up with a product that is both efficient and less costly. On the other, proponents of electric vehicles have not succeeded in spreading and popularizing a reasoning about costs in terms of 'Total Cost of Ownership' which, theoretically at least, includes the thorny question of resale value. This said, the lack of change noted here cannot simply be ascribed to commercial instruments that have yet to prove sufficiently attractive. More profoundly, for such instruments to stand a chance of gaining legitimacy in the eyes of private and collective customers, as well as public authorities, a significant shift in the definition of the very problem of transportation by car needed to be achieved. Unsurprisingly, opposition to this call for change was led by supporters of combustion-engined vehicles who have always taken great delight in asserting that an electric car is not an automobile because it is not autonomous (Villareal, 2014: 276). Despite such predictable and powerful opposition, redefining the very problem of transportation by car has of course been sought for years by activists working for environmentalist interest groups and, much more recently, pro-electric vehicle units within carmakers themselves. Particularly in the case of the former, defending a right to a cleaner environment for all has been fuelled by an egalitarian take on equality. However, neither of these groups of actors have succeeded in linking their detailed arguments about economic and environmental costs to a convincing meta-narrative (or 'global referential', Muller: 2015) that would supplement their case with a layer of social meaning. Consequently, performance, prestige and 'premiumization' (Jullien & Lung, 2011) have continued to dominate the industry's symbolic order (Flonneau, 2008). Overall, then, all the political work undertaken over this dimension of creating demand for electric cars has not managed to reframe Security as a private (manufacturers and sub-contractors) *and* public issue, i.e. one of sustainability in the name of Equality (protecting the environment for all), rather than simply the reproduction of car production.

This lack of change in the definition of the problem of vehicle cost has been accompanied by the absence of similar change occurring for the wider problem of transportation. As highlighted earlier, a range of environmentalists, car designers and representatives of municipal authorities have argued throughout the 2000s that 'mobility' is the best way to frame today's relationship between transportation technologies and environmental protection. Alongside reinventions of public transport that have occurred in many cities, electric vehicles came to be seen by many such actors as a key means of satisfying needs not met by public transport, drastically reducing vehicle emissions and rehierarchizing equality as a guiding value for public policy. Despite the discourse, rhetoric and symbolism attached to the 'mobility' movement, however, it has thus far had relatively little impact upon the provision of new services to the public and even less upon their transportation practices.

---

<sup>4</sup> Figures cited in Villareal (2014: 346) taken from autoactu.com.

One utilitarian explanation of this failure lies in the refusal of nearly all municipal (and national) authorities to impose restrictions upon the usage of conventional vehicles in cities, or to penalize this practice through taxes or tolls. In short, ‘carrots’ have been offered in the shape of incentives to buy or hire electric cars, but very few ‘sticks’ have been deployed alongside them. An additional explanation of this type would point to stabilized petrol prices due to the evolving state of global supply, as well as the new sources of hydrocarbons discovered in the late 2000s via ‘fracking’. Both these points need taking seriously because they impact on the Security-Freedom relationship. However, neither addresses why, despite clear evidence that penalties do work and that cheap fuel cannot last indefinitely and has its own environmental costs, public authorities virtually throughout the world, and state representatives in particular, have failed to confront powerful vested interests in order to impose more constraining rules and norms upon them.

Tackling this question seriously would require new research into the value systems of relevant politicians and civil servants, in particular to understand the inconsistent material and symbolic support they have given to electric vehicles over time. But such research would also need to dovetail with Villareal’s existing results on the non-creation of demand for electric vehicles he ascribes to environmentalist movements and the very carmakers who ostensibly committed themselves to producing this type of car.

In the case of environmentalist pressure groups, it is relatively well known that they are often divided over electric vehicles because of their dependence upon the generation of electricity - and in France therefore often upon nuclear power. What Villareal shows in addition, however, is that at least in France such groups have neither followed the electric vehicle debate closely, nor equipped themselves with the analytical tools that could have enabled them to do so. In short, the deep, value-driven commitments of environmentalists to Security as Equality-enhancing sustainability, have not been accompanied by a capacity and commitment to engage in the concrete processes of problematization, instrumentation and legitimation which have affected the (non)creation of demand for vehicles powered by electricity. More fundamentally still, a linkage between the values of Security and egalitarian Equality has rarely been injected into these three processes.

