

Bourdieu's Theory of Economic Practice and Organisational Modelling

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PREFACE

This publication centres on the construction of an innovation model for services by interlinking Pierre Bourdieu's theoretical ideas and illustrating them with examples. Specifically, I demonstrate that Pierre Bourdieu's *general theory of economic practice* can be used to construct a social capital model of innovation. This text is pragmatic and designed to inform the reader about how to apply the model in their own research and how to interlink the different concepts that underpin it. As many theories are explained in this book, you will see internal references to subsections to guide you. While I have tried to make the learning process as orderly as possible, the reader will notice that Bourdieu's theories are interconnected and, in some cases, reliant upon each other. Hence, there is no singular place to start that doesn't require some knowledge of the other ideas to comprehend them fully. They sit in a relational network. Extensive internal signposting to chapters is used to guide you between ideas. As the reader, I would encourage you to make use of the index and contents pages if you encounter unfamiliar terms rather than reading the book linearly. Fundamental to Bourdieu's approach are two notions which I have threaded throughout this work. Firstly, structure; the use and conception of structures, both in methodological and theoretical terms, are essential to understanding Bourdieu's ideas and sampling techniques. Secondly, you will see a proclivity in his works to overcome limitations in theory and method by synthesis or reflexivity, often choosing to turn existing ideas against themselves.

The premise behind my approach is very simple: in sociological terms, Pierre Bourdieu's work is highly applicable to describe multiple levels of human interaction, i.e. within and between individuals, companies and entire marketplaces. However, most academic literature doesn't engage with his wide range of methods or demonstrate how Bourdieu's concepts have direct relevance to the commercial world. I rectify this issue by bringing his lesser-known works to light, showing examples from his

writings where he has discussed conceptions of markets, marketing, supply and demand etc. Doing this has allowed me to create an entire economic model from the individual concepts, which Bourdieu referred to as his *general theory of economic practice* for others to utilise. Whilst Bourdieu referenced this concept in his writing, he never explicitly pieced together what it looked like in actual terms. For the first time, this publication stitches together the different parts of the *general theory of economic practices*, bringing it to life as a unified whole.

As such, the main body of the text is used to explain each concept that underpins the model presented here. I provide visual templates and tabulations to aid its use. In the second half of the publication, I link Bourdieu's theoretical works to his methodological writings. Because of this, I have structured the book in a step-by-step approach, starting with the theory, followed by an explication of his methodology and terminating with the application of the techniques he used.

This publication is meant to be accessible, particularly to students who want a brief (but comprehensive) overview of the topic and a way to apply it to data collection. Consequently, this book acts as a DIY manual for researchers looking to understand how and why and when to apply Bourdieu to any management or innovation studies area. As best as possible, I have tried to do this in plain English and avoided death by polysyllables; however, quoting Bourdieu at length does, on occasion, help the reader get a more granular understanding of his thinking.

The data used for theory development is taken from business ethnographies and my qualitative work with "*lifestyle entrepreneurs*" (Williams et al., 1989). Many of which were family or small businesses. Traditional approaches to service modelling are typically based on firms with substantially more staff and a more formal organisational/social structure than the SMEs I mainly worked with. However, in terms of prevalence, family and small businesses make up a large part of many economies, giving the publication broad applicability.

As alluded to above, this book uses the concepts developed by Pierre Bourdieu to model all levels of service interactions, whether micro

(personal), meso (organisational) and macro (market), within a singular framework (see Svendsen and Svendsen, 2010). Because Bourdieu's synergistic work embraces agency and structure, it can offer a theoretically grounded, high-fidelity model of services that is of great benefit because it does not artificially separate areas of practice for the purposes of simplifying the analysis. This approach has more real-world applications than using individual models of the same system or models that are over-theorised or lack empirical grounding.

As stated, I initially focus on Bourdieu's theory and its application in business studies to illustrate how his different concepts can be unified into a singular model of commercial practice. An overview of the literature on the theory of Bourdieu is presented first. The book then delves further into the construction of each idea, synthesizing the concepts into a singular socio-economic model of innovation. Bourdieu's writing style is known for being quite Byzantine. Therefore, where appropriate, I provide links from Bourdieu's work to innovation and management studies, either to other theoretical concepts, research or processes, in order to provide context to the ideas.

Subsequently, I explain how Bourdieu's theory is linked to his writings about methodology. Here the text covers multiple research methods, including semi-structured interviews, ethnographic interviews, and ethnography. This section also outlines analysis techniques and ways to interrogate data. The methodology section ends with a discussion of the ethical considerations for data collection methods. Ethnographic validation and generalizability criteria for the qualitative work are also set out.

