CHAPTER 3

Economization

The previous chapter's outline of the history of innovation as a societal phenomenon and policy area identified the 1970s as a time when a major shift took place, with far-reaching consequences for how innovation is viewed today. The shift itself was caused by the relative decline that followed the unprecedented economic and social development in the first two to three postwar decades, and that brought stagnation and crisis to our societies, with far-reaching consequences for policy and politics.

The reasons for the crude awakening in the 1970s are of course many. History suggests that the hopeless war in Vietnam and the major toll it took on the American economy (besides turning global world opinion against Washington), was one of the key origins of the crisis. The refusal of president Nixon to raise taxes to pay for the war forced him to instead increase the supply of money, which of course pushed inflation up and eventually caused the administration to terminate the convertibility of the U.S. dollar to gold, effectively bringing the postwar global monetary system (the so-called *Bretton Woods system*) to an end, and with it the stability that had enabled the postwar growth. And if that was not enough, the turbulence around the Oil Crisis of 1973 caused drastic rises in energy prices, with a tripling of the price of oil in the course of just a few months, so that most Western economies, strongly dependent on oil not only for their production industry but across the whole market spectrum, took heavy hits (Hobsbawm 1994: 403ff; Judt 2005: 453ff).

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The overall policy response was a breakthrough for a specific type of economic thinking characterized by market-liberalism and monetarism, a doctrine that made monetary policy the superior instrument of economic policymaking and, by extension, economic policymaking a supreme policy area. The latter has been called *economization*, in attempts to downplay the ideologically tainted use of “neoliberalism” to blame the development entirely on the political right, and thus to underscore that the change was profound and driven by both the left and the right (Berman 2014, 2022; Hallonsten 2021a). In essence, economization means a gradual but sweeping takeover of all policy areas by concerns for the economy, its wellbeing, and its development, such as growth, productivity, and balance of trade. In the process, these and other rather abstract processes and interests became not only fair game for governments to meddle with, but indeed increasingly viewed as the prime responsibility for governments to cater to (Berman 2014: 399). But economization is also deeper and more far-reaching; a profound and versatile change to society that takes several shapes and operates on several levels, from public discourse and the rhetoric of governmental politics, to adoption of techniques and procedures for management and organization of individual and small-scale collective efforts, all leading to the reconstitution of behaviors, organizations, and institutions as economic (Callon 1998: 32ff; Çalişkan and Callon 2009: 370).

Obviously, both the epistemic authority of the academic discipline of economics and the wider proliferation of quantitative and simple (and comparable) measures of gross domestic product, R&D expenditures, inflation rates, and so on, contributed to economization (Callon and Muniesa 2005). But the hands-on approach to the economy developed by policymakers was also due to a broadening of the view of what constitutes inputs to the economy, and that governments can potentially stimulate in order to positively affect the economy. Most importantly, research and development (R&D) and innovation were increasingly viewed as important drivers of economic growth. Yet as sociologist Elizabeth Popp Berman also has argued, policymakers’ understanding of the nuts and bolts of economic theories, and the exact nature of the input/output relations they attempt to influence, was and is naturally limited, which made the policy effects of economization fundamentally simplistic and superficial (Berman 2014: 399).

Thinking Like an Economist

While the igniting spark of economization was the economic downturn of the 1970s, the change itself was complex. Reframing of policy issues in economic terms, and a rise in economic awareness in the population, are only reasonable consequences of scarcity and austerity (Wentzlaff 2019: 63), and the economic downturn of the 1970s gave society several painful reminders of the finiteness of resources previously thought to be endless, such as oil and steel (Jacobs 2017). Meanwhile, the 1970s was also a time of reappraisal of the Social Contract for Science and the Linear Model of Innovation (Chap. 2)—it was no longer self-evident that generous funding of (basic) science would automatically lead to contributions to technological and social progress (Smith 1990: 36ff; Guston 2000: 37ff; Elzinga 2012). Institutionalists in organization studies and political science have pointed at a similar shift from a *laissez-faire*-like confidence in professional and/or regulatory logics involving corporativist policy arrangements, to market logics and more direct steering and surveillance on behalf of governments and their agencies, in a wide array of sectors and fields (Brock et al. 1999; Freidson 2001; Steinmo 2010). Political analysts have documented the apparent move of American politics to the right in the last decades of the twentieth century and shown that, starting in the 1970s, more and more political issues were framed in economic terms, a development that can be said to have peaked with Bill Clinton's 1992 election slogan "It's the economy, stupid".