Villareal’s second stimulating finding is that carmakers themselves have shackled the creation of demand for electric vehicles by failing to invest in the actual selling of such cars to individual customers. Rather than develop a concerted campaign alongside car dealers, companies such as Renault have simply assumed that this link in the value chain would take care of itself, i.e. car salesmen and women would spontaneously become enthusiastic advocates of the new products. In practice, virtually all such dealers continue to highlight the uncertainties that concern these vehicles and encourage customers to invest instead in the traditional vehicles ‘they know they can sell’. The consequence of carmakers failing to strategize over electric vehicles from an angle that embraced their industry as a whole is that at the point of sale, no autonomization of electric vehicles from the ‘dominant design’ of cars has taken place (Villareal, 2014: 347).

In conclusion, by applying the ‘politics as values’ approach this case study has revealed how the long-term aim of environmental protection has once again been subordinated to the short term goals of reducing commercial uncertainty and rebuilding profitability. Rather than simply stemming from the rational calculus of ‘interests’, however, this subordination needs explaining as one of ‘Security in the name of environmental equality’ being dominated by

‘Security as continuity’. Arguments in favour of reproducing the car industry’s IO have not simply won out because the most powerful of its actors flexed their muscles. Instead, this defeat for challengers to the status quo has been caused by the non-institutionalization of new problem definitions, policy instruments and modes of legitimation. During attempts to launch these three processes, value choices and possible rehierarchizations have been blurred and fudged by the very proponents of electric vehicles. Merely describing their domination by actors who possess massive material and symbolic resources therefore tells us nothing new. Analyzing how the dominated have failed to develop a politics that matches the heights of their economic and social ambitions, and in particular their failure to harness state representatives to their cause by rehierarchizing values, provides a much more fruitful avenue for research and reflection.

### **How Security Subordinates Equality: Labour Market Policies or Their Absence**

If social science has convincingly and rigorously refuted the ‘common sense’ adage that the European welfare state is ‘a corrosive drain’ upon economic activity (Hall & Wincott, 2012), this has not stopped a raft of neo-liberals from denigrating and seeking to dismantle state intervention of this type. Generally, however, these actors make an exception for ‘labour market policies’ which, since the 1980s, have been considerably reformed and often expanded. In so doing, the role of the state has been reframed as one of actively seeking to ascertain the human resources needs of employers, then either orientating the qualified unemployed in the appropriate direction, or training the unqualified in order to fill the ‘gaps’ identified (Palier, 2002: 228). As Thelen (2001: 71) so cogently explains, this policy change corresponds to a shift away from a problematization in terms of the redistribution of wealth and the taming of trade unions (associated with the post-war period of sustained growth and labelled ‘industrial relations’), towards a definition of the public problem in terms of meeting the ‘firm-level’ concerns of employers for productivity, efficiency and higher value-added production (legitimized by the slow down in growth and increased competitiveness associated with ‘globalization’). In so doing, as Culpepper stresses (2000: 223), throughout most of the developed world ‘supply side’ policies have been developed and promoted around the representation of ‘a skilled labour force as a public good’. Moreover, resources and hope have been invested in a theory of action within which private employers will co-operate in the production and enhancement of this upgraded workforce.

Notwithstanding that this generalized shift in the aims and instruments of labour market policies superficially looks very similar in a wide variety of countries, nor that the OECD has been a vociferous proponent of such convergence, Historical Institutionalists have also shown that embedding ‘active’ labour market policies in different states has taken a variety of forms and stimulated differing levels of change. Analyses of reputedly ‘Liberal Market Economies’, such as the UK, have shown not only that relatively small sums of public expenditure have been devoted by states to such policies, but also that employers and employer associations in such countries have thus far largely failed to support policy change by supporting state representatives in their quest to identify collective labour needs (Martin & Swank, 2004; 2012). More counter-intuitively, Thelen has explained why even in Germany, a country generally depicted as a ‘Co-ordinated Market Economy’, active labour market policies have often failed due to low levels of ‘employer solidarity’ (2001: 76; 2004). Indeed, research in this area has produced considerable data firstly upon the attitude of employers’ association to active labour market public policies and, secondly, on how the latter have been interpreted,

supported or ignored at the level of individual firms. In so doing, the self-interest of each firm (e.g. to retain the apprentices that it trains) and, more generally, the issue of sharing information amongst and between private and public actors (Culpepper, 2001), have often been highlighted as key factors which hamper policy implementation.