The monograph concludes with some comprehensive observations about the application of Bourdieu to management and innovation studies. I go into detail about the benefits and unique potential this approach offers. By the end, you will have covered all the content required to be able to launch your own project using Bourdieu's theory and or methods. You will also understand how each of the concepts and approaches for data collection and analysis relates to each other and where they originate.

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ABBREVIATIONS

CIC – Community Interest Company

COST – European Cooperation in Science and Technology

DoH –Department of Health

EU – European Union

FDA – Food and Drink Act (America)

GDP – Gross Domestic Product

IMS – Idea Management System

ISO – International Organisation for Standardisation

MD – Managing Director

NHS – National Health Service

NPD – New Product Development

OECD – Organisation for Economic Co-ordination and Development

SME – Small or Medium Sized Business

TQM – Total Quality Management

TObeWELL - Tourism Well-being and Ecosystem Services

UEMS – University of Exeter Medical School

USP – Unique Selling Position

WHO – World Health Organisation

CHAPTER 1

INTRODUCTION

This publication focuses on the theoretical works of Pierre Bourdieu that comprise his *general theory of economic practice*. Specifically, I contend that his sociologically and epistemologically anchored theory can help model innovation (and business practices in general) more clearly than existing approaches. This includes outlining how Pierre Bourdieu's *general theory of economic practice* can be used to analyse markets and market segments. In this book, I focus on organisational modelling; however, some monographs already connect Bourdieu to economics as a related topic, and the reader may wish to explore these also, see Christoforou & Lainé (2014).

The *general theory of economic practice* as a framework allows one to describe micro, meso and macro levels of economic activity. Thus addressing all levels of commercial activity – from individual speech acts up to the values and mechanisms that underpin entire sectors. It is fundamentally socio-linguistic in the broadest sense. It is a powerful explanatory tool which can form the basis for an innovation model of practice.

I take a data-driven approach by combing theoretical text and using directly collected data sources to illustrate and bring to life the concepts covered. While real-world examples are drawn from primary data collection, quotations are omitted for brevity (and / or were commercially sensitive). This data comes mainly from lifestyle entrepreneurs (Ateljevic and Doorne, 2000) or family entrepreneurs (Heck et al., 2008, Getz and Carlsen, 2000). For a Bourdieusian take on lifestyle- firms, see Williams (1995).

Most organisations I interviewed or with whom I participated in business ethnography fall into the SME category. It should be pointed out that most small firms can be categorised as lifestyle businesses (Morrison et al., 1999). One of the hallmarks of microbusiness is that the entrepreneurial culture is

an intricate mixture of motivation and desires of various kinds (Morrison et al., 2008). While I feel that the work produced is generalizable to any service or organisation, I have stated the sources here for transparency.

This book makes several novel contributions. It is one of the first to apply Bourdieusian thought to the concept of innovation. Although excellent attempts have been made to apply Bourdieu to organisational studies, such as Tatli et al. (2015), innovation studies have received no direct application to date. Applying Bourdieu's work to innovation is valuable because it creates bridges between innovation and social theory at multiple levels. As such, this monograph addresses the relative lack of published work in this area.

A further benefit is that using a Bourdieusian technique helps researchers create historically informed analysis and apply methodologies that preserve the structure of an organisation rather than randomly sampling it.

This publication represents the first attempt to synthesise the work of Bourdieu into a single innovation model. Therefore, it will help you learn to use both Bourdieu's theory and related methodology to model organisational innovation practices (or lack thereof) in various settings. Not just in parts but as a whole framework, i.e. in accordance with his *general theory of economic practice*. Furthermore, this publication brings to life the interconnections between different layers of the economic theory shown in a single conceptual model. While Bourdieu wrote about the *general theory of economic practice*, he never explicitly outlined the constituent parts beyond it, representing the sum total of his collective body of work. Putting all the pieces together for the first time opens up the potential for future research in organisational and management studies as well as other areas.

CHAPTER 2

BOURDIEUSIAN THEORY AND APPLICATION IN BUSINESS STUDIES

Introduction

This chapter is divided into several parts. The primary function is to provide the theoretical grounding for the rest of the publication. It provides the basis for the innovation model based on Bourdieu's concepts of capital to be constructed and used. Hence, from here on in, I further illuminate his theoretical ideas and what binds them together.