Apparently, a belief began to spread among policymakers, in the wake of the economic crises of the 1970s, that a consistent framing of all kinds of policy issues in economic and financial terms would appeal to anxious voters. Perhaps this was an accurate political judgment: Economic issues did rise to the top of the list of the most important political issues cited by voters in polls, in the same period (Smith 2007: 65–67). The development was bolstered by the several real and partly imagined or overblown economic crises and structural changes that affected individuals, communities, and society as a whole, including the energy crises of the 1970s, stagflation and slow wage growth, and tightening international competition which led to outsourcing and downsizing, and weakened health and pension coverage. The result was, by all available accounts, a self-reinforcing cycle of economization of not only politics and media, but also civil society and indeed life itself.

American politics consequently has, since the 1970s, become "reoriented around economic interpretations of issues" (Smith 2007: 17), a view on policy that was "almost irrelevant to policy in the early 1960s; by the 1980s, its language shaped the terms of debate in domains once seen as well beyond its scope" (Berman 2022: 10). Economic growth has become framed as not only the preferred solution, but the only solution, to whatever problems society faces (Collins 2002; Cook 2016), and quantitative indicators of economic progress have started to live their own lives and become misrepresentative for society's progress, or lack thereof (Stiglitz et al. 2010). A "distinctive way of thinking about policy" has spread among policymakers, namely an "economic style of reasoning", a "loose approach to policy problems that is grounded in the academic discipline of economics, but has traveled well beyond it" (Berman 2022: 3–4). Though often perceived as politically neutral, perhaps even objective by the virtue of its scientific basis in the academic discipline of economics, the distinct way of framing policy problems in economic terms carried with it a number of values, including efficiency, incentives, choice, and competition. Subtly but clearly, these values were allowed to displace other values, like individual rights, universalism, equity, intellectual and artistic freedom, and balance between society's various value spheres or life orders (Berman 2022: 4). Above all, *efficiency* was made into a cardinal value of public policy, so that first, the success or appropriateness of any adopted policy would be evaluated above all by its cost-effectiveness, and second, so that policies were drafted and crafted with primary attention to its outcomes in terms of maximum net benefits to society, usually measured in economic terms. Efficiency, though a value closely associated with shortsightedness and a purposeful or subconscious neglect of any soft and less simply measurable values, was viewed as entirely politically neutral: "Any objective can be achieved in a more or less efficient manner, and who would advocate inefficiency?" (Berman 2022: 6). The purpose of any investment or reform of education (on any level) would therefore, by this logic, be casually assumed to be to prepare students for the labor market, and similarly, any investment in public health would just as casually be assumed to be to make individuals more productive and less of a burden for family members or the public healthcare system as they grow old.

Markets are today generally viewed as the most efficient allocators of resources in all parts of society, and thus a role model for organizing social life. The resulting "tyranny of the market" (Bourdieu 1998) and "market triumphalism" (Sandel 2012), and the senseless power of corporations over people's lives (Klein 1999) reflect broader changes to the economy's role in society that have been ongoing at least since the turn of the last century, with urbanization, industrialization, secularization, commercialization, expansion of labor markets, and decline of community life (Hochschild 2012; Putnam 2000).