Whilst most of this research on shifts in labour market policies, and thus the supposedly ‘new’ role played by states in economic activity, is convincing and stimulating, three of its recurrent characteristics currently limit its heuristic value. Firstly, this scholarship often neglects to underline that quests for productivity and efficiency have always been at the forefront of employers’ minds: it is vital to consider that within any industry, its Employment Institutionalized Relationship (IR) has never been less than a vital component. This point leads to a second concerning the level of analysis preferred by specialists of labour markets. These researchers tend strongly to concentrate upon national, horizontal policies (the macro) or the level of the firm (the micro). Indeed, as we saw above, failures in macro policies are often attributed to negative practices at the micro. My concern here is that in jumping over the level of each industry (the meso), research in labour market policies has neglected a crucial dimension of the institutionalization of the economy within which problems are shaped, instruments are translated into concrete actions and policy as a whole is legitimated. Thirdly, existing research rarely tracks with precision how representatives of the state have actually worked in and around meso-level (i.e. industry specific) active labour market policies. What follows is thus an initial probe into what research can discover about the state’s role in labour market policies if one adopts a meso level and ‘politics as values’ perspective which, moreover, directly combines analysis of Employments IRs with their respective Financial, Sourcing and Commercial counterparts.

Empirically, this probe will compare two examples of industries within which states have intervened in labour markets with sharply contrasting outcomes. Centred upon Norway’s aquaculture industry, the first illustration provides a briefly sketched ideal-type of how, when acting in the name of certain values, states can still strongly re-orientate both their labour market and the Institutional Order of an industry. Taken from the French wine industry<sup>5</sup>, my main example of state intervention in labour markets then deepens this analysis of why the outcome of state interventionism is so dependent upon an onerous set of scope conditions. Indeed, the principal claim made below is that the cornerstone of successful state intervention in this issue area is a conception of Security as a public good within which the value of Equality also plays a key role in the framing of problems and the setting of instruments.

#### *What states can do when Security is a public good*

Largely because of its small size, Norway is seldom mentioned when state interventionism is compared. Nonetheless, it is well known that since the late 1960s its state has benefited greatly from revenues from the oil produced within Norwegian waters, a source of wealth that has contributed greatly to the high standard of living of most of its population and the relative generosity of its social protection policies. What is less well-known, is how the Norwegian state has deployed some of its oil revenues in order to diversify economic activity within its borders based upon a distinctive problematization of the politics-economics nexus. In particular, faced with a declining sea-fishing industry, over the last four decades state

---

<sup>5</sup> Fieldwork on this question was conducted with Thierry Berthet in 2011-2, a contribution for which I thank him profusely. However, this interpretation of our findings is mine alone.

representatives and other actors have consistently worked to create then develop an aquaculture industry that has attained the highest profitability and productivity levels in the world. Throughout, a state-led active labour market policy has been at the heart of this story, a positioning that stems from Security in this industry being couched as a public good linked to egalitarian principles.

Aquaculture in general is an industry that first expanded in the 1970s and 1980s, then accelerated over the following decade (Carter & Casales, 2014). In Norway, the industry was initially dominated by a plethora of small, family-run companies whose capital essentially came from own resources and local banks. As of the 1970s, the state began to provide some financial support through regional development and ‘innovation’ policies, the latter in particular facilitating technological breakthroughs in production (eg. cages) and processing (eg. filleting and packaging) which paved the way for intensification of the industry as a whole (Wiig-Aselesen, 2007). Moreover, the Norwegian state also invested from the outset in the marketing of Norwegian Salmon as a collective brand while defending its producers in bilateral trade negotiations and at the WTO (Carter, Ramirez & Smith, 2014). In short, the Financial, Sourcing and Commercial IRs of the industry were all affected to a significant degree by state intervention. However, at least in these early years, employment policy was largely neglected.