Aim and Rationale

In the first instance, this chapter outlines the theoretical framework that Pierre Bourdieu created to reintegrate sociological and economic practises into a singular model, as he saw the distinction between the two subjects as essentially false (Arimond and Elfessi, 2001, Svendsen and Svendsen, 2003). This model Bourdieu called *the general theory of economic practice*. It represents the totality of his approaches to all forms of economic and social interaction that an agent can undertake. The idea was explained by cultural anthropologist Alan Smart as follows:

“One of the most influential efforts to reintegrate social and economic analysis has been Pierre Bourdieu's theoretical project to develop a 'general science of the economy of practices.' Such a science would recognize market exchange and capitalist production, or the economic in a narrower sense, as only a particular type of economic practice and would explore the conversions that occur between the economic and the noneconomic.” (Smart, 1993: 388)

The theory has great breadth in being able to explain the role of actions internal to an organisation, the microeconomic interactions of an organisation and the wider actions associated with the macroeconomy. Here

macro refers to the way in which Bourdieu used it (as laid out in Figure 7), not in the traditional economic description that can be found in Garcia and Calantone (2002), Linton (2009), Abernathy and Clark (1993), which is in relation to field-specific logic. It must be understood that I use the word theory out of convenience, as nearly all of Bourdieu's ideas were founded through empirical research and are not an exercise in empty scholastic dreaming (Grenfell, 2013).

The most simple characterisation of Bourdieu's standpoint is a form of generative structuralism (Harker, 1991: 3). Regarding this formulation, it is crucial to highlight the giant's shoulders upon which Bourdieu based his theoretical constructions and from whom he drew influence. In addition, he also consistently attempted to reintegrate the values of natural science back into a sociological framework (Bourdieu, 2004b, Vandenberghe, 1999, Svendsen and Svendsen, 2003). Vandenberghe (1999:33) wrote:

“Bourdieu argues for a non-positivistic interpretation of the epistemology of the natural sciences and reformulates it systematically in such a way that the possibility of a naturalistic social science becomes possible.”

Vandenberghe (1999) suggests that Bourdieu drew heavily from sociologists such as Karl Marx, Max Weber, Marcel Mauss, Émile Durkheim, Erving Goffman and Károly Mannheim, but also from the phenomenology of Husserl, Merleau-Ponty, Hegel and Heidegger (see Bourdieu (1996a)), the linguistics of Wittgenstein, and elements Bakhtin's semiotics (see Bourdieu (1977a)) but also from the Kantian epistemological traditions of Bachelard, Panofsky, Lévi-Strauss and Cassirer. Naturally, these authors had varying levels of influence on Bourdieu's writings, but this does serve to highlight the bearings of his work, namely epistemological and linguistic philosophy, structuralism, phenomenology and sociological thinking. This intellectual basis gave rise to the plethora of concepts that can be seen in Figure 1, which provides an illustrative example of some of the ideas that make up Bourdieu's *general theory of economic practice*. The relationships between these individual concepts are unpacked in diagrammatic form over a series of Figures (6-8) further on in this publication, outlining the function of the internal structure in an organisation and wider market segments in Bourdieu's terms. It is also worth noting that Bourdieu's

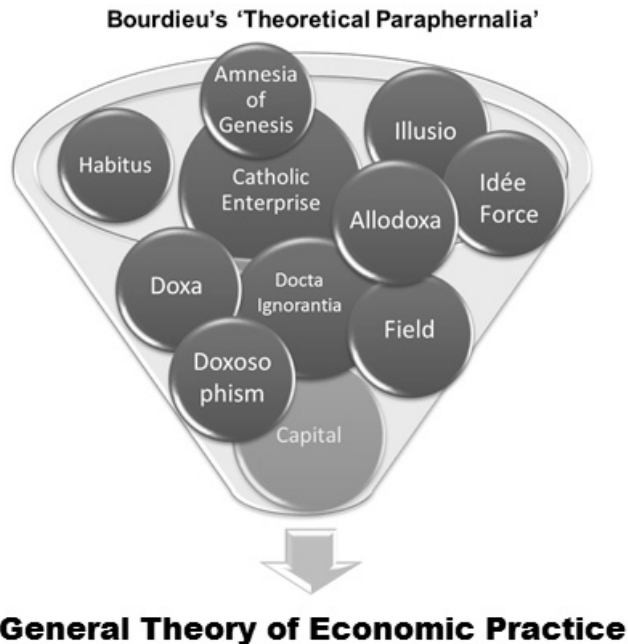


Figure 1. Authors representation of the concepts within the general theory of economic practice as a graphic

syncretic integration of these (at times seemingly conflicting) positions is based upon him critiquing them as well as extolling their virtues, as he said his method was to:

“use Weber against Weber to go beyond Weber. In the same way one should follow Marx’s advice when he said ‘I am not a Marxist’ and be an anti-Marxist Marxist. One may think with Weber or Durkheim, or both, against Marx to go beyond Marx and, sometimes, to do what Marx could have done, in his own logic.” (Bourdieu, 1988: 780)