This has not only meant a substantially increased faith in markets to accomplish improved efficiency in resource allocation, but also that policy domains and public sector organizations and institutions began to be viewed "through a market lens" and the effectiveness of their operations measured with markets as model, including the introduction of "market-like elements" like choice and competition into areas where the market logic is not as evidently apt, such as education and health care (Berman 2022: 6; cf. Hochschild 1983, 2012). "The reach of markets, and market-oriented thinking, into aspects of life traditionally governed by nonmarket norms", writes Sandel (2012: 7), "is one of the most significant developments of our time."

Consequently, a business ideal also spread and became the model for everything from how people are expected to view their role in society and the economy to the sentiment that rules public services and organizations. This includes the microeconomic frames of reference that characterized much of the turn to the economic style of reasoning, but it also, crucially, included entrepreneurship ideals and a deeper enterprise culture where business-like achievement was promoted as a key civic virtue. A symbolic reminder of how this cultural ideal spread through unprecedented and unexpected policy areas is the 1984 speech by U.K. prime minister Margaret Thatcher, in which she explained that she had come into office "with one deliberate intent: to change Britain from a dependent to a self-reliant society—from a give-it-to-me to a do-it yourself nation, a get-up-and-go, instead of a sit-back-and wait-for-it Britain". To accomplish this, Thatcher explained, "a new culture—an enterprise culture" was needed, "which accords a new status to the entrepreneur and offers him the rewards to match; which breeds a new generation of men and women who create jobs for others instead of waiting for others to create jobs for them" (cited in Greene et al. 2008: 64). This "culture of enterprise" spread far beyond the borders of the United Kingdom (e.g. Keat and Abercrombie 1991), and was interwoven with the proliferation of entrepreneurship discourse (Chap. 4).

But the enterprise culture also extends to a proliferation of a business ideal for all kinds of organizations, including not only public services but also civil society and voluntary or membership-based organizations (Brunsson 1994). Once-amateur football clubs are operated as multibillion dollar industries; former consumer and housing cooperative associations are turned into corporations; universities, hospitals, and schools are operated by profit-making companies, with the effect that students, patients, and (former) members enter into customer relationships with the organizations they would previously participate actively in building and operating for the common good. To properly contextualize and explain these deep changes to the very core of the fabric of society requires the use of social theory at the absolute most advanced level, and a holistic view on societal transformation that takes into account the really grander scheme of things.

Imbalanced Rationalization

One of the most advanced and renowned social theorists of the latter half of the twentieth century is the German sociologist Jürgen Habermas, whose revised iteration of the critical social theory of the Frankfurt School, and penetrating analyses of contemporary society, has earned him due fame. Habermas' *magnum opus* from the early 1980s, *The Theory of Communicative Action*, is well-known for its construction of a concept of reason and rationality that does not take an instrumentalist or objectivist approach but assigns it to the emancipatory capacity of interpersonal communication and wider societal discourse. His ambitious interpretation of Max Weber's concept of modernity in the first volume of *The Theory of Communicative Action* is based on the identification of Weber's different forms of rationality with his underdeveloped but fascinating notion of society's "value spheres" with "internal and lawful autonomy", including the state and the economy as distinct entities (Weber 1946/2009: 328; Hallonsten 2021c). Habermas settled on an interpretation of the economy and the state as "instrumentally rational" (in Weber's terminology) and other spheres including science, art, and religion as "value rational" which places the spheres in "irreconcilable tension" with each other (Weber 1946/2009: 351). In Habermas interpretation, this creates "imbalanced rationalization" and a development of modern society that sees "the capitalist economy and modern administration expand and at the expense of other domains of life", especially those that are value rational, and thus "squeeze them into forms of economic or administrative rationality" (Habermas 1984: 183). The result is "the system's colonization of the life world" (Habermas 1987: 153ff) and the displacement of the communicative rationality that embodies humanity's emancipatory and creative potential, in favor of a dominance of capitalism, market economy, and bureaucracy.