As with Norwegian oil, it is also common knowledge that France contains the largest national vineyard in the world, an area within which not only the most prestigious wines but also the largest turnover and profits are made. Alongside the rest of European agriculture, most French wine production began centuries ago within small, family run holdings as part of either subsistence farming (wine for own consumption), or polycultural practices (excess wine to be sold through markets) (Dion, 1988). As elsewhere, many of these holdings were family-owned, whilst others were tenancies leased from large landowners. Indeed, from the point of the view of the French state, until the late 19<sup>th</sup> century, the question of who worked to produce grapes was simply part of a wider ‘agrarian problem’ concerning the relationship between rural and urban populations. As of the 1880s, this definition of the problem began to change, however, as the professions of grower and merchant organized themselves on a national basis in order to politically work in favour of more interventionist collective and statist action. The creation of a Ministry of Agriculture in 1881 channelled much of the state’s responses to this development. More generally, the period 1875-1930 constituted the genesis of a neo-corporatist and highly interventionist approach to regulating the French vineyard underpinned by the value of Security (Warner, 1960; Smith, de Maillard & Costa, 2007). Although, employment questions were not at the forefront of this *rapprochement* between wine’s professions and the state, one instrument in particular was developed: as of the 1880s, a more systematic national approach to agricultural training was developed via specialized secondary schools (*lycées agricoles*), a policy whose legacy today is that there are more than 800 of these schools in France, together with 500 specialized professional training centres and 19 higher education bodies.

Crucially, during the period of sustained growth in French wine production which, in general terms, lasted from the late 19<sup>th</sup> century until the 1970s (and indeed continued into the early 2000s for regions such as Bordeaux), the pedagogical orientations given to educational and training establishments in wine-growing regions was dominated by the ‘needs’ expressed by actors whose main preoccupations have been the industry’s Sourcing and Finance IRs: i.e. product and capital-related issues. Indeed, these orientations became particularly explicit in the period of rapid production growth that marked the 1950s until the 1980s: young people

wishing to remain on the land were trained in ever-increasingly intensive farming techniques, meanwhile those susceptible to find employment in towns were expressly encouraged to do so. Indeed, although legitimized as a freedom to choose, the rapid urbanization experienced by France during these years was caused above all by how the values of Freedom and Security were translated into statist backing for the mechanization of agriculture and the concentration of farms into ever-larger, monocultural units (Muller, 1984). In this way the population of salaried farm-workers grew, but the overall number of people working in farming dropped sharply.

In summary, it is clearly difficult to rigorously compare the development and growth of the Norwegian aquaculture industry in the 1970s and 1980s with that of French wine in the mid-Twentieth century. However, if one reduces the point of comparison to the role played by state actors in these processes then clear similarities are discernable. In both states, policy instruments were established by state actors in order to prompt expansion, better quality products and greater productivity. Moreover, in both cases expansion of this kind was defined as a public good legitimized in the name of the state itself. Most fundamentally, in Norway and France the value of Security was mobilized as a means of not only accompanying the Freedom of private enterprises, but also working towards more egalitarian outcomes for their workers.

#### *State intervention when Security is privatized*

Given that in general around 50% of the cost of making a bottle of wine in France relates to labour, one could be forgiven for assuming that when, in the 1970s and 1980s, then again in the 2000s, market conditions became more difficult, the French state would have revitalized a strong employment policy for this industry. The enigma addressed here is that it very definitely has not. More specifically, if a range of isolated measures such as specialized agricultural high schools and databases on viticultural employment continue to exist, the French state has found it increasingly difficult to formulate an overall policy which attracts consistently high levels of support from the representatives of growers and merchants. On the contrary, despite state-produced warnings about the ageing of viticultural workers (at least 30% are over 50) and the consequences of a drop in the employment of family members on wine farms (down 30% since 2000), these demographical statistics have thus far been downgraded by producer representatives to the status of an occasional issue for individual firms. For such actors, the labour market is not seen as a collective, let alone a public, problem.

In order to grasp this incongruous gap between an industry structured around a politically and economically powerful Institutional Order on the one hand and, on the other, denial of challenges to its Employment IR by its key representatives, a brief update of recent employer-employee relations in French wine estates will first be presented before zooming in on one regional vineyard: Bordeaux. The overall thesis developed here is that although much of economic activity in France had previously been 'co-ordinated' by a state-producer coalition in the name of Security and Equality, the value of Freedom has increasingly come to predominate. In the case of labour market issues, this emphasis upon the Freedom of wine estate owners and managers has obstructed their reproblematisation and instrumentation. The overall consequence has been ineffectual political work on employment issues, together with asymmetric interdependencies which have left the industry's Employment IR subservient to orientations developed instead within its Sourcing, Commercial and Financial counterparts. In

a word, an increasingly liberal approach to the labour market has eliminated the value of Equality from policymaking and left that of Tradition to take care of itself.

What first needs stressing is that since the 1980s the intensification of wine growing within ever-larger holdings has continued. Throughout, the state has accompanied this development with instruments designed for farmers and growers, such as early retirement schemes and incentives to encourage the 'installation' of young farmers. By contrast, however, salaried farmworkers have been paid far less attention. This can be exemplified first by examining the content of official reports on the wine industry. In 2002 the French Senate's 150 page *L'avenir de la viticulture française* makes no mention of employment questions. In 2008, the national Economic and Social Council made a similar report within which 5 of its 142 pages do mention employment statistics. However, no opinions were expressed on this issue, not even by the four trade unions invited to do so. In short, at the national scale the question of who works for wine farms, together with their respective skills, has not been problematized.

In terms of political work aimed at actively shaping wine's labour market, it is essentially at the regional level that French state officials have been most active. Here the case of Bordeaux is particularly revealing since its vineyard alone employs no less than 25,000 workers, i.e. a third of the national total. Moreover, this wine region possesses the largest number of job vacancies within French agriculture. A third, even more revealing, reason for looking closely at state activity in this region is that its field office in Bordeaux has become a lone voice calling for greater attention to be paid to this issue: *'Since 2003 we have rung the alarm bells. We have said 'something needs to be done'. But until now the industry has eyes only for the price of barrel of wine and China'* (interview, May 2011). Specifically, using the statistics they regularly generate on a wide range of farming practices, the state's field services in Bordeaux have not only highlighted the dangers the industry is facing in finding skilled workers such as tractor drivers, but also the risks for the future manifested in the drop in interest in wine production shown by teenagers currently in secondary education (in 2000, 900 students specialized in wine whereas, by 2010, this figure had fallen to 290). Indeed, locally based state officials have highlighted the extent to which classes are closing and schools are being forced to merge. More fundamentally, driven by the value of Security, the concerns of the handful of state officials working on employment issues in Bordeaux are that the disregard for the labour market by dominant growers is actually getting worse: *'They don't understand anything about what is happening (...). All they do is present examples of misery and poverty in the sector'; 'They simply don't care! They might make cosmetic or political statements. But it's just cheap talk. On a daily basis, this issue has no effect upon what they actually do'; 'Immediate employability is their only criterion'* (interviews, May and June 2012).

Fieldwork undertaken with the representatives of growers and merchants largely confirms these representations of grower priorities. For example, the region's key producer and merchant body –le *Conseil interprofessionnel des vins de Bordeaux*– has no officer working on employment questions; moreover in 2010 its 100 page strategic *Plan Bordeaux* contained just a few lines on this issue area. In addition, the region's Chamber of agriculture has great difficulty in getting growers and their staff to take their training courses at all. Put bluntly, the only employment questions that have resonance for the vast majority of growers concern the meeting of short-term demands, increasingly through private employment agencies. More deeply still, the persistence of stigmatizing terms like 'farm labourer' (*ouvrier agricole*) or the unskilled (*les petites mains*) locks in and legitimizes a framing of viticultural employment



which dissuades young people from choosing its career paths<sup>6</sup>. Faced with grower disinterest and faith instead in the liberalization of labour markets, representatives of the French state are currently disarmed and helpless. Despite the continued existence of some national policy instruments, the dismissal of the value of Equality that has occurred over the last few decades, fuelled by a redefinition of Security in terms of market access, has ultimately left the state itself empty-handed.

This example of state (in)action in France contrasts sharply with how its Norwegian counterpart reacted to upheavals in the aquaculture industry in the mid to late 1990s. During this period, company ownership shrank drastically as international competition hit hard and an emphasis on productivity and efficiency suddenly came to dominate. Indeed, if sales increased threefold between 1994 and 2005, the number of persons directly employed in the industry fell from 7000 in 1990 to 3500 by the end of the decade, then to 2205 by 2005 (Wiig-Aselesen, 2007: 19-21). As so often when shareholders become the main financiers of companies, this drastic fall in job numbers was partly due to the emphasis these actors put on 'cost competitiveness'. Crucially, however, the Norwegian state and interest group leaders did not simply stand by and watch this trend. Instead, taking legitimacy from parliamentary legislation adopted in 1994, their reaction was to build specialized educational establishments, including at university level. Indeed, this action was framed as an integral part of national innovation policy involving a range of ministries which have contributed to a number of significant developments. First, by 2003 more than 1600 researchers in Norway were working on aquaculture (Wiig-Aselesen, 2007). Second, when one includes employees in the feed, vaccine, technical equipment manufacturing and related sectors, Norwegian aquaculture featured 13,000 direct 'marine expertise' jobs in 2005 (Olafsen et al., 2006), a figure whose 'ripple effects' were calculated to have risen to 22,000 direct and indirect jobs four years later (SINTEF, 2009). Finally, to complete the picture, it is important to factor in the jobs in factories in the many other European countries where most Norwegian salmon is processed (SINTEF, 2005). In short, through implementing judicious national and corporate development strategies within which the values of Security and Equality, thence employment policies, have been central, state and private actors representing Norwegian aquaculture have not only reinforced a key branch of their country's economic activity (\$4.9 billion in exports in 2011, nearly five times that of Canada), but also relegitimized at home the very role of the interventionist state.

In concluding this (too) brief comparison between state practices in Norway and France, it is important to confront it with the findings of labour market specialists who have looked in much greater detail at how states and employees can co-operate in this issue area. From this perspective, for example, Culpepper underlines that 'States are good at standardizing measures, not at assessing contextual information (...). Such policies can only be crafted if state policy-makers incorporate the private information accessible to employers' associations in the design of public policies' (2001: 278). Whereas my Norwegian example largely corroborates this claim, the case of the French wine industry underlines that in other instances the state possesses such data while it is the employers who have chosen not to act upon it. Crucially, figures do not speak for themselves. Indeed, here the value priorities of French wine growing elites have downplayed values of Security and Equality in the name of the Freedom of individual estate managers to meet their labour needs as they see fit. Secondly, Culpepper also underlines the need not to blame either state or employer representatives but

---

<sup>6</sup> On this point see the report by ANEFA-Aquitaine, 'Une étude action sur la main d'œuvre saisonnier agricole en Aquitaine', [www.Anefa.org/regions/aquitaine/](http://www.Anefa.org/regions/aquitaine/).

to focus instead upon the characteristics of their relationship. Although in general terms this finding is born out by both my case studies, it is equally important to address directly the value systems of each set of actors. In the Norwegian case the priority given to Security and Equality by both the state and employers caused and legitimized the placing of labour issues at the centre of aquaculture's development. In contrast, the obsession with Freedom by wine growers in France has reduced their relationship with the state to a one-way street that has left public officials feeling helpless and unwanted.

## **Conclusion**

What the state still does is a vast question that obviously cannot be fully addressed in a single chapter. What the above analysis has endeavoured to do is refute the material determinism of both neo-liberal and leftist writings on the state, while proposing an alternative that also goes beyond analyses in terms of governance and Historical Institutionalism (HI). Neo-liberal accounts of the contemporary state obtusely ignore how sustained economic activity can only occur when publicly backed institutions structure markets and firm behaviour. As my examples from the car industry and labour markets show, state intervention has been a decisive influence upon socio-economic outcomes, either favouring lasting practices or handicapping their development. Of course, both sets of examples also show the crucial role played by companies and their respective interest groups. Nevertheless, it is equally excessive to claim, as many neo-Gramscians do, that representatives of businesses act consistently against state interventionism, or even manage to aggregate their own interests amongst themselves on a regular basis<sup>7</sup>. In short, material determinism of either type, be it ideologically driven or not, obscures the scope conditions that either encourage or discourage state representatives from seeking to affect the course of economic activity.

Historical Institutionalists and certain theorists of 'governance' provide a solid basis for beginning research that identifies such scope conditions. The former rightly target institutions as the sets of rules, norms and conventions which state representatives work upon in order to impact on economic practice. The latter provide heuristic means of capturing the relations between actors within which this work on institutions takes place. However, because such authors generally do not anchor their analysis in empirically grounded constructivism, both approaches accord insufficient importance to the role played by social representations in general, and values in particular. Indeed, the key claim defended in this chapter has been that what conditions a state's involvement in the economy are the hierarchies of values that structure the thought and action of its personnel. These hierarchies equip state actors not only with arguments and symbols with which to present their respective arguments, but also a means of legitimizing their very involvement in economic activity. If, over the last forty years, representatives of the state have certainly supported the rise of Freedom as an organizing principle for public action in the economy, the case studies presented here show that their legitimacy and capacity to intervene is more likely to increase if the values of Security and Equality are given at least equal prominence. More precisely, by defining Security in terms of Equality in order to emphasize that it is a public good to be shared by the widest possible cross-section of the population, state actors can provide themselves with a posture from which to convince other stakeholders, thereby augmenting their own power and legitimacy.