It is worth noting that this approach is not novel but was devised by Bruno Bauer when he undertook to turn Hegel against himself in a method he termed *critical criticism* (Marx and Hegel, 1956 [1845]). It is this dialectic or “*Le mouvement d’enveloppement*”, as Bachelard (2012 [1940]:137) termed it, aiming at a continuous critique of a work through its own means,

that helps to expose its paradoxical logic. Bachelard was a teacher to Bourdieu at the *École Normale Supérieure* and a fundamental source from whom he often draws (Meisenhelder, 1997). One of the most influential theories of Bachelard that Bourdieu replicates is that of epistemological rupture (*rupture épistémologique*) (Bachelard, 2004 [1949]). This is the process by which one causes a rupture in both the narrow confines of scientific epistemology and also a break with doxa or “common sense – *sens pratique*”¹ (Mesny, 2002). From this, it is evident that Bourdieu wished to achieve a social rupture as much as an epistemological one (Barnard, 1991). This concept is fundamental in understanding the integration of opposing scientific structures in Bourdieu’s work, a process that Bourdieu and Wacquant (1992b) termed social praxeology (which we shall touch on later in relation to Everett). Progressing from Bourdieu’s influences, the nature of his theoretical constructs that come together to form the *general theory of economic practice* will be highlighted, and the definitions and their interdependencies will be explained.

Bourdieu’s most notable contributions revolved around field-capital theory, but before a field-capital theory is fully clarified, it is helpful to define and explore some of the other concepts surrounding it. For Bourdieu, a field is “*seen as a structured space of positions in which the positions and their interrelations are determined by the distribution of different kinds of resources or ‘capital’*” (Bourdieu, 1991: 14).

For example, a field could be mental health, academia or upper-class society. It is the social world that surrounds us but is also historically constructed. For the field to function, there are five other key theoretical concepts that need to be comprehended and that structure the understanding of a field. These are: capital, habitus, doxa, practices/pratiques and *illusio* (Golsorkhi and Huault, 2006). It is important to note that these concepts were developed, tested and refined over many decades and so, in fact, represent works in

¹ Here *sens pratique* has a specific form, which Bourdieu outlines in his 1980 publication *Le sens pratique (Le sens commun)*, i.e. common sense is seen simply as how a person’s disposition (habitus) is adjusted spontaneously to the logic of the field they are in. Common sense represents a social adjustment people perform to adhere to dominant, field-specific conditions: the miraculous bodily and linguistic harmonisation with a collective.

progress. Due to this, there are multiple definitions given by Bourdieu of the same concepts at different periods in his career. It is prudent to recall Nietzsche (2003 [1913]: 53) on this issue, “*all ideas, in which a whole process is promiscuously comprehended, elude definition; it is only that which has no history which can be defined.*” This is not to say that these definitions are contradictory, far from it, but that they give the author more than one way to illustrate what are (at times) opaque concepts formulated over long time periods. This point must be explicitly comprehended for several reasons, firstly to ward off the pejorative depictions of theory as mere speculation. The conceptual development of ideas like habitus is the work of decades of refinement, secondly, for the reader to begin to see how theory development and methods can go hand in hand as progressive works of iterative refinement Bourdieu made.

The General Theory of Economic Practices

This text will explain the individual concepts that Bourdieu created, which comprise his *general theory of economics practices*. However, I wanted to introduce it in the first instance, in general terms, with some further background before unpacking each of its parts

The sociological methodologies of Pierre Bourdieu are solidly rooted in post-structuralism. However, he himself chose the phrase constructivist structuralism (Bourdieu, 1977b: 85) as a way of mediating between the two terms. As such, the basic tenets and advocates of structuralism will be discussed to help illuminate the framework upon which many of Bourdieu’s methodological ideas are based. It is also essential to describe how this form of structuralism is amenable to researching the nature of a specific field. In his guide to post-structuralism, Sarup (1993) highlights three characteristics of this school of philosophy. Firstly we must dissociate the ‘individual’ from the human ‘subject’. The individual is a term that characterises humans as a “*free intellectual agent*” whose “*thinking processes are not coerced by historical or cultural circumstances*” (ibid: 1). This formulation is consistent with rationalism, as defined by René Descartes’ *Cogito Ergo Sum* maxim, and those of other enlightenment-era philosophers such as Newton, Leibniz, Locke, etc. In contrast, the term ‘subject’ helps us to view reality as a semiotic construction, a product of “*signifying activities which are both*

culturally specific and generally unconscious” (ibid: 2). This suggests that many human actions are undertaken unconsciously and habitually, i.e., structured through our habitus. As Bourdieu (1993a: 5) stated, we must:

“get out of the philosophy of consciousness without doing away with the agent in its truth as a practical operator of object constructions.”