Habermas' theory of society is comprehensive, but it is possible to use his thesis of the "the system's colonization of the life world" somewhat selectively, to give theoretical consistency to the empirically identified process of economization. The thought is not unique to Habermas—similar ideas of "imbalanced rationalization", though under different names, have appeared in as diverse works as those of Hegel (1896), Polanyi (1944), Galbraith (1973), Bourdieu (1998), Stiglitz (2002), and Graeber (2015). All of them have in common an understanding of "instrumental rationality" (this is Weber's and Habermas' term, others have used other words for essentially the same thing) as inherently expansive and invasive. Both the capitalist market economy and bureaucratic administration have been shown to have seeming built-in expansion logics, albeit in slightly different ways (Parkinson 1957; Stiglitz 2002; Graeber 2015). Science, art, morality, religion, or any other conceivable "value rational" spheres of society do not have the same intrinsic logic of expansion.

It is, therefore, quite clear that the politics of economization are also more complex than the often-read story of the breakthrough for "neoliberalism" and other market-liberal ideas for governance and resource allocation (Slater and Tonkiss 2001; Djelic 2006; Duroy 2016). The theoretical foundation for economization is wider than neoclassical economics, and institutionalist or structuralist views on society are also commensurable with a policy-wise primacy of economic thinking and economic models (Çalişkan and Callon 2009: 373–376), including microeconomic concepts such as competition, choice, incentives, efficiency, and cost-effectiveness (Berman 2022: 11ff). It should also be noted that Marxist philosophy and sociology is imbued with the primacy of the economy over other spheres of life, and among the major political ideologies of the modern era, socialism (including social democracy) is the one most clearly focusing on economic (in)equality and economic means of adjusting it, which gives the political left a theoretical and ideological foundation for economization just as robust as that which "neoliberalism" finds in neoclassical economics. This makes it only logical that the policies that drove economization "resulted from a variety of political projects undertaken by a variety of political actors holding a variety of political and economic philosophies" (Berman 2012: 16), including not least the American left as represented by the Democratic Party (Berman 2022: 13ff). Of course, forced to deal with recession and a faltering economy, the political right blamed red tape and excess governmental bureaucracy, and the left blamed market failure, but they appeared to have been united in their embracing of government intervention and political reform work as the solution, and most of all, they shared "the idea that the main purpose of government is to affect positively the larger economy" (Berman 2014: 399). With economization, governments began to view their countries as gigantic corporations whose main interests are maximizing productivity and profit (Fougère and Harding 2012: 28–29).

But economization is also "a systemic societal process" and its effects are seen in several pervasive features of contemporary society (Wentzlaff 2019: 58). Perhaps best understood as a *drift* of the criteria and standards by which efficiency and appropriateness of processes and structures are judged in society, economization thus entails several changes to how organizations function, what they do, how they are perceived by various stakeholders, and how their activities and goal fulfillment are appraised. This includes changes to the logics of governance of organizations outside of the private sector, toward hierarchical and functionally differentiated structures modeled on companies, at the expense of local and bottom-up governance patterns such as collegiality, professionalism, and voluntarism and trust in the competence and judgment of "communities of practice" (Wenger 1998; Freidson 2001; Rennstam and Kärreman 2020; Hallonsten 2021a; Alvehus 2021). It entails the drift of the mode of work of civil society organizations from voluntary and member-based associations to professionalized organizations engaged in lobbying and advocacy with measurable outcomes, described by Skocpol (2003) as a shift from "doing with" to "doing for". It includes the dispersion of profit motives into new areas of life and spheres of society, most clearly perhaps exemplified by sports, where games and competitions are still decided on the field and in the arena, and money cannot simply buy a better result, but where games and competitions are "organized and played in such a way as to produce the highest possible profit", both for organizers and clubs and individual athletes (Münch 2014: 254). It extends to the commodification of life, in a close-to-classical Marxist sense, whereby "all things that have value—land, labor, technology, ingenuity, affection, joy, misery, and so on—are reduced to quantities that can be plugged into balance sheets and judged by their utility for producing profit" (Vinsel and Russell 2020: 85). And it extends to society's view of the role of its central institutions, exemplified by the habit of speaking of contemporary post-industrialism as "the knowledge-based economy", which is supposed to signal an economy based on science, creativity, and learning, but which to some extent in practice has meant the relegation of knowledge and society's knowledge-producing institutions to functions as subcontractors to the economy (Hallonsten 2021b: 392).