---

<sup>7</sup> As Cornelia Woll has shown clearly in research on other industries (2008), one should never underestimate how difficult managers of firms often find it to aggregate their interests.

## References Cited

- Amable B. And S. Palombarini (2009) 'A Neorealist Approach to Institutional Change and the Diversity of Capitalism', *Socio Economic Review*, 7(1): 123-143.
- Boyer R., Freyssenet M. (2000) *Les modèles productifs*, Paris: La Découverte.
- Calabrese G., ed. (2012) *The Greening of the Automotive Industry*, Basingstoke: Palgrave.
- Callon M. (1979) 'L'Etat face à l'innovation technique. Le cas du véhicule électrique', *Revue française de science politique*, 29(3): 426-477.
- Carpenter D. (2010) *Power and Regulation. Organizational Image and Pharmaceutical Regulation at the FDA*, Oxford: Oxford University Press.
- Carter C., Casales C. (2014) 'The EU's Government of Aquaculture: Completeness Unwanted', in Jullien B., and Smith A., eds., *The EU's Government of Industries. Markets, Institutions and Politics*, London: Routledge, pg. 84-114.
- Carter C., Ramirez Perez S., & Smith A. (2014) 'Trade Policy: All Pervasive but to What End?', in Jullien B., and Smith A., eds., *The EU's Government of Industries. Markets, Institutions and Politics*, London: Routledge, pg. 216-240
- Cawson A. (1985) *Organized Interests and the State: Studies in Meso-Corporatism*, London: Sage.
- Clift B., Woll C. (2012) 'Economic patriotism: reinventing control over open markets', *Journal of European Public Policy*, 19(3): 307-323.
- Crouch C. (2004) *Post-democracy*, Cambridge: Polity.
- Crouch C. (2011) *The Strange Non-Death of Neo-liberalism*, Cambridge: Polity.
- Culpepper P. (2000) 'Can the State Create Cooperation?: Problems of Reforming the Labor Supply in France', *Journal of Public Policy*, 20(3): 223-245.
- Culpepper P. (2001) 'Employers, Public Policy, and the Politics of Decentralized Co-operation in Germany and France', in P. Hall & D. Soskice, eds., *Varieties of Capitalism*, Oxford: Oxford University Press, p. 275-306.
- Culpepper P. (2003) *Creating Cooperation: How States Develop Human Capital in Europe*, Ithaca, N.Y. : Cornell University Press.
- Dion R. (1988) *Histoire de la vigne et du vin en France. Des origines aux XIXe siècle*, Paris Flammarion.
- Dobbin F. (1994) *Forging Industrial Policy: The United States, Britain and France in the Railway Age*, Cambridge: Cambridge University Press.
- Evans P., Rueshemeyer D., Skocpol T., eds. (1985) *Bringing the State Back In*, Cambridge: Cambridge University Press.
- Flonneau M. (2008) *Les cultures du Volant. Essai sur les mondes de l'automobilisme*, Paris: Editions Autrement.
- Freyssenet M., ed. (2009) *The Second Automobile Revolution*, Basingstoke: Palgrave.
- Gusfield J. (1981) *The Culture of Public Problems. Drinking-Driving and the Symbolic Order*, Chicago: University of Chicago Press.
- Hay C. (2015) 'Constructivist Institutionalism', forthcoming

- Hall P., Soskice D., eds., (2001) *Varieties of Capitalism*, Oxford: Oxford University Press.
- Hay C., Wincott D. (2012) *The Political Economy of European Welfare Capitalism*, Basingstoke: Palgrave.
- Hildermeier J, Villareal A. (2011) ‘Shaping an emergent market for electric cars: how politics in France and Germany transform the European automotive industry’, *European Review of Industrial Economics and Policy*, issue 3 (<http://revel.unice.fr/eriep/?id=3329>).
- Jobert B., Muller P. (1987) *L'Etat en action*, Paris: Presses Universitaires de France.
- Jullien B. (2008), ‘European Automobile Distribution: Globalization and Incomplete Liberalization’, in Jullien B. and Smith A., eds., *Industries and Globalization*, Basingstoke: Palgrave, pg.
- Jullien B., Pardi T. & Ramirez Perez S. (2014) ‘The EU’s Government of Automobiles: From ‘Harmonization’ to Deep Incompleteness’, in Jullien B., and Smith A., eds., *The EU’s Government of Industries. Markets, Institutions and Politics*, London: Routledge, p. 57-83.
- Jullien B., Lung Y. (2011) *L’industrie automobile. La croisée des chemins*, Paris: La Documentation Française.
- Jullien B., Smith A., eds. (2014) *The EU’s Government of Industries. Markets, Institutions and Politics*, London: Routledge.
- Le Galès P. (2014) ‘Recomposition de l’Etat : changements d’échelle, normes extérieures, nouvelles organisations’, in P. Le Galès et N. Vezinat, *L’Etat recomposé*, Paris: Presses Universitaires de France.
- Le Galès P., Scott A. (2008), ‘Une révolution bureaucratique britannique ? Autonomie sans contrôle ou ‘freemarkets, more rules’’, *Revue française de sociologie*, 49(2) : 301-330.
- Leurent F. Windish E. (2011) ‘Triggering the development of electric mobility: a review of public policies’, *European Transport Research Review*, 3(4): 221-235.
- Martin C., Swank D. (2004) ‘Does the Organization of Capital Matter? Employers and Active Labour Market Policy at the National and Firm Levels’, *American Political Science Review*, 98(4): 593-611.
- Martin C., Swank D. (2012) *The Political Construction of Business Interests: Co-ordination, Growth and Equality*, Cambridge: Cambridge University Press.
- Muller P. (1984) *Le technocrate et le paysan*, Paris: Economie et humanisme (republished in 2014 by l’Harmattan).
- Muller P. (2015) *La société de l’efficacité globale. Comment les sociétés modernes se pensent et agissent sur elles-mêmes*, Paris: Presses Universitaires de France (forthcoming).
- Olafsen T., Sandberg, M., Senneset, G., Ellingsen, H., Almas, K., Winther, U., Svennevig, N. (2006), ‘Exploitation of Marine Living Resources - Global Opportunities for Norwegian Expertise’, report from a working group appointed by DKNVS and NTVA.
- Palier B. (2002) *Gouverner la sécurité sociale*, Paris: Presses Universitaires de France.
- Pinson G. (2015) ‘Gouvernance et sociologie de l’action organisée’, *Année Sociologique*, (forthcoming).
- SINTEF (2005) ‘Employment in the EU based on Farmed Norwegian Salmon’, research report [http://www.sintef.no/globalassets/upload/fiskeri\\_og\\_havbruk/internasjonal\\_radgivning/report\\_final.pdf](http://www.sintef.no/globalassets/upload/fiskeri_og_havbruk/internasjonal_radgivning/report_final.pdf)
- SINTEF (2009) ‘The significance of the fishing and aquaculture industries for Norway in 2009 – a national and regional ripple effect analysis’, research report.
- Smith A., de Maillard J., Costa O. (2007) *Vin et Politique: Bordeaux, la France, la mondialisation*, Paris: Presses de Sciences Po.

- Streeck W. (2014) 'The Politics of Public Debt. Neoliberalism, Capitalist Development and the Restructuring of the State', *German Economic Review*, 15: 143-165.
- Thelen K. (2001) 'Varieties of Labor Politics in the Developed Democracies', in P. Hall & D. Soskice, eds., *Varieties of Capitalism*, Oxford: Oxford University Press, p. 71-103.
- Thelen K. (2004) *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States and Japan*. New York: Cambridge University Press.
- Wang H., Kimble C. (2013) 'Innovation and Leapfrogging in the Chinese Automobile Industry: Examples from Geely, BYD and Shifeng', *Global Business and Organizational Excellence*, 32(6): 6-17.
- Warner C. (1960) *The Winegrowers of France and the Government since 1875*, New York: Columbia University Press.
- Wiig-Aselesen H. (2007) 'The Innovation System of Norwegian Aquacultured Salmonids', *TIK Working paper on Innovation Studies No. 20070606*.
- Woll C. (2008) *Firm Interests: How Governments Shape Business Lobbying on Global Trade*, Ithaca, N.Y.: Cornell University Press.
- Villareal A. (2014) *L'industrie automobile à l'épreuve des voitures électriques. Entre changement et continuité*, Phd. Thesis, University of Bordeaux.