This is well illustrated in Bourdieu (1992) when ‘*feel for the game*’ is analysed as a topic. Bourdieu argues that aptitude (as it is seen in sports, for example) is often not due to innate talent but to the social conditions which *prime* an individual to garner distinction before having attempted it. The *feel for the game* or “*adjustment to the language of the field*” is described as a phrase that “*gives a fairly accurate idea of the almost miraculous encounter between habitus and field...which makes possible the near-perfect anticipation of the future inscribed in all concrete configurations on the pitch or board.*” (ibid: 66).

Socially this means the disposition of those with a *feel for the game* is essentially a result of conditioning. Those who are “naturals” have been raised in settings that could produce those skills of prediction, praxis and physical characteristics needed to be successful without ever consciously being trained for it. The ‘*feel for the game*’, Bourdieu states, is “*outside conscious control and discourse*” (ibid: 61). Although sport is the example here, it is also directly applicable in all other areas of employment and recreation; consider the propensity of doctors’ children to become doctors themselves (Lentz and Laband, 1989). It seems within the bounds of logic to state that almost no one is born with the constitution of a ‘natural’ doctor; such skills and dispositions are inculcated in the primary habitus, i.e. in youth through social settings. The inferences given here should only be seen as a general characterisation, as by definition, a structuralist such as Bourdieu would never commit himself to a purely Marxist superstructure as it would contradict his very approach. This leads us to the second characteristic of post-structuralism: a critique of historicism. The notion springs from the idea that macro-scale structures do not exist. For example, post-structuralism would refute the idea that there is any such thing as class or that there can be ‘patterns’ in history. We live in a world of complex flows and networks where everything is situationalised. There can be no

large-scale pattern in a complex system where every individual's actions are structured by the past and present society in which they dwell. This is what Morrison (2005) calls a “*non-linear view of causality*”, It is hard to assert that patterns exist in something that has no end and is subject to *post-hoc* modification. Structuralist theories have no more or less validity than alternative approaches based on agency. My aim here is not to critique the theories of agency, and I am not trying to refute rational actor theory but to point out that it is simply less applicable in this instance. What Bourdieu can offer is an analysis of business sectors through the lens of structuralism, informed by a more socially relevant form of agency. Bourdieu articulates this form of constructivist structuralism in regard to socio-economic status as follows:

“Though it is impossible for all members of the same class (or even two of them) to have the same experiences, in the same order, it is certain that each member of the same class is more likely than any member of another class to have been confronted with the situations most frequent for members of that class.” (Bourdieu, 1977b: 85)

The use of this seemingly contradictory term, constructivist structuralism, represents an attempt to overcome the dualities of structure vs agency, subjectivism vs objectivism, and emic vs etic (Dressler, 2001). One can see in the above quote Bourdieu does this by invoking the probability of outcomes in relation to proximity of social space without suggesting some form of absolute rule, or denying the possibility of contradictory forms of behaviour. I.e. there is no guaranteed pre-determinable outcome nor a grand meta-theory. However, there are likelihoods and propensities we can investigate in terms of people's social behaviour and networks. Bourdieu (1977b: 4) states that,

“we shall escape from the ritual either/or choice between objectivism and subjectivism in which the social sciences have so far allowed themselves to be trapped only if we are prepared to inquire into the mode of production and functioning of the practical mastery which makes possible both an objectively intelligible practice and also an objectively enchanted experience of that practice”

In the following section, I highlight the forms of capital to measure within

an organisational context – i.e. the capital related to the internal economic structures of an organisation. After which, I delve further into the theoretical concepts Bourdieu developed in relation to human agency and economic theory. As it is critical to the development of Bourdieu's concept of economic man, the processes by which the economic exchanges of individuals are illustrated and the departure points from standard neoclassical economic theory are highlighted. Examples of these micro-economic features of Bourdieu's work are then given in relation to advertising. The implications for demand and risk in services as a result of this standpoint are then addressed.

Moving on from this, but still in the area of microeconomic activity, insights into Bourdieu's theoretical construction of linguistics are given. We briefly discuss how economic theory in a Bourdieusian framing will have to be historically informed. I then illustrate how language functions and fits into the existing concepts of capital that have already been developed. The section then moves into a Bourdieusian description of markets, and once more, Bourdieu's linguistic theory is woven into the debate. A more directed discussion of supply and demand follows this, predicated on the ideas of a marketplace as previously developed. These themes then build into an economic debate about what makes markets function from a socio-linguistic viewpoint.

