A Political Economy of Performance Measurements

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1 Introduction

The idea of performance has become fundamental to the process of judging the effectiveness of actions, public policies, and organizations. Evaluating the performances has become established as a major cognitive reference point and as a coordination mechanism.

Many researchers, having carried out empirical work in different areas (education, police, health, research, etc.), have concluded that the evaluation of performance has become a key issue in the capitalist economies of the 21st century. Yet, rather than producing a radical critique of the idea of performance, it seems more useful to recall that evaluation has always existed, but its modalities have been deeply modified and have become more and more subject to heteronomy, quantification, standardization, and globalization.

The “economic” performance of macroeconomic policies is explored, as is the “overall” performance of organizations (Capron, 2000; Jany-Catrice, 2012), i.e. the environmental performance of companies involved in Eco-audit certification processes (Reverdy, 2005) and the societal or social performance of regions or non-profit organizations (Capron; Branger et al. 2014).

Public services, and more generally the Welfare State, are no longer immune to this, and it is in this context, which the applicability of performance measurement has been extended to the sphere of public economics, that this paper has emerged. Our aim is to show that the evaluation of the Welfare State is increasingly being organized as a series of mechanisms that are in fact intended to measure the performance of public services. This change has to some extent reduced the scope of evaluation processes by integrating them into what Alain Desrosières described as “realist” mechanisms, meaning they are characterized by the development of metrology. It has also changed the way in which the reality of effectiveness is brought up to date.

Our starting point is the notion that the gradual shift towards a service economy has made the negotiation of what constitutes a “product,” with its various competing definitions, increasingly contingent: one only has to consider what constitutes the “output” of a university academic, a home help, or even a librarian. The use of “industrial productivity” as a modality of coordination, incentivization, and recognition, which was fundamental to the Fordist mode of regulation, has become increasingly problematic when applied to service activities (section 1). While this transformation of the productive system into an increasingly service-based economy has played an important role in the increasing use of the term and of performance management mechanisms, it is only one of several factors that have contributed to the emergence of what I call a “total performance” regime (Jany-Catrice, 2012). Structural

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1 This contribution is an enriched version of a paper published in 2016 (Jany-Catrice, 2016).
changes in the Welfare State (section 2), often denoted by its “modernization,” have tended to link two types of approaches increasingly tightly together. The first type includes approaches to evaluation rooted in a public service culture (as when we speak of evaluating public policies); the second consists of approaches that make considerable use of numerical indicators to legitimize, ex ante and ex post, the choices made in public action. Apart from the fact that this intertwining of public policy evaluation and performance measurement tends to blur the distinction, introduced by A. Desrosières (2008) between the “constructivist” and “realist” approaches, it also validates two structural tendencies. The first is the gradual shift away from the Social Welfare State towards the state as a mere “service provider,” the second, a gradual tendency towards a blurring of the distinction between individual and collective issues. The free flow of concepts between the individual and social level has facilitated the disintegration of collective performance and progress into a collection of individual performances, thereby excluding consideration of how to preserve the common goods.

Under these circumstances, the emergence of a total performance system manifests itself in the parading of a decontextualized “number” to which everyone is instructed to conform. The norm created then serves as an organic and symbolic link between individuals. In the third part, we describe the nature of this performance and explore the impact of the expansion of quantification that has accompanied “the Era of Numbers” (Porter, 1995; Beaud, Prévost, 2000). Total performance systems emerge as the most complete manifestation of four concomitant changes: the development of the service economy (part 1), and the rationalization of public action - the individualization of relationships to work and an excess of quantification - designed to dehumanize the criteria used in making judgments (part 2). These systems have gradually replaced the complex, ad hoc and pluralist systems previously used to evaluate work (Dejours, 2003) and public policies (Monnier, 1992).

