Planning Theory

Copyright © 2006 SAGE Publications
(London, Thousand Oaks, CA and New Delhi)
Vol 5(1): 51–70
DOI: 10.1177/1473095206061021
www.sagepublications.com

PLANNING, NETWORKS AND POWER RELATIONS: IS DEMOCRATIC PLANNING UNDER CAPITALISM POSSIBLE?

Frank Moulaert
University of Newcastle upon Tyne, UK and IFRESI/CNRS, Lille, France
Katy Cabaret
Association pour le Développement du Marketing Interentreprises (ADMI), Belfort, France

Abstract This article examines the relevance of leading social science network theories for the analysis of social relations in particular fields and as a guideline for democratic planning practice. The first section explains the risks of using the network metaphor in social science analysis: the confusion of normative and real features of networks may lead to an abstract representation of institutional structures and power relations and naïve expectancies regarding democratic planning opportunities. The second section reviews institutional network theories in social science. The survey focuses on: the 'raison d'être' of the network, the typical behaviour of its agents, the types of communication, interaction with the environment and creation of its own institutions. Section 3 examines how these network theories deal or do not deal with power and suggests improving the theorizing of the role of power in networks by providing a more solid reading of

power relations in institutional structures and personal relationships in networks. This solidity could be offered by a combination of Regulation Theory and Bourdieu's theory of practice. The final section provides some guidelines on how a better reading of institutional structures and power relations may improve the impact of democratic planning.

Keywords institutional theory, network theory, power relations

1. Introduction

Pursuing analytical robustness in theorizing human interaction by use of the concept of 'network' is a high risk, if not a self-made trap. The 'network' concept is indeed one of the most widespread but at the same time most floundering notions – in fact, more like a loose metaphor – in the universe of contemporary scientific and policy discourse. In origin mainly applied in the analysis of logistics in transportation and factory systems, its use has spread to most disciplines in social science, policy debates, spatial and functional organization, etc. (see e.g. Law, 1992; Murdoch, 1998; Rowley, 1997). Because of their meta-theoretical ambitions to encompass the complexity of interaction and institutionalization, social science network theories as a rule provide little that is instructive on those features of network dynamics that are relevant for the analytical, policy or planning issues at stake. Moreover, there exists a disturbing confusion about the analytical and normative status of the network concept. Again and again we are faced with network configurations as norms for social organization, and network categories meant to provide accounts of actually existing interaction patterns between agents in various spheres of society.

It is 'in', 'up-to-date', 'posh', 'cool', 'professional', 'fancy', etc. to work and organize as a network, and in various spheres of life the network is therefore put forward as a desired configuration of relations among people, agencies, organizations, cities, regions, etc. From this perspective – in most cases a normative position – the network is presented as an attractive ideal to pursue, because of its flexibility, horizontal organization, low transaction and communication cost, the ease by which it produces 'typical network behaviour', and enhances implicit equal power among stakeholders, etc. But in real-life situations, the ideal network configuration embodying equal stakes and reflexive cooperation is most of the time a distant one, and the transition from an existing organization or interaction pattern to the normatively attractive network mode of organization is quite difficult, if not undesirable. First, few real-life modes of organization respond to the attractive features just cited; and quite often, when they do so, these are pursued in a

context that will hamper the 'efficiency' or the outcome of 'network behaviour' because of institutional lock-in, the unequal power of stakeholders or individual and collective resistance to stakeholder influences (Rowley, 1997). Second, there is a terminological and analytical confusion stemming from the double use of the term 'network'. According to influential scholars like Manuel Castells, Alan Scott, and others, significant parts of our society and economy are already networked. Mention is made of the network city, cities of networks, the network firm, the network organization of R&D, etc. There exists a significant risk here that the few features of (normative) networking that these authors have recognized in real organizations are spontaneously extrapolated to describe the full nature of these organizations, thus overlooking their real nature as to power relations, organizational inertia, communication failures, etc. This, of course, leads to an unforgivable confusion of the features of the existing network organizations with those of the ideal, desired or 'not' network configuration.

In this article we argue that the distinction between normative and analytical approaches to networks should be clearly made, otherwise at least two sophisms might arise. The first is the expectation of 'network-builders' that marginal corrections to modes of communication and organization in real-life organizations showing some network features will lead these organizations towards ideal network constellations with democratic decision-making, a fair acquisition and distribution of shares, low communication and transaction costs. The second sophism is the belief that, since many real-life organizations already possess at least a few of the desired network features, planning and policy actions can easily transform such organizations into democratically functioning networks; democratic meaning equal opportunities of access to stakes in the decision-making process.

A superficial confrontation of both sophisms may suggest that they boil down to one single misapprehension, namely the overestimated perfectibility of real-life social systems (De Wilde, 2000). This is obviously common ground for both of them in that they suggest that 'the good, the democratic will eventually win over the bad use or the misuse of power, organizational slack and institutional lock-in'. But such an easy osmosis between sophisms reflects a misunderstanding of the (lack of) 'ideal' network features of real-life social organizations on the one hand, and the exaggerated belief in perfectibility through network dynamics on the other hand. The real distinction between both sophisms is that the first one is based on the 'good intentions' of the agents in the network, whereas the second relies on the belief that planners and policy-makers have the power to change the network world.

There are many reasons for the poor analysis of real-life network dynamics and the confusion between desired and existing network features. We will stress and analyse two of these reasons: i) the misunderstanding or the ignoring of the institutional structure in which the organization (the

network?) exists and evolves; ii) the almost complete absence of the role of power relations in network analysis. We will especially reflect on the consequences of 'overlooking power relations' on the utility of the network metaphor in analysing existing network organizations and how they function in planning contexts. In doing so, we will relate to some of the arguments developed by Forester (1989) and other planning theorists.

2. The network metaphor's utility in social science analysis

Using the network metaphor as a concept for analysing real-life situations is a logical intellectual ambition. Human life, organizations and agencies are based on interactions between human beings that are to a large extent networked among themselves. Agents (individuals, organizations) develop and share cultures, modes of communication, principles of (network) action and ways of building institutions. These institutions will of course not just be the outcome of voluntary institutional engineering within the networks, but will also depend on the interaction between the network dynamics, the network environment and the development paths of the society and communities to which the network belongs.

In the analytically most interesting approaches, the network concept is part of a theory, with a view of the world and, therefore, of the various features of the imagined and existing network. We survey network theories as they are used today in a number of disciplines in social science, and especially in economic sociology. They are mainly 'institutional' theories in economics, sociology and political science focusing on the role of institutions, their building and destruction in the development of society and its components and on the influence of institutions on people's empowerment as well as community capacity building. These debates have had a significant influence on planning and policy studies (see e.g. Healey, 1997; Gonzalez and Healey, 2005). Table 1 summarizes three 'eclectic' network theories, presenting them according to their 'raison d'être', the main behavioural principles of the agents, the type of communication, the interaction with the environment and the creation of their own network institutions. By looking at these dimensions, we will be in a position to examine the agency and institutional logic both inside the networks, and also in interaction with the outside world. The reproduction of the networks through the creation of their own institutions is an issue as well.

Let us briefly look at the origin of these theories in Table 1. None of them are 'pure' in a sense that they can be attributed to one individual or collective author. The New Institutional Economics (NIE) network theories are presented in the literature as a body of theories of individual and collective interaction, especially through market and non-market transaction-based

TABLE 1 *Features of networks in institutional social science theories*

Network theory Features	***New Institutional Economics***	***Economic and Institutional Sociology***	***Economic Evolutionism***
'Raison d'être' of the network	Access to specific assets (geographical, physical, human).	Acquiring new knowledge and know-how.	Access, manage and valorize new complex or dispersed competencies.
Behaviour of agents	Maximizing under cognitive constraints: minimizing transaction costs.	Individuals are embedded in networks of personal relations, with economic and non-economic objectives. Limited rationality.	Behaviour stems from routines and habits. Routines evolve following a double mechanism of mutation and evolution.
	Property rights structure as incentive to action.	Social influences as contextual factors supporting behaviour.	The social context of organizational learning is important: agents portray different representations of their environment.
Type of communication	Impersonal exchange in markets. Price and transaction cost signalling.	Network of personal relations – Continuous social interactions.	Communication between/within organizations through a shared set of rules, codes and languages.
Interaction with 'environment'	Institutions are exogenous constraints and influence the transaction cost structure. They may offer an alternative to trust.	The social context is continuously constructed during and through interaction. And institutions – an ensemble of interrelated formal and informal norms – structure social relations.	Co-evolution of competencies, decisional rules and governance structures with business environment and inertia ('path dependency').
Creation of own institutions	Exogenous changes of institutional parameters. Inter-agent negotiations and contracting leading to norms, rules and coordination devices.	Institutions are the outcome of actions effectuated by individuals embedded in networks of personal relations.	Osmosis between internal and external interaction. Role of path dependency.

Source: authors' design.

exchange. Likewise the institutional sociological theory is an eclectic one, combining a number of contributions with various foci. Also the evolutionary economics theories, with their strong focus on interactive learning, can be considered as the groundwork for a proper network theory. Combining several of these theories will lead to the construction of a comprehensive network theory of social transaction (Cabaret, 2001).

The *New Institutional Economics (NIE)* represents a body of theories analysing the exchange and governance relations among and within firms as nexuses of transactions involving different types of property rights; property rights and transactions are considered as elementary institutions, but also as the building blocks of more complex institutions. NIE's main theoreticians are Alchian (1961), Alchian and Demsetz (1972), Coase (1937, 1960) and Williamson (1975, 1985). The term 'New' refers to its affinity but also contrasting relationship, with 'Old' institutional economics, which was quite influential in the US academic world in the first quarter of the 20th century (John Commons, Thorstein Veblen). Within NIE several distinctions can be made between various contributions (Cabaret, 2001; Eggertsson, 1990), but these distinctions are not relevant to the purpose of this article.

NIE sees the network organization as a particular institutional 'negotiated' arrangement for the exchange of specific assets (geographical, physical, human) whenever the advantages of 'the' other forms of organization (market, hierarchy) are inappropriate to face up to the level of uncertainty and the ad hoc frequency of transactions. As to the behaviour of the agents, Williamson's two fundamental hypotheses hold: i) limited rationality, defined in terms of minimization of transaction cost covering the search for an appropriate market price and the processes of negotiation towards the conclusion of contracts; ii) opportunist behaviour of agents, given the asymmetry in available information. Individual behaviour is also influenced by the structure of property rights: definition and delimitation of authorized usage, stimulating creativity, conservation and valorization of assets. Communication among agents covers the exchange of information on assets and for negotiation of contracts. The interaction between the network and the environment (external institutions, structures) is not unambiguously defined. In NIE, institutions 'at heart' are systems of contracts with a minimum of social and political dimensions. But several authors also recognize the exogenous influence of the institutional framework (usages, customs, habitus) on the structure of transaction costs, with the individual agents having no power to modify this framework. Formal norms (contracts, property rights, laws, and regulations) and informal norms (behavioural norms, implicit agreements) underlie the structuring of the opportunity space or set of choices available to agents as well as the social, political and economic interactions between them. As to the creation of institutions specific to the network, major driving forces can be distinguished: organizational forms can change in reaction to the parameters of the institutional environment; they can be the result of ongoing transactions

and negotiations or institutional agreements to check opportunism and malfeasance (Eggertsson, 1990); and the establishment of monitoring systems by the Principal to control the (opportunist?) actions of the Agents (Principal-Agent theory; see e.g. Alchian and Demsetz, 1972).

Economic and institutional sociology is presented here as the intellectual fruition of combining Granovetter's (1985) economic sociology, the theory of social exchange and the new institutional sociology that attempts to unify NIE and economic sociology (Blau, 1964; Brinton and Nee, 1998; Ermerson, 1962; Homans, 1950, 1958, 1961), the theory of social capital (Putnam, 1993, version) and the (anthropological) theory of agency and human behaviour (Callon, 1998, 1999), the latter being narrowly related to Actor-Network Theory (see e.g. Callon, 1986, 1991; Latour, 1997). Despite their strong focus on embeddedness and structural and institutional contexts influencing networking behaviour, these four theoretical strands are quite rational in approach, favouring an instrumental view of social capital (e.g. distinguishing between positive and negative outcomes, or either promoting or blocking social capital).[1] A special mention should also be made with respect to Callon's theory in that it is meant to improve the analysis of market dynamics by embedding markets within networks of diverse types of social relations.

The raisons d'être of the networks in this economic and institutional sociology approach can be summarized as 'acquiring new knowledge and know-how'. The economic sociology accent here is on interactive learning and innovation, whereas the New Institutional Sociology and Social Capital version (Putnam) stresses the process dimensions of cooperation, exchange and learning.

The behaviour of agents depends on their embeddedness in networks of personal relations, with economic and non-economic objectives. Behaviour is considered as rational, but in contrast to NIE for example, rationality is multidimensional. But then, again in agreement with NIE, bounded and/or limited rationality is accepted: information is limited, as are changes in content and the 'calculus' capability of agents (Callon, 1998, 1999). Social influences are considered as contextual factors; however the interpretation of the latter varies among the four approaches we are considering here. The theory of social exchange stresses the impact of cultural beliefs and cognitive processes embedded in the (network) institutions. And quite close to the neo-institutional economic analysis of North (1990), Putnam stresses the meaning of path dependency in determining rational responses of agents within network dynamics (e.g. choice between cooperation and non-cooperation).

But the interaction with the environment is conceptualized in a much richer way than in NIE. Networks are considered as institutions in themselves; they are part of the environment and their role as norm builders of the social context and environment is recognized; in fact, institutions interact with the environment and contribute to its construction.

Evolutionary economics is the generic term for contemporary institutional economics, as the direct heritage of the old institutional economics founded by Commons, and especially Veblen. The title refers to the significant influence of 'evolution' in economic behaviour and development. Darwin's work on natural selection and evolution had an immediate influence on Veblen's thinking (see Hodgson, 1993). Contemporary representatives of evolutionary economics are Dosi and Marengo (1994) and Nelson and Winter (1982). Hodgson (2004) analyses the influence which American institutionalism has had on contemporary evolutionary economies. One of the lessons to be drawn is that economic evolution remains a black box unless it is related to the structure and agency of economic development and behaviour.

As in Callon's theory, the evolutionary economics' version of network analysis mainly offers a better understanding of economic coordination; several lessons can also be drawn for the analysis of social network dynamics *in general*. Networks are presented as flexible coordination devices, strategic responses to the complexity of relations among agents and the difficulty of coordinating change and innovation. As in NIE and new institutional sociology, the core of human agency is defined in terms of accessing, accumulating and valorizing knowledge and new complex skills. But unlike NIE the nature of the learning *process* is analysed and the devices of coordination between individual and organizational learning are theorized in a multidimensional way (market, negotiation, control organizations, etc.)

Agent behaviour is considered in terms of habits and routines (static and dynamic), which like the genes in biological systems are carriers of information. However, unlike mainstream evolutionary biology, the evolution of routines in social systems is not just a process of selection and mutation, but also of creativity, the interaction (exchange, association, reciprocity) among agents. Moreover, there is a hierarchy of routine building, destruction and reconstruction (see e.g. Nelson and Winter, 1982). Interactive learning (between individual agents, between individual agents and their organizations, between organizations and the environment) has a significant impact on the emergence of new types of behaviour, new opportunities for strategic choices, perceptions of the environment, rules for decision-making and procedures for problem resolution and coordination of agents and activities.

Coordination and communication are effectuated within two interrelated processes: first through the definition of an aggregation of rules, conventions, codes and languages common to all members of an organization (corporate culture); and second through the 'co-evolution' of individual and organizational knowledge in a process of mutual adaptation within the organization. The second is largely possible because of the corporate culture that sets a shared 'learning language'. The creation of specific 'own' institutions is explained in the same way, with a strong focus also on the

dissolution of organizational entities that prove incapable of adapting to new situations or foresights.

Quite important in evolutionary economic analysis of the interaction with the environment, is the notion of 'representations or images of the world' (see e.g. Cohendet and Llerena, 1998). Agents define and classify the outside world in terms of typical features and attempt to discover regularities to be used in their actions. Different from other new institutional approaches in evolutionary economics, procedures for knowledge acquisition, decision-making and conflict resolution are at the core of the analysis. In the same way, the notion of path dependency, which is also present in NIE and the new institutional sociology approach, is now more defined by featuring interaction with the environment, organizational skills, decision-making rules and governance structure. In other words: the dynamics of the evolutionary network leaves more room for organizational learning as a device to overcome the negative determinacies of the historical paths and overrules the often deterministic interpretation of path-dependency in neo-institutional economics (see e.g. North, 1990).

The above brief presentation shows that significant commonality exists between the three families of theories. All defend rational approaches to human behaviour and stress the role of procedures in information gathering, exchange and institution building. But the sense of complexity in reading rational behaviour, procedural engineering, institution building, interaction with the environment and coordination of agents is uneven among them. Still none denies the belief that the network dynamics will produce consensus building or equilibrated decisions and outcomes. Conflict, prevention of access to resources for various stakeholders or the dismantling of harmony generating institutions fit within this harmonious view of the course of social interaction, which stems from the way network theory deals very poorly with power and power relations (compare with Murdoch, 1998).

3. Network analysis and power relations

3.1 The understated role of power relations in network theories

The network theories outlined above are widely used for the analysis of interaction dynamics in the real world (Cabaret, 2001). Still these theories' analysis of power relations is not very far reaching. Hierarchy is considered implicitly as a source of inefficiency in coordination because of the 'transaction-paralysing' influence of domineering power and the reluctance of hierarchical systems to mutate 'for the good'. Therefore networks are preferable: they will smooth out coordination inefficiencies and neutralize uncreative powerful agents. It is exactly on this issue that the worst confusion of the real and the normative occurs: 'real' human organizations

have many desirable network features; but they are also profoundly determined by power relations and institutional structures, two issues on which network theories are not very informative.

More specifically, in NIE there seems to be a contradiction between the implicit belief that a network organization is preferable for dealing with specific assets, and the teamwork and agency versions of NIE which recognize the control of knowledge as a necessary coordination device and consider the need for coordinating the tension between Principal and Agent. In addition, the 'power content' of property rights and their transaction with regard to the use of power does not seem to be an issue in NIE. The most astounding analytical sublimation in this respect is due to Alchian and Demsetz (1972) who consider the firm as a particular system of property rights and contractual relations, with the absence of an authoritative or a disciplinary power. NIE, unlike Marxian and the imperfect competition theorists in economics (e.g. Joan Robinson), does not consider market competition a main source of power (exertion) in the economy and society. NIE only properly recognizes power within the context of the hierarchical firm – see especially Coase (1937) in this respect; but even on this issue not all authors agree and many prefer to consider even the 'hierarchical' firm as a 'nexus of – negotiated – contracts'. For some, the uneven access to information is recognized as a source of potential opportunist behaviour and dominance over other agents. However, the consequences of these insights for improving the coordination quality of the network are not analysed. Implicitly, the difference between a powerful and a powerless agent is determined in terms of the capacity to avoid or minimize transaction costs; but again the meaning of this insight for the functioning of the network is not made explicit and the question about the factors informing this capacity is not asked. In brief, in NIE, power is analysed as a mode of coordination that limits, after signing a contract, the possibilities of shirking and the need for transmitting information. That the coordinator could be at the heart of other types of more pervasive power relations is not an issue.

In the *New Institutional and Economic Sociology* other types of behaviour, social relations and embeddedness are introduced. Does this mean that their analysis of institutional dynamics and power is more *ad rem*? In many ways it is. Granovetter recognizes power relations as a significant part of the social relations in which the firm and other economic institutions are embedded. He also criticizes NIE for undervaluing the efficiency of hierarchical organizations, and the role of power, not only as an instrument for achieving economic goals but also as an organizational objective in its own right (Granovetter, 1985). However, overemphasis on the role of interpersonal relations and trust in institution building obscures the role of structures and institutions, and the danger looms that the network is idealized as a form of social organization (compare with Nee and Ingram, 1998). Grabher (1993) and Hakansson and Johanson (1993) push the analysis of network interdependencies a bit further by focusing on the role of powerful

agents with access to the innovative resources of new partners or with the authority to terminate existing relations of cooperation. However, they consider power as a functional element of the network – underplaying the role of market in determining inefficient power positions – and do not examine its negative consequences on coordination, learning and innovation.

Neither the new institutional sociology, nor the anthropological agency theory add significantly to the analysis of power and power relations in networks. The first provides a reading of market relations that are embedded in a wider society, but shows no consequences for the analysis of power relations. And Callon's agency theory looks at the market calculus of agents (*calculative agencies*) within markets, which he considers as complex social constructions. Agents are opposed to each other in the market, but seek to find an acceptable compromise through a contract or a price. This is possible through 'framing', which fosters the market and brings distinct agents and distinct goods into play and warrants the construction of calculative actors. Here lies a significant difference with Granovetter: according to Callon, markets are not embedded in networks; understanding their working does not depend on 'adding social, interpersonal, or informal relations' (Callon, 2003: 8). As a consequence, Callon's treatment of 'power' within market relations becomes very bleak.

Finally, Putnam's social capital theory as used in sociological network analysis is mainly normative, showing by use of historical case studies, the conditions to which social capital should respond in order to become a proactive factor in synergetic network construction; power is an issue and is built through civic cooperation.

In *evolutionary economics* power is identified as control of specific assets, dominance of agents in learning processes, management of business culture and the setting of routines. But the impact of power is analysed in the impersonal way inherent to the categories of evolutionary development: the powerless (identified as less successful adaptors or learners) disappear through mechanisms of selection. The strategies of powerful agents, the social relations on which they depend to impose their power, are not analysed in evolutionary economics, although a meaningful attempt is made to combine insight from regulation theory and evolutionary economics, to bring the role of market structure – and power – into the picture of the networks of innovative firms (Coriat and Dosi, 1995).

In the social science network theories presented above power relations are analysed in a dualist way. Except for a few authors, hierarchies are too easily considered as organizations whose structure exerts negative power, so leading to inefficient actions and outcomes. Networks in contrast are seen as a more efficient mode of organization of exchanges between (economic) agents because they are conceived as structures of decision-making between (potential) equals. Power within networks is usually considered as positive, as referring to superior skills and knowledge, control of specific assets, benign coordination practice, etc. This approach of the

network metaphor 'as good' and the hierarchy 'as bad' is based on a superficial analysis of social relations, partly due to the confusion of normative and analytical dimensions of the network concept signalled earlier in the article.

In the sequel to section 3 we will defend what we believe to be a more 'real' approach to the role of power in network dynamics. Then in section 4 we will make some observations on the consequences of this 'empowered' (!) network approach for planning and policy strategies.

3.2 Bringing power to the networks

In this subsection we will try to improve the synthesis of network theories presented in section 2, in order to make it more capable of dealing with power over, and amongst, agents. We will do so by mobilizing two social science theories dealing with structures and institutions, and their effect on human agency. Power is a central issue in both theories. The first, Regulation Theory, can be considered as the institutionalized version of the Marxian theory of economic agency (Boyer, 1986; Jessop, 1990; Jessop and Sum, 2006; Moulaert, 1996, 2005; Moulaert and Swyngedouw, 1989). The second, Bourdieu's theory of symbolic and real power, is a criticism to a certain extent of the Marxian analysis – including Regulation Theory? – of structural determination and power relations. Our view here is that both theories are complementary.

Regulation theory and power in networks

We do not offer a fully-fledged presentation of Regulation Theory, but only stress those elements that should further our 'empowerment' of network theory. The significant difference between Marxism as a theory of socio-economic behaviour and Regulation Theory (RT) is that RT uses a historical approach to theorize the development of institutions as intermediary forms occurring between structural determining on the one hand and individual and collective strategies and behaviour on the other. For example, the strategic position of workers' organizations is no longer set only by class relations and class struggle, but also by the concrete institutions that class struggle produces in a particular epoch, social formation and local context. RT shares with Marxism the premise that collective organization can mean an effective counter-strategy to exploitation by capital, provided that the scale and the organization of the mass movements are sufficiently advanced. Although RT, like Marxism, primarily looks at economic (strategic) behaviour, its theorizing of power relations is relevant for 'empowering networks' within non-economic arenas of society. First of all, in most networks economic rationality and strategies play a role. Property relations, labour–capital relations, finance capital, the State as an extended logic of capital, etc., play a direct role in most networks embedded in the

socio-economic world. In network terminology, this means that stakeholders hold significantly unequal stakes, that the decision-making space is limited or even, in extreme cases, that the outcome of negotiation processes is known beforehand, because the structural-institutional impact of the logic of capital and politics is so significant. But structurally identical power relations become catalysed through the specific institutions by which they work in time and space (Moulaert and Swyngedouw, 1989).

Bourdieu on real and symbolic power

Far from negating the role of structural determination in individual and collective behaviour, Bourdieu (1972) approaches the tension between structure and agency, individual versus society, by seeking a synthesis between a subjectivist and an objectivist orientation towards the analysis of social experience. Bourdieu considers objectivism as less inadequate than subjectivism, because the former 'breaks with the immediate experience of the social world and is able thereby to produce knowledge of the social world which is not reducible to the practical knowledge possessed by lay actors' (as rephrased by the editor of Bourdieu, 1991). But of course objectivism also has its shortcomings, because it fails to make the concrete link between the knowledge it produces and the experienced knowledge of real agents; or, in structural terms: between the objective structures and relations identified by objectivism on the one hand, and the praxis of real life, that is context-bound on the other hand. To overcome this tension, Bourdieu builds his own approach on the notion of 'habitus'. According to Bourdieu, the *habitus* is a set of structures and habitual ways of understanding which are characteristic and constitutive of a society or group (Connor, 1996). The dispositions incline agents to act and react in certain ways. 'The dispositions are general practices, perceptions and attitudes which are "regular" without being consciously coordinated and governed by any "rule". The dispositions which constitute the habitus are incalculated, structured, durable, generative and transposable' (see Bourdieu, 1991: 12). For our purpose, the term 'structured' needs further special attention: the dispositions necessarily reflect the social conditions within which they were acquired, including milieu, class, cultural context, etc. 'The habitus also provides individuals with a sense of how to act and respond in the course of their daily lives. It "orients" their actions and inclinations without strictly determining them' (Bourdieu, 1991: 13); and these always happen within particular social contexts or settings. The latter are referred to by Bourdieu as 'fields' or 'markets' in which individuals act. 'A field may be seen as a structured space of positions and their interrelations are determined by the distribution of different kinds of resources or "capital"' (Bourdieu, 1991: 14): economic, social, cultural: 'A field is then also an arena in which individuals seek to maintain or alter the distribution of the forms of capital specific to it' (Bourdieu, 1991: 14). Here lies a meaningful difference with

Marxism for example: the structural conflicts are reproduced in the dialectics between habitus and the concrete fields, and not in the (abstract) social relations. Another difference with Marxism, and also with RT is that power positions are not exclusively or in final instance attributed to control of economic capital or 'means of production', although in Bourdieu's approach also all practices refer to an economic logic. For example, to understand the interests at stake in artistic production, 'one must reconstruct the artistic field in relation to fields of the economy (in the narrow sense), politics, etc.; and one may find that, the greater the autonomy of the literary or artistic field, the more agents within these fields will be oriented towards non-pecuniary and non-political ends, that is, the more they will have a specific "interest in disinterestedness" (e.g. "art for art's sake")' (Bourdieu, 1991: 16). But power can also be related to symbolic capital: differences in possession of economic, social and cultural capital increase the prestige or symbolic capital of the agents, and therefore the ease with which they can control a field.

Bourdieu also reacts against rationally predictable outcomes of actions, which he sees as impossible because of habitus, but also because of the dialectics between habitus and specific fields of action.

The consequences of Bourdieu's theory of practice for network theory are immediate: in extending the institutional sociology theory in particular, we receive a more realistic picture of the various social networks (political, economic, artistic, etc.) in which actors from different fields and with different capital positions are involved, both before or even while they are part of a specific network – a field by itself? Not all 'powers' present in these network relations are 'real'; some of them are 'symbolic', but therefore no less real in outcome. Linguistic capital and habitus are quite relevant in this respect; they are class, family, peer group, school, etc. dependent and acquired in these particular environments. And whereas to 'have or not have' them does not produce such immediate consequences as the absence of economic capital, the 'symbolic power' impact is quite real: not speaking the 'inside' language of certain privileged networks, one starts the transformation of one's individual or peer group capitals at least 'one step behind'. It is a situation which is often encountered in concrete planning contexts.

3.3 How to analyse power in existing network configurations?

To analyse interaction between agents in 'real' organizations or networks, we selected Regulation Theory and Bourdieu's theory of practice as two important theories capable of 'empowering' existing network theories. Certainly, other theories would have been eligible 'to do the job'; and not all shortcomings of the network theories are overcome by mobilizing these two theories alone.

Given the micro-orientation of most network theories (networking

between individuals, between organizations, many belonging to various overlapping fields), it is easier to integrate Bourdieu's approach, than to give them a regulationist dimension. For example, looking at the social networks of individuals as analysed by new institutional sociology, conceptually speaking, it should be relatively easy to 'endow' all agents in a network with their various types of capital – largely determined by their position in more specific economic, political, cultural, educational, etc. networks or fields – and analyse the identified network as a particular field of interpositioned capitals, reflecting various power positions, in which the economic logic always maintains its role. And it should be relatively easy to introduce language, discourse and decision-making analysis into the 'modes of communication' dimension of the network analysis (see Table 1). In brief: Bourdieu's theory of practice offers directly useful categories to 'empower' the networks of individual and social relations. It also lays the grounds for enriching the concept of opportunist behaviour, by linking it to linguistic capital and asymmetrical use of information. Finally, it could be the starting point for an improved theory of organizational learning, for example, by introducing the role of linguistic and cultural capital into a path dependency approach to learning processes into evolutionary economics.

But Bourdieu's theory is oriented towards the analysis of the *habitus* as the nexus between structural influences and individual contextual behaviour. As a consequence it may tend to underestimate the role of social structures and institutions that set the borderlines for the (re)positioning of agents within the specific fields of action and interactions. Here, Regulation Theory steps into the 'field' of analysis. It theorizes the meaning of the wage–labour relationship, market structure, political regimes, state administrations, formal and informal regulation at various spatial scales. In other words: RT offers an opportunity to reconstruct the 'institutional structure' in which networks operate. As such, when employing this empowered network theory for the study of policy and planning arenas or fields, these become embedded in the institutional structure of property relations, the possible collusive relations between local authorities and real estate developers, the control over the labour-market held by principal employers in localities, the structure of the local financial market, etc.

4. Planning in the mouth of power

To conclude this article, we reflect on the consequences of the 'empowerment' of network analysis for networked planning situations. We do this by making a few observations on Forester's (1989) remarkable book *Planning in the Face of Power* and finish with some reflections on how far planners should go beyond rational communication strategies to gain better guarantees for the democratic calibre of the planning arena.

John Forester shows the importance for planners of recognizing sources of power in the planning process, and how to face and use that power. Although he provides an excellent analysis of the role of information and knowledge in power relations and effective planning (counter) strategies, his reading of power and power structures remains too institutional, too (politico-) organizational; he does not move beyond the institutional forms of power (racism, administrative maltreatment, monopolizing information) and undervalues the impact of relations of exploitation themselves. Forester rightly shows the role of information, knowledge and communication in the planning process and how the planner can and should play a role in countering the power relations governing the access to and use of information, expression and communication in the planning process. In Forester's approach, power positions in planning are closely related to misinformation in its various meanings. Planners can play a significant role in countering this misinformation and levelling up the planning process to a more democratic field of communication and decision-making; the role of planners can also consist of empowering communities and their representatives in the various steps of the planning process. This of course has consequences for the education of planners in preparation for their various roles. In all this we follow Forester's analysis. Interpreted in the light of our expositions in the previous sections, it 'talks to' Bourdieu's symbolic capital but does not relate to the planner's role vis-à-vis the structural sources of power, as explained by the dynamics in Bourdieu's other fields or in Regulation Theory's institutions built on the logic of capital and its control structure – see also Albrechts (2003) for an alternative approach to the role of power systems within planning processes.

In conformity with Bourdieu's insights on linguistic and cultural capital, Forester explains that progressive planners should try to guarantee equal rights for the diverse language uses and knowledge bases of all participants in the planning process. Planners should use their rational capacities to improve communication between all stakeholders. Developing common language and guaranteeing access to all relevant information matter in this respect. Normative planning language, grassroots discourse, architectural idiom, political overpowering, bank calculus, etc. should ideally be replaced by a shared lexicon of terms and arguments that everybody understands. Such a lexicon could contribute to neutralizing the use of 'authority arguments' (unrealizable, no money, not competitive, killing the community, expert or classified information, etc.). The formation of this shared language can be based on the preparatory work on agenda and network reconstruction for the different agents involved in the planning process; it could be the role of the information providing and mediating planner to provide an overview of the various positions within the planning process and the relevant information needed to make proper collective decisions.

But if we push the roles of the planner even further, towards the fields of financial capital and political control where the real power is developed

(Hillier, 2002), Forester's analysis and political stance in favour of the development of (countervailing) symbolic power no longer suffice. Forester comes quite close to bypassing the arena of symbolic power when he talks in terms of unveiling real power relations governing certain planning decisions to all agents participating in the process. But then – we could polemically state – he gets trapped in his Habermasian position, believing in the power of rational communication as a solution for most consensus-seeking problems in the public arenas.

Following Foucault's position as formulated by Hillier (2002) when addressing the power problematic in the planning case studies she examined, we agree with her when she cites him that we cannot have a theory of power per se, but can only 'analyse the specificity of mechanisms of power, locate the connections and extensions and build little by little strategic knowledge' (Foucault, 1980: 145). But does this mean that all planner roles should be related to knowledge? That all relevant roles of planners should be based on knowledge-informed habitus? To us this looks like a 'cybernetic' interpretation of Bourdieu's theory of habitus and praxis. Habitus for Bourdieu refers to understanding not necessarily in the sense of the habit of thought as Veblen abstracted routine behaviour, but more in tune with Commons's 'habit of practice' as moulded by institutional practice and power struggle. The latter observation becomes even more relevant as the analysis of the dynamics in certain existential fields or within economic or financial institutions shows that strategic information is almost always 'power controlled' and 'interest group biased' and therefore not accessible to many stakeholders in participatory policy-making arenas. Rational intelligence à la Habermas can scratch the surface, a Foucauldian building-up of step-by-step strategies remains misinformed and the Desert of the Real is continuously reproduced. Unless . . .

. . . planners have the courage to leave the formal planning arena, or to commute back and forth with the real world, and step into fields of action to ally with socio-political movements that seek to mobilize sufficient (counter) power to stop, for example, devastating real estate led policies or environment threatening actions. Then, to enable themselves 'to look into the mouth of power' planners become activists, members of movements, political leaders, becoming active in arenas that may affect the transformation of the deep structures of society (inspired by Žižek, 2001).

Acknowledgements

This article was first presented at the EASOP Conference, Leuven, Belgium, July 2003. We wish to thank Patsy Healey and Jean Hillier, as well as three anonymous referees for their comments and suggestions. Special thanks to Bernadette Williams for her precious language advice.

Note

1. In contrast to other social capital theorists, Putnam adheres to this view of mainstream institutional sociology, which is why we include him and not Bourdieu in this synthesis of the economic and institutional sociology network theory. On Bourdieu, see later in this article.

References

Albrechts, L. (2003) 'Planning and Power: Towards an Emancipatory Planning Approach', *Environment and Planning C* 21: 905–24.
Alchian, A. (1961) *Some Economics of Property Rights*. Washington, DC: Rand Corporation.
Alchian, A. and Demsetz, H. (1972) 'Production, Information and Economic Organization', *American Economic Review* 62: 777–95.
Blau, P. (1964) *Exchange and Power in Social Life.* New York: Wiley.
Bourdieu, P. (1972; trans. 1977) *Outline of a Theory of Practice*. Cambridge: Cambridge University Press.
Bourdieu, P. (1991) *Language and Symbolic Power*. Cambridge: Polity Press.
Boyer, R. (1986) *La Théorie de la Régulation. Une Analyse Critique*. Paris: La Découverte.
Brinton, M.C. and Nee, V. (eds) (1998) *The New Institutionalism in Sociology*. New York: Russell Sage Foundation.
Cabaret, K. (2001) 'Contribution d'une lecture institutionnelle des réseaux à l'analyse des transformations de la logistique. Une application à la filière du textile-habillement dans le Nord Pas-de-Calais', Lille, USTL, Thèse de Doctorat en Sciences Economiques.
Callon, M. (1986) 'Some Elements of a Sociology of Translation', in J. Law (ed.) *Power, Action, Belief: A New Sociology of Knowledge?*, pp. 196–233. London: RKP.
Callon, M. (1991) 'Techno Economic Networks and Irreversibility', in J. Law (ed.) *A Sociology of Monsters*. London: Routledge.
Callon, M. (1998) 'Introduction: The Embeddedness of Economic Markets in Economics', in M. Callon (ed.) *The Laws of the Markets*, pp. 1–57. Oxford: Blackwell/The Sociological Review.
Callon, M. (1999) 'La sociologie peut-elle enrichir l'analyse économique des externalités? Essai sur la notion de cadrage-débordement', in D. Foray and J. Mairesse (eds) *Innovations et Performances. Approches Interdisciplinaires*, pp. 399–431. Paris: Editions de l'Ecole des Hautes Etudes en Sciences Sociales.
Callon, M. (2003) 'Actor-Network Theory – The Market Test', Department of Sociology, Lancaster University, UK, available at: [http://www.comp.lancs.ac.uk/sociology/papers/Callon-Market-Test.pdf]
Coase, R. (1937) 'The Nature of the Firm', *Economica* 4: 386–405.
Coase, R. (1960) 'The Problem of Social Cost', *Journal of Law and Economics* 3: 1–44.
Cohendet, P. and Llerena, P. (1998) 'Theory of the Firm in an Evolutionary Perspective: A Critical Perspective', paper presented to the conference 'Competence, Governance and Entrepreneurship', Copenhagen, 9–11 June.
Connor, S. (1996) 'Cultural Sociology and Cultural Sciences', in B.S. Turner (ed.) *The Blackwell Companion to Social Theory*, pp. 340–65. Oxford: Blackwell.

Coriat, B. and Dosi, G. (1995) 'Evolutionnisme et régulation: différences et convergences', in R. Boyer and Y. Saillard (eds) *La Théorie de la Régulation: l'État des Savoirs*. Paris: PUF.
De Wilde, R. (2000) *De Voorspellers. Een kritiek op de toekomstindustrie*. Amsterdam: De Balie.
Dosi, G. and Marengo, L. (1994) 'Some Elements of an Evolutionary Theory of Organizational Competences', in R.W. England (ed.) *Evolutionary Concepts in Contemporary Economics*, pp. 157–78. Ann Arbor: The University of Michigan Press.
Eggertsson, T. (1990) *Economic Behaviour and Institutions.* Cambridge: Cambridge Surveys of Economic Literature.
Ermerson, R. (1962) 'Power-Dependence Relations', *American Sociological Review* 27: 31–41.
Forester, J. (1989) *Planning in the Face of Power*. Berkeley and Los Angeles: University of California Press.
Foucault, M. (1980) 'Two Lectures', in C. Gordon (ed.) *Power/Knowledge*. Brighton: Harvester
Gonzalez, S. and Healey, P. (2005) 'A Sociological Institutionalist Approach to the Study of Innovation in Governance Capacity', *Urban Studies* 42(11): 2055–69.
Grabher, G. (ed.) (1993) *The Embedded Firm. On the Socioeconomics of Industrial Networks.* London and New York: Routledge.
Granovetter, M. (1985) 'Economic Action and Social Structure: The Problem of Embeddedness', *American Journal of Sociology* 91(3): 481–510.
Hakansson, H. and Johanson, J. (1993) 'The Network as a Governance Structure: Interfirm Cooperation beyond Markets and Hierarchies', in G. Grabher (ed.) *The Embedded Firm. On the Socioeconomics of Industrial Networks,* pp. 35–51. London and New York: Routledge.
Healey, P. (1997) *Collaborative Planning. Shaping Places in Fragmented Societies*. Basingstoke: Macmillan Planning Environment Cities.
Hillier, J. (2002) *Shadows of Power. An Allegory of Prudence in Land-Use Planning*. London and New York: Routledge.
Hodgson, G. (1993) *Economics and Evolution. Bringing Life Back to Economics*. London: Polity Press.
Hodgson, G. (2004) *The Evolution of Institutional Economics: Agency, Structure and Darwinism in American Institutionalism.* London and New York: Routledge.
Homans, G.C. (1950) *The Human Group*. New York: Harcourt Brace Jovanovich.
Homans, G.C. (1958) 'Social Behavior as Exchange', *American Journal of Sociology* 63: 597–606.
Homans, G.C. (1961) *Social Behaviour: its Elementary Form*. New York: Harcourt Brace Jovanovich.
Jessop, B. (1990) 'Regulation Theories in Retrospect and Prospect', *Economy and Society* 19: 153–216.
Jessop, B. and Sum, N. (2006) *The Regulation Approach and Beyond: Putting Capitalist Economies in Their Place.* Cheltenham: Edward Elgar.
Lambooy, J. and Moulaert, F. (1996) 'The Economic Organization of Cities. An Institutional Approach', *International Journal of Urban and Regional Research* 20(2): 217–37.
Latour, B. (1997) 'On Actor-Network Theory: A Few Clarifications', CSTT Home Page, Centre for Social Theory and Technology, University of Keele.

Law, J. (1992) 'Notes on the Theory of the Actor-network: Ordering Strategy and Heterogeneity', *Systems Practice* 5: 379–93.
Moulaert, F. (1996) 'Rediscovering Spatial Inequality in Europe: Building Blocks for an Appropriate "Regulationist Approach" Analytical Framework', *Environment and Planning D*, *Society and Space* 14: 155–79.
Moulaert, F. (2005) 'Institutional Economics and Planning Theory: A Partnership between Ostriches?', *Planning Theory* 4(1): 21–32.
Moulaert, F. and Swyngedouw, E. (1989) 'Survey 15-A Regulation Approach to the Geography of Flexible Production Systems', *Environment and Planning D*, *Society and Space* 7: 327–45.
Murdoch, J. (1998) 'The Spaces of Actor-Network Theory', *Geoforum* 29(4): 357–74.
Nee, V. and Ingram, P. (1998) 'Embeddedness and Beyond: Institutions, Exchange and Social Structure', in M.C. Brinton and V. Nee (eds) *The New Institutionalism in Sociology*, pp. 19–45. New York: Russell Sage Foundation.
Nelson, R. and Winter, S. (1982) *An Evolutionary Theory of Economic Change.* Boston, MA: Belknap Press/Harvard University Press.
North, D. (1990) *Institutions, Institutional Change and Economic Performance.* Cambridge: Cambridge University Press.
Putnam, R.D. (1993) 'Social Capital and Institutional Success', in R.D. Putnam *Making Democracy Work. Civic Traditions in Modern Italy*, pp. 163–85. Princeton, NJ: Princeton University Press.
Rowley, T.J. (1997) 'Moving Beyond Dyadic Ties: a Network Theory of Stakeholder Influences', *Academy of Management Review* 22(4): 887–910.
Williamson, O.E. (1975) *Markets and Hierarchies, Analysis and Antitrust Implications: A Study in the Economics of Internal Organization*. New York: Free Press.
Williamson, O.E. (1985) *The Economic Institutions of Capitalism*. New York: The Free Press.
Žižek, S. (2001) *Welcome to the Desert of the Real.* New York: The Wooster Press.

Frank Moulaert, PhD in Economics, is Professor of European Planning and Development at the School of Architecture, Planning and Landscape, University of Newcastle upon Tyne, UK, where he coordinates the postgraduate European Module on Spatial Development Planning. He is research coordinator at IFRESI-CNRS, Lille, France. Over the last 15 years his research has focused on the institutional dynamics of local and regional development.

Address: School of Architecture, Planning and Landscape (GURU), Claremont Tower, University of Newcastle upon Tyne, Newcastle upon Tyne NE20 9DU, UK. [email: frank.moulaert@skynet.be]

Katy Cabaret holds a PhD in Industrial Economics from the University of Lille 1, France. Previously she worked as a researcher at INRETS (French National Institute for Transport and Safety Research). Presently she is a Lecturer in International Economics at ESTA (Ecole Supérieure des Technologies et des Affaires) in Belfort.

Address: Ecole Supérieure des Technologies et des Affaires, Belfort, France. [email: kcabaret@esta-belfort.fr]