The *general theory of economic practice* attempts to overcome the limitations of pre-existing approaches to modelling, mainly by rejecting well-worn fallacies and the need to situate oneself in a fixed epistemological camp. Rather, through a reflective and integrative approach to reconciling different schools of thought, Bourdieu produced a system that is more than the sum of its parts. However, this does not mean that the reader would be blind to the different, observable traditions and pedigree of the concepts it comprises. But before you can admire the architecture of a building, it is helpful to understand the constituent parts, particularly if you want to make a structure of your own. We start, then, with our first brick being one of the most well-known concepts that Bourdieu propagated – capital

Bourdieu and Capital

The Bourdieusian conception of capital is distinct from a traditional economic definition where it is seen as a function of labour, time and resources. For Bourdieu, capital is a resource, in the broadest sense, which comes in four forms (Bourdieu, 1996b, Bourdieu, 2000d, Bourdieu, 2010a): a) the “economic capital” related to heritage, resources or income, b) the “cultural capital”, which can be capital in an embodied state (language, knowledge of social codes) or capital garnered from institutions (diplomas and certificates); c) ‘social capital’, all networks and relations that individuals can operate in, d) ‘symbolic capital’ which expresses authority and legitimacy that follow from a person’s other forms of capital in a specific field.

In a commercial context, Bourdieu identifies the role of “symbolic capital” in consumer behaviour. Symbolic capital constitutes the value that may be derived, for example, from measures of external validation, typically by some form of authority (e.g. a product may have an eco-label, an ISO standard or be recommended by a particular celebrity or sponsor). Accreditation of a business and the qualifications of staff can also be considered symbolic capital (Cavalli, 2007, Schinkel and Noordegraaf, 2011, Bourdieu, 1998a). Accessing such capital may be costly, so businesses may need to know the impact of such measures on consumer experience and whether it can open new opportunities to differentiate the product and improve their performance.

The social and symbolic forms of capital are very strongly related (Bourdieu, 1987). In *Le Capital Social- notes provisoires* Bourdieu (1980a: 2) gives the exact definition:

“Social capital is the set of actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and mutual recognition, or, in other words, belonging in a group as a set of agents that are not only equipped with common properties (which may be perceived by the observation of others or by themselves) but are also united by permanent and useful links. These links are irreducible to objective relations of proximity in physical space (geographically) or even in the economic and social space because

they are based on inseparable material and symbolic exchanges with the establishment and perpetually assume the mutual recognition of this proximity.”

One of the issues in this quotation that a researcher should consider for his designs is the “*ressources actuelles ou potentielles*”, the potential and actual resources. A researcher must consider what can be actualised by the research participant, the trajectory, as well as their existing capital make-up. Each field has these four forms of capital in varying proportions (fields will be explained in due course, however, for simplification into business terms, they are sectors or sub-verticals). While these four are the primary concern in terms of literature, it should be noted that other forms of specific capital also exist, such as environmental capital.

Taking these premises into consideration, social space is best thought of as multidimensional and not reducible simply to economic resources (Golsorkhi and Huault, 2006). It is essential to envisage capital embodied in a person not as a layered resource but as a melange of capitals in various proportions competing with each other and subject to change. Using cultural capital as an example, it is important to realise that capital can exist in several different states. There are three states that need to be considered (Bourdieu, 1979), embodied (*état incorporé*), objectified (*état objectifié*) and institutionalised (*état institutionnalis *):

*“The **embodied** state, i.e., in the form of long-lasting dispositions of the mind and body; in the **objectified** state, in the form of cultural goods (pictures, books, dictionaries, instruments, machines, etc.), which are the trace or realization of theories or critiques of these theories, problematics, etc.; and in the **institutionalized** state, a form of objectification which must be set apart because, as will be seen in the case of educational qualifications, it confers entirely original properties on the cultural capital which it is presumed to guarantee” (Bourdieu, 1986: 3)*

The institutionalised state of social and economic capital becomes especially important in connection with studying organisations. In addition, considering when a researcher is working with entrepreneurs, the role of embodied capital is also significant, especially in value-laden industries where the role of managers and advocates can become blurred. Beyond the

importance of the type of capital, another issue that researchers need to keep in mind is how forms of capital are converted from one state to another. This is primarily concerned with the means by which other forms of capital can be transmuted into economic capital.

This pseudo-alchemical process is described by Loïc Wacquant in Harker (1991: 14) as “*the hidden processes whereby different species of capital are converted so that economically-based relations of dependency and domination may be dissimulated and bolstered by the mask of moral ties, of charisma or of meritocratic symbolism.*” As might be expected, this process is inherently linked to the time taken to acquire capital, both in an individual and in a hereditary sense; Bourdieu (1986: 6) remarked:

“It can immediately be seen that the link between economic and cultural capital is established through the mediation of the time needed for acquisition... Thus cultural goods can be appropriated both materially – which presupposes economic capital – and symbolically – which presupposes cultural capital.”