In the latter case, it is important to note that academia, at least in the United States, was not a passive recipient of policies of economization. University leaders evidently saw opportunities in promoting the idea of academic science as an economic engine through innovation, as part of a longer-term strategy since at least the 1960s of trying to persuade policymakers that they deserve their share of public funding (Berman 2012: 147). Scholars in economics, whose theories of innovation as a crucial driver of economic growth had been around for decades, emerged out of their previous obscurity and volunteered to underwrite all kinds of policy decisions that were made with the claim of helping innovation, in the wake of the economic downturn (Berman 2012: 13). The competitive imperative brought to academia and other institutions in society was strengthened by globalization, one of the most salient features of what sociologists call the "late modern era" or "reflexive modernity" (Giddens 1990; Beck et al. 1994). Globalization is usually taken to mean the shrinking of the world in terms of the flow of people and information across the globe (Castells 1996) and a shift in power from national to international scenes (Thompson 2008), but it also entails a gradual lowering of barriers to the global expansion of capitalism, and the emergence of global markets not only for consumption and finance but also, apparently, for public goods. In combination with economization, globalization made competition on economic terms and in innovation into a key driver for policy- and decision-making, not only competition between companies but also for example universities (Wildavsky 2010), and perhaps most evidently between cities, regions, and countries (Hasu et al. 2012: 87).

Managerialism

The central tenet of efficiency in the "economic style of reasoning" among policymakers and bureaucrats in the public sector has a counterpart in the management and governance of organizations in the public and private sectors alike, and the way it has changed. Efficiency, measured in economic terms, is key to the ideology of *managerialism* which has been identified and conceptualized as a spreading plague in organizational life across the Western world in the past decades.

Analogous to the misconception that "neoliberalism" and thus right-wing politics are solely responsible for the turn to economic thinking in the West in the past half a century, is the very popular use of the ill-defined and not very analytical concept *New Public Management (NPM)*. If taken to mean a bundle of reforms aimed at making public sector organizations more business-like, by abolishing bureaucratic governance by rule and decree and appointment and replacing it with *Management by Objectives (MBO)* and strict appraisal according to predefined criteria, then NPM is a rather good description of the overall shift in attitude and policy toward public sectors in Western countries in the 1980s and 1990s. And where NPM certainly did not make public sector organizations operate as businesses—this would require real markets and real incentives structures—it most likely contributed strongly to the spreading of the ideal in politics and society that everything is a business or at least should be treated and thought of as a business. Economization only partly captures this development, and it is necessary to also look to management.

Fredrick Winslow Taylor is well-known for his "principles of scientific management" (Taylor 1912) that prescribed steering and coordination of production of goods and services by standardization, measurement, and hierarchical control. It was most popular around the turn of the twentieth century and contributed strongly to the effectivization of industrial production, but has been almost one-sidedly refuted in later management and organization studies, due to its impersonal and even inhuman approach to management. Nonetheless, the idea of a supposedly exact and objective form of steering and management of organizations, that can do away with the alleged inherent inefficiencies and arbitrariness of professions, crafts, and human decision-making in general, has prevailed. There is a lot to suggest that a mutated Taylorism, or "hyper-Taylorism" is prevalent today (Klikauer 2013: 49), part of what has come to be called *managerialism* (Enteman 1993; Locke and Spender 2011; Parker 2002; Wooldridge 2011).

The four central principles of managerialism have been identified as follows: Efficiency as the primary goal of management; a belief in management techniques and tools as superior to all other forms of governance; a "class consciousness" among managers that consists of a number of common frames of reference that are reproduced through educational programs (in business schools), management literature, management lingo, and other markers of identity; and a view of managers as "moral agents" which means that managers view themselves and their work as not only fundamentally beneficial (and necessary) for their organizations, but indeed for society as a whole (Edwards 1998). This makes managerialism an ideology, not only shared by (many or most) managers but also prevalent in society and sustained by a number of arrangements that are culturally coded. The philosophical basis of the ideology of managerialism is a view of society and humanity as inherently disorganized and capricious, and thus in need of exact and neutral tools for governance and steering that can bring order into chaos and replace arbitrariness with predictability and transparency. This idea, in turn, goes back to the very project of modernity. Through the enlightenment, the industrial revolutions, the growth of a capitalist market economy, and the advance of democracy and human rights, humanity broke free of its previous savage state and entered an era of rational organization of society. This meant control of nature, control of man, and control of social life, through planning and calculation. As modernity evolved, order and control were expanded to defeat disorder, ignorance, and arbitrariness not only on technical areas but also with regard to the individual human being as production unit and citizen, as well as the social structures and institutions that make up society.

Due to its supposed capacity to bring order into chaos, management is viewed by its proponents as a universal solution for goal attainment and efficiency, that not only can but indeed should be applied everywhere, on everything and everyone (Parker 2002: 5). But it is also organized and structured separately from the activities it is applied on, which means that the locus of control, coordination, and steering of work is removed from the level of professionals and practical situations and to an abstract and general managerial level where management is instated as a profession of its own, or even a "class" of its own (Edwards 1998), with its own training, career paths, knowledge base, and professional identity and self-image. The universal solution of management is thereby fortified or galvanized and increasingly decoupled from the pluralism of professionally and craft-oriented production of goods and services in an economy and society built on division of labor and specialization, but also infused with crucial personal and situated competence and judgment. If the self-governance of such pluralist and craft-oriented activities is replaced by a supposedly universal and general form of management, important values including (but not limited to) democratic participation and worker satisfaction are lost (Locke and Spender 2011). This does not mean that management itself is useless or harmful—quite the opposite, it is an important part of the economy and of work life. But it should not be let to displace other values or subsume all human activities under a simplified conceptualization of efficiency (Parker 2002: 11).

The risk that it does is imminent today. Managerialism has been characterized as an ideological foundation for a broader collection of features of current society, that all have to do with steering and governance of organizations with the help of universal solutions in the shape of supposedly objective and neutral tools and techniques for securing and improving efficiency and goal attainment. As already noted, New Public Management (NPM) captures much of this, identifying *ex post facto* a series of reforms in Western countries, more accentuated in some than others (e.g. Great Britain, Sweden), whereby the governance of public sector functions and organizations have been reformed toward decentralization, line management, financial control, systematic and standardized quality appraisal, and a view of the citizen or client as customer (Hood 1995; Pollitt and Bouckaert 2004). Closely related is the *audit society* (Power 1997) or *evaluation society* (Dahler Larsen 2012) which are concepts used to describe the proliferation of auditing and (predominantly standardized quantitative) evaluation practices in society as a means to improve efficiency and goal attainment, understood in a very narrow but distinct sense as economic efficiency or at least efficiency measurable by the numbers. Muller (2018) has called this *metric fixation* and shown that it pervades current society as an almost irresistible force of making everything measurable and quantifiable and placing all trust in the capability of individuals, organizations, and society to fulfill its various goals in what numbers can convey.

Based on the argument that current society is an "evaluation society", Dahler Larsen argues that the obsession with quantifying things is a function of Beck's (1992) *reflexive modernity*, which was discussed above. The essence of the shift from modernity to reflexive modernity is that society went from optimism over social and technical progress to a state of questioning and acknowledging the dark side of the same progress. The resulting *Risk Society* is a society where all governance and management is geared toward exposing and documenting risks and hazards in order to (try to) avoid them. Evaluation and quantification, writes Dahler Larsen (2012: 144ff) becomes a necessary activity for all of society's organizations because society expects them to evaluate and quantify, so that they can show that they take risks and hazards seriously (whether they act to avoid these risks and hazards is not as important).

With this perspective, it is possible to view the attempts of reflexive modern society to handle the deficiencies of modernity—technology, social control, bureaucracy—as counterproductive. Instead of scaling back rationalization, the powerful institutions of modern society are merely able to produce more of the same: More technical and administrative rationality, more evaluation and documentation, more bureaucratic control, and more planning. The argument ties back to Parker's characterization of managerialism as a late-twentieth century iteration of modernity's inherent impulsion not to leave nature, humanity, or the social untouched in its disorganized and capricious state, but to correct it and replace its ignorance and arbitrariness with transparent and supposedly objective means of documenting and thus steering. The result is not a scaling back of rationalization in favor or more humanist or flexible models of organizing society, but an intensified form of rationalization that lives off the means of the information society, to document and measure everything. Put differently, society is in a state of hyper-rationalization, where nothing is (supposed to be) beyond the control of managers, not even genuinely unpredictable and organic processes like innovation.

No Size Fits All

There are, unfortunately, signs that managerialism is ruining many prospects of dynamic and creative work of the kind that typically are key ingredients in innovation, be it in academic science, development work in the private sector, or support efforts on behalf of governmental agencies. The bureaucratization of academia is a major topic in contemporary literature (Ginsberg 2011; Collini 2012; Münch 2014; Fleming 2021), and seems to be impacting also those parts of universities and colleges that are put in place to promote entrepreneurship and knowledge transfer among teachers and students alike (Terjesen 2022). The identified trends are certainly empirical examples of the macro-level trend identified by Habermas (1984, 1987) as "imbalanced rationalization".

In fact, it is not at all far-fetched to argue that the hegemony of managerialism today is a form of hyper-rationalization or hyper-*bureaucratization*. Recall that managerialism has been identified in recent scholarly analyses as both a form of "hyper-Taylorism" (Klikauer 2013: 49) and as a view on organizations, society, and the individuals that populate them that entails a belief in the possibility to eliminate the arbitrariness and inefficiencies that human operations allegedly suffer from (Edwards 1998; Parker 2002;

Locke and Spender 2011). This is not far from the ideals of bureaucracy, which usually embody a high level of trust in uniform rules and regulations, transparent and predictable decision-making, and hierarchical governance and control (Weber 1922/2019: 343ff; Bendix 1956). In fact, prominent analysts of the bureaucratic model of organization have pointed out its deep and inextricable embeddedness in modernity, as the default arrangement for the institutions of society that are there to guarantee liberty, equality, legality, and rationality (Sennett 1992; du Gay 2000; Kallinikos 2004)—very positive or at least generally desirable ideals that organizations and society probably should be built upon.

But there is of course a flip side, and one of the imminent risks of expansive bureaucracy is that it becomes a self-reinforcing institutional means of strangling creativity. This is because the rule-based and formalized organizational principles of bureaucracy in many ways is the exact opposite of what innovation needs: A bureaucratic organization, especially one that is entrusted with millions of taxpayer Euros or Dollars, will naturally (and perhaps rightly) try to minimize losses and maximize gains, which in organizational contexts normally means adopting a risk-minimizing and cautious strategy and an elaborate system of sticking to the rules and regulations rather than encouraging breaking of rules, no matter how rewarding the latter may be in the long run. But make no mistake: This phenomenon is not restricted to the public sector. Any organization that grows big enough also develops bureaucratic governance systems (Mintzberg 1983), and will sooner or later begin to revere the status quo. This goes for big corporations, and for universities, just as well as governmental agencies. The sad truth is that innovation does not naturally happen in these organizations (Ridley 2020: 295), where acts of disturbing the peace of challenging the status quo are actively discouraged and routinely punished. In order for large organizations to be innovative, they need to implement institutionalized means for fostering creativity and experimentation, such as corporate R&D labs where job descriptions and resource allocation are shaped flexibly; or guarding of the rules and norms of academic freedom in universities; or effective instructions to governmental agencies that lead them to pursue the imaginative and promising rather than simply or solely minimizing risks.

Economization, managerialism, and bureaucratization stymies innovation in a number of ways, and favors projects and initiatives that build up the innovation complex without making much difference other than scoring high in shortsighted and superficial performance indicators. On general level, a society obsessed with economic growth to the degree that it regards all other areas of life and all other areas of improvement of society as subordinate to economic growth will lose sight of what real innovation is, how it occurs, and what can be done to promote it.

To the extent that it signals a growing awareness and worry among the population of a society over their own and the overall economy, economization also has a directly inhibiting effect on creativity. This is because the economy affects not only living standards but also behaviors and "the moral character of people" (Friedman 2005: 4). It is well-known that economic downturns and an increased awareness of grim economic realities have a negative impact on tolerance, generosity, and openness (Lindsey and Teles 2017: 3). All three are values conducive of creativity and innovation, but they can also easily be turned into their opposites by spreading feelings of economic insecurity, also if these feelings only partially reflect real economic developments and thus are due to a discursive or political overemphasis on the economy and its (risk of) demise. There is much to suggest that economization and the proliferation of the enterprise culture in our societies emphasized, well beyond what is warranted from a social science point of view, the rational, profit-maximizing, self-calculating character of the individual (du Gay and Salaman 1992; du Gay 2004).

Meanwhile, current society's preoccupation with evaluation, comparison, and documentation seems almost paranoid: There is virtually nothing in the organized social world that is not subject to measurement, ranking, and appraisal (Power 1997; Dahler Larsen 2012; Mau 2019). There seems to be an irresistible attraction in performance measurement today, and a seemingly irresistible temptation to let the results of all these measures and rankings to guide policy- and decision-making of all kinds, also when there is evidence that it works less well (Muller 2018: 4). But rankings and quantitative measures have two fundamental flaws: They fail to capture the qualitative aspects of whatever they measure, which hardly is surprising given that this is how they are designed, and they promote a view of the social world as consisting of zero-sum games. Simply put, when an organization, a region, or a country advances or descends on a ranking list, it all too often only amounts to a relative change. It matters little if every organization, region, or country on the list has improved in any absolute sense, because attention is shifted to their relative changes of positions, which often is far less relevant but usually the only thing such rankings can show (Espeland and Sauder 2007). Metric fixation bolsters economization by reinterpreting every organized human activity as quantifiable, comparable, and competitive. Everything becomes a quest for short-term gains, preferably measured in monetary terms. Every human activity becomes enterprise-like, with proliferating expectations that it be managed as such.

The political expression of this is quite evident: Not only have governments across the world come to view all policymaking efforts as instruments to achieve economic growth; they have also, to increasing degrees come to view innovation as a tool in the manager's toolbox, though a tool legitimized by claims of a scientific foundation found in the supposed objectivity and neutrality of all the numbers and metrics that are used to back it up. With managerialism creeping into public sector organizations and political life, little is left but a conception of innovation as a means to an end, and one that can be measured and counted with short-term and quantitative indicators such as patents and new startups. The birth of contemporary innovation policy in the 1960s was very much tied together with the view of the state as a giant corporation, that should be managed as such and whose success or even right to exist hinged upon its ability to accomplish economic growth, not enable, but accomplish (Fougère and Harding 2012: 29–30).

Managerialism is a one-size-fits-all solution for the governance of organized human endeavors. But no size fits all, and especially innovation is something unpredictable, serendipitous, and is in fact, also inexorable. We will return to this in greater detail in Chap. 6; now it suffices to conclude that innovation is unmanageable, and every attempt to uniformly apply managerialism on such essentially creative activities will unavoidably stifle creativity and incentivize alternative behaviors, such as conformism, window-dressing, bean counting, hypocrisy (understood in a bad way), and profit-maximization at the expense of other important values. Real innovation is displaced by empty innovation, when society's obsession with innovation is not backed up by any real means of achieving it.