2 Measuring the Product in Service Activities: A Question of Convention

The shift from an industrial economy and work system to a service economy has changed the coordination and incentivizing mechanisms, in particular, because what can be defined as “production” is, on the face of it, more vague and based more on convention (Gadrey, 1991). In economies dominated by manufacturing activities, the range of what could be defined as output was fairly small. Simplifying matters just a little, all that had to be done was to count the number of pins, cars, etc., produced. In service economies, on the other hand, the work process generally has two linked characteristics that make it fairly specific: i. there is a direct social relationship between the provider of the service and its beneficiary; and ii. consequently, the result of this social relationship is uncertain. Mainstream economists, incidentally, describe activities in which the product characteristics are difficult to observe ex ante as “experience goods.”

The introduction of coordination mechanisms and performance incentives into work organization systems in service industries often seems to be a rather limited response to the difficulties encountered in applying industrial productivity indicators in a fairly mechanical way and especially so in public services.

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2 Performance and progress are so closely linked in people’s minds that a commission established by President N. Sarkozy in March 2008 was given a mandate to study ‘The measurement of economic performance and social progress’ (Stiglitz et al., 2009).
In conceptual terms, “productivity” is a measure of the effectiveness of productive effort based on a comparison of output (regardless of level) and the factors of production. While the concept of productivity did not originate in Fordism, it did become its key indicator during the three decades of economic growth after the Second World War. The Fordist era depended heavily on this mechanism with the aim of achieving growth in the volume of production and distributing the fruits of that growth on the basis of a “Fordist compromise” (Boyer, Saillard, 2001). This compromise was based on a combination of objectified indicators of industrial productivity, on the one hand, and principles of redistributive justice, on the other. The objectified indicators of industrial productivity were linked to organizational practices that focused on the volume of output produced relative to the time taken to produce it. Redistributive justice, for its part, was based on the notion that pay and social progress should proceed at a pace in line with productivity gains (Ibid.). The organization of work in industrial productive systems made labor productivity one of the key indicators in the wage-labor nexus. Labor productivity was defined as the ratio of output (what is produced by an individual or an organization) to the inputs (the volume of labor required to produce that output).

The homological application of this industrialist concept to service activities has turned out to be problematic. Several reasons are generally given for this, among them, the immediate imperceptibility of what is produced and the confusion that prevails in some service activities between the processes whereby the activity is produced and the result of those processes as Jean Gadrey, very clearly and admirably, demonstrated in a number of studies in the 1990s (Gadrey, 1996). Let us clarify this point. Just as it is relatively easy to identify what workers in the manufacturing sector produce and hence to monitor and compare it to the effort required to produce it, even though production is so socialized today that it is often unrealistic to attempt precisely to identify individual productivity, what is produced in most service activities, and particularly public services, is more uncertain and difficult to codify.

There are numerous obstacles to the codification and standardization of service activities. They are linked in particular to the process of co-production, with both the service provider and the customer/user necessarily being involved in providing the service (Goffman, 1968; Brudney, England, 1983; Levine, 1984; Battoulier, Da Silva, 2014). These obstacles give rise to uncertainties in the exchange process: the control that customers or users can exert over the production processes changes the way in which the effects unfold, thereby disrupting the norms and rules that organizations lay down in order to standardize production and industrialize their processes.

Nevertheless, accounting responses to these difficulties figure in both public accounts (measurement of production) and in the organizations’ performance measurement systems. However, they are often limited, by default, to an estimation of inputs only: they measure the time spent in front of students, the number of days’ worked by management consultants, or the number of hours of household services provided. Some results are approached more directly (Triplett, Bosworth, 2006) which requires that agreement be reached on the end purpose of the activity and the method used to quantify the product. For example, should the volume of text messages that circulate each year be adopted as a proxy for the production of telecommunications? Or perhaps the volume of telephone conversations exchanged? Or the number of individuals subscribing to a network? In this case, the conventions are, to a greater or lesser extent, the product of negotiations between what the actors in the transaction, those who monitor them and those who regulate them, agree to adopt as the “mediums for or evidence of the activity in order to coordinate actions or reach compromises,” (Mark, 1982; Gadrey, op. cit.) whether the coordination be contractual or not. Economists have long

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3 In healthcare, this is reflected in the importance attached to compliance, i.e. patients’ adherence to the treatment (including healthy lifestyle habits) ‘prescribed’ by doctors.
underestimated this very question. Some now believe that low growth in Western countries can be partly due to the problems of productivity measurements (Brynjolfsson, McAfee, 2014; Gordon, 2012).

Those approaches which question the way in which a “service” is quantified in accounts, vary in their critiques. On the one hand, some studies take the view that the search for an output within an improved national accounting framework is a question of time, and it will eventually succeed (Sherwood, 1994; Stiglitz et al. 2009): true, these accounting methods have various cognitive and technical limitations, but in the long run, they should be overcome. This will be achieved, it is argued, by accounting experts, statisticians, and economists through management science which will lead to service activities being organized in the same way as “any other good.” Others take the contrary view, arguing that the explanation for a wholly performance-oriented system lies rather in the radical transformation of the political and economic system, and that the development of the service economy cannot in itself account for the “cult” of performance, the origins of which have to be sought elsewhere (Ehrenberg, 1991).

These critiques are aimed at managers’ tendencies not only to make service goods like any others but also to turn public services into services (and therefore goods) like any others. They do so by regarding users as customers or consumers, thereby reducing the ‘public’ to a number of users: consequently, some of the essential aspects of public services and the work of the public servants through whom they are transmitted are abandoned. As a result, the “expertise acquired in gaining a thorough knowledge of the legislation (which enables public officials to inform people paying social security contributions of their entitlements) or in listening to the most destitute individuals in society (in the case of social workers acting on the basis of a professional ethic derived from a clinical model),” (Weller, 2010, p. 17) is underestimated or even shut out altogether. They also do so by importing management systems directly from private companies which are then used in public services in order to make those services more effective and efficient.

The foundations of these dynamics also lead to the shift away from the evaluation of public policies to the measurement of the performance of public services, and it is this that we turn to in the following section.

3 The Shift away from Public Policy Evaluation toward Performance Measurement in (Public) Services

The links between public policy evaluation and performance measurement are ambiguous, but, although their histories are different, the spaces they occupy are becoming increasingly less hermetic. Above and beyond what it tells us about the way the Welfare State is perceived, namely as a “provider of services” and not (any longer) as a guarantor of the general interest, this shift away from the evaluation of public policies towards a drive to improve service performance is important in terms of the stance adopted towards quantification. Drawing once again on the work of Alain Desrosières, it has been suggested that, in the one case (public policy evaluation), quantification is regarded as a deliberate social construct; consequently, we should “not lose sight of the fact that the result of the measuring operation depends to a large extent on this procedure itself,” (Desrosières, 1993). In the other case, (performance measurement), quantification reflects a realist approach in which it is taken for granted that what is measured exists as an indisputable reality.
As early as the 1980s, advocates of pluralist evaluation were observing that, when one takes it upon oneself “to evaluate” a judgment on the value of the actions in question is being sent out and a value – good or bad – is then assigned to a thing or event (Viveret, 1989). For Viveret, this judgment is put forward with “the aim of creating tension between the democratic principle and that of decision-making effectiveness.” “Democratic,” here meaning that the value thus attributed will be collectively considered and shared, and “decision-making effectiveness” that such consideration has effects. It is then self-evident that the order of preferences that will emerge will be based on a constructivist type of approach. Now, for many years most evaluation methods have unabashedly fallen within the scope of a “realistic” approach to measurement. The reasons for such transformations have to be found in the transformation of the knowledge or ideas regimes (Campbell, 2002; 2015). If “performance” and “measurement” are so easily associated with each other, it is because performance systems aim to relieve agents of the burden of calculation in systems characterized by a high degree of uncertainty. Such systems constitute “cognitive simplifiers that focus expectations on certain tasks and routinize practical behavioural norms,” (Eymard-Duvernay, 1999). As a result, performance emerges as a declaration in defense not only of “instrumental” (Heilbrunn, 2004, p. 10), but also, “statistical reasoning,” (Desrosières, 2008).

Among the various codification systems, the one involving the calculation of numerical values (indicators, international classification systems) seems to be quite specific in nature because of the dominant position numerical values occupy in individuals’ capacity to argue and to produce evidence (of their good faith in the work, etc.). The very strength of numerical values and their naturalized expression of a form of “rigor” gives the illusion of reducing the range of uncertainties at the risk of forgetting the essential points (Ogien, 2010). Desrosières showed the extent to which the forms taken by statistics and their uses are linked to the forms taken by the state. Thus, the engineer state, whose principal concern was production and men, required statistics designed to count the population (demography), to measure the quantities of goods produced and consumed, and to produce tables of inter-industry exchanges along the lines of Leontieff input-output tables (Desrosières, 2000). The liberal state, which in the 18th century was concerned with markets and prices, required statistics that underlined “the transparency of market” (market shares, dominant positions). The era of the liberal state was also a period that saw the beginnings of international statistical comparisons as a means of estimating “the accounts of power” (Fourquet, 1981; Gadrey, Jany-Catrice, 2006). Then, the Keynesian state, which based its public action on aggregate demand and its various components, required national accounting statistics and, as soon as the first indications of international crisis became apparent, analyses of the overall economic climate. These statistics gradually changed, partly as a result of recurrent urgings to conduct international comparisons which became fairly routine from the 1980s onwards.

The neo-liberal state, finally, requires a multitude of statistical forms with three fundamental characteristics that make them malleable and suited to ad hoc use. Firstly, since these statistics are to be used by a state in which public action involves incentives (for “public agents” as well as for “users”) rather than planning, the forms of statistics produced are designed to provide the state with data compatible with the microeconomic theory (of incentives) that provides the starting point for conceptualizing these performance incentives. Secondly, these statistics are an indication of how the scope of measurement has been extended, both because the neo-liberal state has widened the reach of its interventions and also because the number of spheres in which quantification might feasibly be applied has also increased (environmental statistics, extended social statistics, health statistics, personal safety statistics, etc.). Each of
these cases, says Desrosières, “involves the simultaneous development and negotiation of methods of assessing and representing these problems statistically, of divisions of responsibility between the various actors and of ways of evaluating public actions a posteriori,” (Desrosières, op.cit., p. 10).

The quest for enhanced performance in the neo-liberal state is based on these dynamics which are well described by Desrosières: one dynamic, as explained above, fostered the realist approach, and another dynamic, with the aid of specific management systems, turns the state into a service providing entity. For example, Bèzes (2009) shows that the French Organic Law on the Finance Acts, as it was designed, constitutes a genuine paradigm shift in French public administration. The institutional reorganization brought about by this legislation has led to the state’s performance as a producer of services, on the one hand, and, on the other, to the evaluation of public policies becoming closely interwoven with each other: “a ministry’s budget is now presented as a set of programmes that correspond to a greater or lesser degree to public policies,” (Bèzes, 2009; p. 448). Similarly, Emmanuel Didier and Isabelle Bruno, in their studies of benchmarking, show the effect of the introduction of a management tool developed by private companies – “benchmarking” – into public organizations. The change they describe is consistent with the advent of the state as service provider and its reliance on performance indicators reflecting its “production” (economic indicators, indicators of efficiency or effectiveness, and ranking lists). We also show, in our current research, the direct link between the “3 E” performance tools, now imported to the public sphere (Liu et al. 2010), and how the social impacts evaluations (Gardin et al. 2016).

Although it is a common feature of public services in English-speaking countries, the shift away from the Social Welfare State as guarantor of basic solidarities and rights and access and treatment for all (Castel, 1995) to the state as service provider is a more recent phenomenon in France (Trosa, 2010). The state as service provider is characterized by a utilitarian functionalist approach to public action. This approach is based largely on the “financial management initiative,” a management system that aims to ensure that “managers at all levels have a clear vision of the goals to be attained.” “They evaluate and, if possible, measure results and performance in the light of these goals and they have a clearly specified responsibility to make the best use of their resources, including critically examining the results in cost/benefit terms,” (Dreyfus, 2010).

The scope of public action is reduced to a series of indicators of individual performance, modelled on those used in the national education system which ultimately is reduced to the performance of teachers and pupils. It is also similar to those used in the health service which is reduced to a series of indicators of activity and performance which also constitutes a system used to justify bonus payments (Batifoulier, Da Silva, 2014), or in higher education, where the sole yardstick for judging effectiveness is the increase in each academic’s citation ranking.

This way of measuring the performance of public services is not, or is no longer, guided by a concern to ensure a plurality of points of view. If a pluralistic approach to performance evaluation were once again to be adopted then points of reference of a more civic or civil nature, such as universal access to services, well-being through work, and preservation of the public’s rights would be rehabilitated as performance criteria, thereby highlighting the notion of the public interest. As service providers, the State acts in a way that combines three tendencies: an insistence on work incentives and increased work intensity; pseudo-evaluative attitudes that “individuals” are urged to adopt; and an end to the recognition and upholding of republican values, echoing the fate of equality and citizenship (Jany-Catrice, 2016).
One of the modalities of performance in its contemporary format is its dependency on the transfer of responsibilities to individuals (Coutrot, 1998). The changing nature of public action has turned experts and academics into legitimate actors, and numerical data into a mechanism for validating reality. The resultant mania for quantification “reflects the crucial role that quantification practices play today in the exercise of power and in the process whereby the moral content is removed from the descriptive categories of politics, thereby neutralising them,” (Ogien, 2008). The performance regime fits readily into this context: it relies on numerical data produced by various categories of “legitimate” actors. This legitimacy seems very effective in the axiological neutrality that “figures” are supposed to express (Lascoumes, Le Galès, 2004; Supiot, 2015). However, if it is to endure, this permanent use of quantification must be based on institutions that legitimate and consolidate it.

In his exploration of the question, he summarizes: “from value to value-maximising institutions,” François Eymard-Duvernay (2005) shows that performance maximizing mechanisms eventually take on the form of highly embedded institutions. They are embedded, firstly, in nature, because institutions that maximize the value of labor “make use of measurements that fall within the scope of the natural sciences (physical strength, ability to react, cognitive capacity),” (Ibid., p. 4). Secondly, they are embedded in symbolic legal and accounting systems that express “instituted collective values, social purposes and concepts of good,” (Ibid., p. 4). Finally, they are embedded in permanent adjustment dynamics (inter-individual, inter-organizational, etc.).

One of the specific characteristics of total performance, therefore, is the quest to incorporate a calculative rationality and numbers in all institutional strata whether or not they are derived from measurements, symbolic systems, or adjustment mechanisms. Thus, while “they draw on the natural stratum of institutions, it is people who perform the calculations: a psychotechnician, for example, summarizes capacity for work as a set of numbers” (Eymard-Duvernay, 2005).

4 Conclusion
The multiple shifts we have described, in particular that from a Social Welfare State to the state as a service provider, contain the seeds of total performance. Only by rehabilitating the spaces in which purposes, goals, and objectives can be debated, not from a hierarchical, technocratic, and univocal perspective, but on the basis of a negotiated, pluralistic view of what “effective” means in a world shot through with a multitude of opinions, values, and notions of justice, can attitudes towards the effectiveness of public policies or their societal performances be changed. It is with the aid of these procedural (how should we set about legitimizing the project?), political (what meaning should be attributed to the action, and to what end?) and democratic (“who is counting?” (Waring, 1988)) questions that alternatives to the illusory and discretionary realism of the “instruments of government” that threaten our societies can be created.

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