So it can be seen that the transmission of capital can be of taste or cultural orientation as much as it can be of something tangible like property rights or other forms of ownership. The capital that is applied explicitly by Bourdieu to analyse organisations is detailed in Table 1.

Business Capital

There are many different incarnations that capital analysis can take for firms and their internal economic structures. Here I will cover a variety of core concepts, but first, an overview of what Bourdieu himself investigated will be given. The point is explicitly captured by Bourdieu (2005: 194/5) in the following quote, which is given in regard to a French property development company in the 1970s. But before I illustrate this at length, you will notice that there is a synergistic relationship between Bourdieu’s capital concepts and the works of innovation scholars such as Francis and Bessant (2005) in their emphasis on the importance of routines, aptitudes and unique-know-how, in its application to innovation. The quote is substantial, but for the reader who wishes to construct investigations using Bourdieu, it acts as an ingredients list for observational analysis in terms of capital.

“The force attached to an agent depends on its various ‘strengths’...that is to say, more precisely, on the volume and structure of capital the agent possesses in its different species: financial capital (actual or potential), cultural capital (not to be confused with ‘human capital’), technological capital, juridical capital, organisational capital (including the capital of information about the field), commercial capital, social capital and symbolic capital. Financial capital is the direct or indirect mastery of (through access to banks) financial resources, which are the main condition (together with time) for the accumulation and conservation of all kinds of capital. Technological capital is the portfolio of science resources (research potential) or technical resources (procedures, aptitudes, routines and unique coherent know-how, capable of reducing expenditure in labour or capital or increasing its yield) that can be deployed in the design and manufacture of products.

Commercial capital (sales power relates to the mastery of distribution networks (warehousing and transport), and marketing and after-sales services. Social capital is the totality of resources (financial capital and also information etc.) activated through a more or less extended, more or less mobilisable network of relations which procures a competitive advantage by providing higher returns on investment. Symbolic capital resides in the mastery of symbolic resources based on knowledge and recognition, such as ‘goodwill investment’, ‘brand loyalty’, etc.; as a power which functions as a form of credit, it presupposes the trust or belief of those upon whom it bears because they are disposed to grant it credence (it is the symbolic power that Keynes invokes when he posits that an injection of money is effective if agents believe it to be so).”

The different forms of capital that Bourdieu measured in an organisation to gain a picture of its innovative capacity can be seen in this paragraph. What Bourdieu describes is a feature that can also be found in Lebaron (2010). Specifically, the entire field of research needs to be constructed for a company under investigation. The volume and structure of capital that agents possess in their different species should be considered:

- *financial capital (actual or potential)*
- *cultural capital*
- *technological capital*
- *juridical capital*

- *organisational capital (including the capital of information about the field)*
- *commercial capital*
- *social capital*
- *symbolic capital*

This represents the internal part of the *general theory of economic practice* – an entire depiction of a business’s setting in social space through the measurement of various forms of capital. This is one of three levels within the economic framework and the one that directly corresponds to the level of organisational analysis and innovation literature of Bessant (2003), Tidd and Bessant (2009). At this juncture, it is important to reaffirm Bourdieu’s specific definition of social capital and how it is related to institutionalised settings:

“the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance or recognition” (Bourdieu, 1986: 248)

This is much more complicated than (and highly differentiated from) other ideas surrounding social capital; take, for example, the OECD definition, *“social capital is networks together with shared norms, values and understandings that facilitate cooperation within or among groups”* (Healy and Côté, 2001:42). If anything the OECD definition is less directly applicable to organisational studies as it only considers networks, rather than how networks of relations are institutionalised (formally or informally). My contention throughout this book is that many areas of business studies are undertheorized and could quite easily be given a shot in the arm with only minimal extra comprehension. This comparison between how the OECD frames capital and how a theorist like Bourdieu represents it illustrates that with small cognitive shifts, you can learn to model complexity in systems more accurately. Even if you opted for another theoretical position on capital such as Putnam’s (covered below), it would be an improvement in this author’s opinion. This is because technical, non-social descriptions will always fail to capture the core essence of a real-world process.

This point is expanded upon by Bourdieu (1979) in observing that time invested in relationships and activities functions as a proxy for social capital itself, something that he terms *lex insita*, the law of graft that underpins the formation of the social world. This also relates to the fundamental definitions of innovation itself; for example, the definition of innovation given by van de Ven:

“The process of innovation is defined as the development and implementation of new ideas by people who over time engage in transactions with others within an institutional context... From a managerial viewpoint, to understand the process of innovation is to understand the factors that facilitate and inhibit the development of innovations. These factors include ideas, people, transactions, and context over time.” (van de Ven, 1986: 591)

Bourdieu’s idea of social capital is specifically differentiated in relation to other academic theorists, notably Putnam (2000), Coleman (1984, 1988) and also Fukuyama (2001). Putnam’s adaptation of social capital is perhaps the most enduring outside of the works of Bourdieu; see Putnam (1996), Putnam (2000), and Putnam et al. (1993). As is more prevalent in the North American sociological tradition, it focuses on the quantitative measurement of social capital and is concerned with macro-level issues over community-based concepts. Hence, Putnam’s social capital is removed from Bourdieu’s relation thinking, instead placing emphasis on quantity and the use of inferential approaches over the quality of relationships (Svendsen, 2001).

Legal Capital, Judicial Capital and Certification

Organisations can weaponise their capital in legal forms by occupying various statuses; for example, an organisation might have a charity arm that runs alongside it. This provides a different legal status and can alter how businesses as a whole are perceived. Such actions are particularly common in larger institutions. Many universities act as registered charities whilst also maintaining commercial arms. Similarly, state-owned services, like the National Health Service, will maintain charitable organisations or foundations much like some corporations. Many firms are, in fact, Janus-faced collections of different organisations. As a consequence, there are multiple forms of judicial capital associated with certification processes that can be modelled. In Bourdieu’s terms, he described certification as an

important issue when he stated:

“the manifestation par excellence of what must be called, through a seemingly strange juxtaposition of words, state magic: the conferring of a diploma belongs to the class of the acts of certification or validation through which an official authority, acting as an agent of the central bank of symbolic credit – the state- guarantees and consecrates a certain state of affairs” (Bourdieu, 1998c: 376)

The symbolic element is important here because it allows the articulation of new positions in other legal frameworks. This is a direct example of innovation for market creation, i.e., certification and shifting legal status can be a great asset to firms to position themselves in new market spaces. By certification, I should state that this is not merely a recognition of qualification but can also include things like registering your enterprise as a charity to achieve charitable status in legal terms, alongside more common forms of capital in this area like soil association status etc. It represents both formal and non-formal (social) legal processes. There are many shades of grey here as different statuses are more or less formalised, i.e., there are unspoken hierarchies in which CE marks or Medical and Healthcare products Regulatory Agency (MHRA) approval will trump a Kitemark in some sectors. In contrast, the Vegan certification or GMO-free label for others will hold more weight than any “official” technical accreditation.

At this point, you should be able to see the emergence of the connection between language and symbolic power in many products and services and the mediating role of symbolism. This ties in intimately with the statement that Bourdieu (1989b: 23) made when he opined that symbolic capital gives agents the “*power to consecrate*”. The weaponisation of legal capital is fundamentally social and is reminiscent of Bourdieu’s idea that the marketplace² is a social event, just as much as an economic one.

Certification often also has an ethical dimension and can take on a form of advocacy. This idea of returning to a more ethical position within a field is a standard subversion strategy regarding cultural goods that Bourdieu noted

² A discussion of Bourdieu’s concept of market place follows later on in this publication

when he talked of the issues of how a product will be positioned as “*returning to the source, the origin, the spirit, the authentic essence of the game, in opposition to the banalization and degradation which it has suffered*” (Bourdieu, 1993b: 74). This trend is clearly observable today; just as it was in 1993, it may well have even accelerated in pace.

Many modern entrepreneurs are also concerned not just about the ethics of their service but, more importantly, how it is delivered. A key point here needs to be stressed: innovation is a process, not an event. Recognising this, the methodology offered here that draws from historical events allows a researcher to understand the process. I contest that Bourdieu is uniquely placed to help researchers do this. Particularly because of how salient the ethical business paradigm has become in almost all commercial areas of Western economies. Moreover, he provides an exhaustive list of capital concepts for researchers to investigate through primary data collection and historical analysis.

The Economic Agent

The next key factor of the Bourdieusian model to build into your understanding is that consumers are not treated in accordance with rational action theory (Becker, 1993, Becker, 1964). Rational action theory, also known as rational choice theory, is the idea that human beings make choices in a logical, deliberating and rational manner and not under the duress of external influences in an attempt to maximise personal advantage (Goldthorpe, 1998, Becker, 1964). Bourdieu’s model differs significantly from rational action theory. Still, equally, it is not directly comparable to the concept of bounded rationality (Simon (1957), which made an attempt to integrate structural constraints into choice-making. Hence, Bourdieu’s view of an economic agent is radically different from the current neo-liberal theory and finds its roots in a form of generative structuralism (Vandenbergh, 1999). This is the view that will be taken of the consumer and other economic stakeholders in the model presented. In addition, it is important to note once again that this “*neo-capital*” model, as Noordegraaf and Schinkel, 2011, Bartels, 1967 term it, contains a historical context, as Bourdieu confirms: