



**HAL**  
open science

## When legal intermediation creates distrust of the law: The market for tax rebates in French real estate

Camille Herlin-Giret, Alexis Spire

### ► To cite this version:

Camille Herlin-Giret, Alexis Spire. When legal intermediation creates distrust of the law: The market for tax rebates in French real estate. *Studies in Law Politics and Society*, 2019, 10.1108/S1059-433720190000081003 . hal-02311505

**HAL Id: hal-02311505**

**<https://hal.science/hal-02311505v1>**

Submitted on 11 Oct 2019

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

**When legal intermediation creates distrust of the law:  
The market for tax rebates in French real estate**

**Camille Herlin-Giret (CERAPS) and Alexis Spire (IRIS)**

**Abstract** – Since the 1990s, the French government has offered tax exemptions for people who buy property and rent it out for at least nine years. This legal framework, centered on incentives, can be considered a new kind of (de)regulation of housing policy, triggering a multiplication of private intermediaries devoted to finding clients for tax exemptions. Based on interviews with twenty-eight investors who feel they have been abused (many of them have started legal proceedings against professionals from whom they bought a property), this study provides a new entry for analyzing legal intermediation, showing that it does not affect all laypeople in the same way, especially when looking at the latter's social and economic resources. We analyze how and with what devices professionals, whose commercial practices are not fully regulated by law, rely on the law for the success of their transactions, especially with taxpayers who have money to become investors but who are not rich enough to pay for the services of a tax professional. We argue that the ability to resist the appeal of putting money into investments that turned out risky depends on investors' social and economic resources. Finally, we analyze how the process of legal intermediation described in this paper impacts investors' legal consciousness and creates distrust towards the law.

**Key-words:** tax exemptions; investment; intermediation; financial skill; legal consciousness.

## **1. Introduction**

The law regulating economic activities is based on relatively broad and general principles that leave firms and organizations some room for maneuver in complying with it while protecting their interests (Edelman, 1992). These are far from binary alternatives: legal compliance is a process through which institutions construct the meaning and limits they intend to give to the legal framework (Swedberg, 2003). This work of endogenization of law (Edelman, 2016) is entrusted to “compliance professionals” who may be legal professionals such as lawyers or legal advisors; private actors such as management consultants, executives working inside or outside of organizations; or public agents. Firms confronted with laws against discrimination in the workplace, for example, make use of “complaint handlers” who reframe and reformulate the legal principles in accordance with managerial criteria (Edelman et al., 1993, Marshall, 2005). Compliance with new legal norms also affects understanding of the law (Pélisse, 2004), as shown by the example of hospital reforms in this issue (Vincent, forthcoming): middle managers may take advantage of it to increase their power within the organization (Kellogg, 2009). Firms make use of compliance professionals because they have an interest in complying with the law and they identify with the principles of justice laid down by the state (Edelman and Suchman, 1997). Legal intermediation is, however, not only used to display compliance with the law: economic actors may also make use of the law for commercial purposes, to make them more persuasive vis-à-vis consumers when seeking to sell them certain goods or services. The “managerialization of law” (Edelman, 2016) then becomes a weapon for economic agents to exercise domination over lay clients. Whereas bureaucracies are in charge of the allocation of a certain number of rights and may favor or block access to these (Revillard, 2017: 459), private actors use the law differently, by infusing their own managerial logics into the legal field (Billows, forthcoming) and by taking part in the design of private regulation (Buchter, forthcoming).

This article is precisely concerned with the role of legal intermediaries when they impact the law’s capacity to produce social change (Pélisse and Tالش, 2018). In the case of tax exemptions, an area that is particularly technical and legally dense, private legal intermediaries pursue economics goals and profit targets. In recent decades, use of these devices has become increasingly widespread among private actors, meaning that households now assume risks previously managed by associations or the state (Hacker, 2004). On both sides of the Atlantic, governments have offered small savers tax rebates to become “investors” (Aitken, 2007, Harmes, 2001, p. 103). For example, the policy which incentivized

employees to organize their future pension through company savings schemes consisted in turning future retirees into individual investors on the markets (Carruthers and Kim, 2011; Shuey and O’Rand, 2004; Dynan, 2009). This conversion was accompanied in the United States by the emergence of investment clubs (Harrington, 2008). In France, the use of tax exemptions has developed on a similar scale, but the main beneficiaries have had less guidance in navigating the new financial and tax schemes at their disposal. Besides, the retirement system is based on social insurance, hence the majority of the population does not need to use the market to make provisions for future risks. As a consequence, the asymmetry between financial experts and laypeople is more salient than in other countries. The example of real-estate investment is particularly enlightening because it concerns a large number of taxpayers who want to save for the future but lack the necessary understanding of the legal schemes offered to them.

In France, since the late 1970s, successive governments have introduced many tax breaks<sup>1</sup> to draw taxpayers’ savings into markets, especially in the housing sector. The Robien, Scellier, Censi-Bouvard and Pinel schemes – the main real-estate tax exemption arrangements, named after the ministers who promoted them – alone represent altogether more than €1.76 billion. Whereas for a long time the state invested in building social housing, this public policy has been progressively rechanneled towards a whole series of direct aids to tenants and tax incentives for would-be property owners (Pollard, 2009). By reducing the income tax of those who engage in “buy-to-rent” investments (with a mandatory period of nine years<sup>2</sup>), these schemes aim at stimulating the building of new rental properties<sup>3</sup>. These peculiar tools of government have not yet been studied, despite their weight in tax expenditures.

By focusing on tax exemptions in the French housing sector, we show that intermediation by private actors not only impacts organizations and economic behaviors, but also attitudes towards the law and the representations of legality: similar to the organizations described in the literature on legal endogeneity, the people who make such investments are “resocialized by law” (Edelman and Suchman, 1999: 981). In the case of households who sign up for real-estate investments, legality is shaped by how people perceive the domestic

---

<sup>1</sup> Depending on the year, they were equivalent to between a quarter and a third of all tax revenue; in 2016 there were still 451 such exemptions, amounting to €89.9 billion.

<sup>2</sup> The conditions regarding the length of the rental, the reality of the rental, the location of the property, and the rent may then change according to the laws.

<sup>3</sup> These schemes incentivizing investment in rental property, a French specificity, have had some degree of success. Two thirds of the sales of new housing sales were made in the framework of the “Scellier” and “Robien” laws when these schemes were set up.

economy and risk: the decisions people make affect their private lives and their self-image. While most research on legal intermediation has focused on how organizations shape law, in this article we want to consider legal intermediation as a power relation (Dobbin, 2005, p. 27) between professionals representing large firms and laypeople who believe they are pursuing their own interest.

A first stage of our analysis aims to understand how private actors, in this case the sales representatives acting for big real-estate developers, take over and use the law for commercial purposes: through a comprehensive effort of persuasion, they succeed in selling properties to individuals by presenting tax-exemption schemes set up by the state. We then show that the work of legal intermediation contributes to a power relation between professionals who thoroughly understand the possible uses of the law and the laypeople who are the public of these real-estate tax-exemption policies. This power relation cannot, however, be reduced to a one-sided relation of domination: laypeople's capacities to resist depend on their economic resources and their ability to deal with financial matters. The commercial use of law impacts taxpayers' representations of law and justice, and also modifies these misled users' relation to the state.

### **Sources and methods**

Whereas research on policy feedback (Pierson, 1993; Mettler and Soss, 2004) has not paid much attention to the social heterogeneity of the groups targeted by public policies, in this article we wish to focus on the social characteristics of the private individuals who invest in real estate, which raises several methodological difficulties. In the case of tax incentives negotiated at a distance, there is no physical place where the taxpayers who may benefit from these measures can be found. To meet them, we went through an association defending the victims of tax exempted rental investments. The interviewees who contacted us following the email sent to all the members have two particularities. First, they consider they have been cheated, mainly because they have discovered that the real value of the property they bought is actually much lower than what they paid for; their disappointment may also have to do with the characteristics of the property (location, neighborhood) or the difficulties they encounter in renting it. Second, many of these purchasers who consider themselves cheated are involved through the association in legal actions against the sales representatives who sold them these properties. We were able to carry out 28 interviews with people who had bought properties for tax-exemption purposes. Focusing on disappointed investors makes it possible to

reconstruct the sequence of events that led to the purchase of a property entailing a tax reduction and to pay attention to the actors who are blamed for the investors' unfortunate situation. By then following these misled investors in their legal proceedings, this paper helps to understand the relationships between laypeople and various legal intermediaries: sales representatives who promote tax exempt properties as well as lawyers who encourage misled investors to initiate legal proceedings. This qualitative material was complemented by a survey on a sample of 2,676 individuals, collected thanks to the Elipss panel (Longitudinal Internet Studies for Social Sciences), an online panel that is representative of the population living in metropolitan France<sup>4</sup>. The combination of quantitative and qualitative data enables understanding the impact of the lower-than-expected yields on the domestic economy and the future plans of the people who invested in it.

## **2. The commercial use of law**

The particularity of France compared with many other countries is that for a long time the agents of the state occupied a central place in the work of legal intermediation. But since the early 1980s, as in other countries (Salamon, 1995), successive governments have set up a growing number of partnerships with non-state actors to implement public policies (see in this issue Pélisse, forthcoming). The example of the tax-exemption schemes favoring investments in real estate perfectly illustrate this new form of regulation that privileges intervention by the "hidden welfare state" (Howard, 1997). Far from standing apart from the state authorities, private agents seek to instrumentalize it as effectively as possible in order to achieve their aims. Due to its reliance on private actors, the implementation of tax exemptions in the housing sector has drifted away from its initial goals (Pollard, 2011).

### 2.1 Committing decisions

Tax rebates in the housing sector in particular have strong repercussions on the activities of real-estate developers and consequently on the rate of housing construction. Beyond the developers, these repercussions more generally affect the whole landscape of financial intermediation: bankers, notaries and realtors who specialize on the sale of tax-break properties have been able to adapt to the changes in the regulations and have thus massively contributed to the "success" of real-estate tax exemption. Banks, for example, have expanded their tax-advice departments. Beyond them, a whole network of firms and sales representatives have played an active part in the sale of these various tax devices.

---

<sup>4</sup> For more details, see <http://quanti.dime-shs.sciences-po.fr/en/>.

The main objective is to convince taxpayers of the possibility of turning flows – even small sums, regularly set aside – into a valued, visible asset generating future income – capital, in other words. The logos devised by the firms specializing in tax exemption highlight the security of investment in brick and mortar, and are used as a certificate of quality (Stanziani, 2004).

All our interviewees bought their properties after having been approached by a sales representative who had expounded on the benefits of tax exemptions and real-estate investment. Some were contacted by telephone, some through an acquaintance, others through a bank employee. In all cases, they were persuaded to buy small apartments for which they paid between €100,000 and €200,000, entirely through loans. The properties in which they invested were all located in medium-sized towns hundreds of miles from their own homes. Many expected to keep the property for the time required to qualify for tax exemption (often nine years) and then sell it, making a handsome capital gain (“plus value immobilière”) on the sale. But after a few years, they realized that their investment had turned into a financial loss: the ancillary costs had increased, the property was in an area where tenants were difficult to find, and when they had their property appraised, they found out the real value was generally half what they had paid for (a figure the legal intermediary had persuaded them was an excellent deal).

Despite being a risky, long-term commitment, the decision to embark on the purchase of a property, on credit, for tax-exemption purposes is, in most cases, taken fairly quickly. One interviewee described the conditions in which he was led to take this decision. Aged 61, he was living alone in a small town near the Swiss border, where he had worked as a technician (annual income €33,000) until he was made redundant and set himself up as a self-employed vendor of alternative medicines. He was approached at home in September 2006, just after the death of his father, which left him “emotionally fragile.” In September and October, he had several meetings with a salesman, who described in glowing terms the performance of real-estate investments and handed him a brochure explaining the profits he could expect from his own investment:

“You can build up a final sum of €181,216, yielding additional annual income and pension of €8,889, with just €76,946 capital invested. With this sum of €181,216 that you will have built up with the aid of guaranteed rental income, you will have made a significant gain of €23,871 over 10 years or €28,354 over 20 years, ensuring you a profitable financial operation, with an internal annual yield, after tax, of 9.48%. With

just €76,947 capital invested, you will have made a net gain of €104,270, and all this for an average monthly outlay of €321 over a period of 20 years.”

In mid-October, he signed a preliminary contract, and in early November, he had an appointment at the bank to set the conditions of the loan, the investment being financed entirely on credit. The advisor at the bank who met him with the salesman persuaded him to take out a loan in Swiss francs. The loan application was rapidly approved by the bank at the end of December, and on February 8, he signed the purchase agreement in the notary’s office. So, in a few months, he had become the owner of a new property bought on credit for tax-exemption purposes. The rental started one year later (in 2008), once the property was built. In 2010, because of difficulties in renting, the increased service charges, and the financial problems he ran into when he was made redundant, he considered selling the property, accepting the loss of the tax exemption – in fact he eventually had to repay €9,000 to the tax authorities. He had several valuations made and then discovered that the apartment was valued at €70,000, less than half the price he had paid for it. To pay off his loan, which had grown considerably because of the dramatic rise in the value of the Swiss franc, he was forced to sell his main residence in March 2014.

How do taxpayers with little knowledge of financial or tax matters end up very promptly signing up to investments that commit them for several years? How do legal intermediaries persuade them to engage in such investments, which later prove to have been disastrous? Commitment, in this sense, refers to situations “where a person finds that his involvement in social organization has, in effect, made side bets for him and thus constrained his future activity” (Becker, 1960: 36).

## 2.2 Behind the trust in legal intermediaries: the shadow of the state

The first particularity of private legal intermediaries is that they work for large real-estate developers. They introduce themselves to their clients using vague terms: as asset managers, real-estate or investment experts, or tax specialists. In fact, they have no training in law or finance and only know about the tax break that will enable their client to reduce their tax bill. A job description for a seller of this type of scheme states for example: “Beginner accepted, training provided, motivating salary, no ceiling.” No previous experience in the area is required, but the candidate must have “a taste for challenges, an appetite for results and a determination to exceed your goals.” One interviewee, approached by a salesman and impressed by the scheme, was himself invited to join the sales network. Having no previous



knowledge of taxation or real estate, he relates his surprise at the content of the training courses he attended:

*Living in a small town a few miles from the Swiss border, he had first worked as a nurse before becoming a manager in a Swiss hospital. The property was bought on his initiative when he was still married. He has since divorced and has to deal with with the consequences of this momentous purchase.*

“In these meetings, they explain that there is a lot of money to be made. And then I told myself; but where is the social dimension in all this? Because they sell it to you saying: ‘Yes, socially it’s excellent.’ And then in fact what you find is that it’s only the financial benefits that lie behind the operation: for you, and for the advisors. We were told to present ourselves as specialists in asset management, despite having no skills in that area. When I asked the question, they told me I could talk to my neighbors about it and get them to sign up.... And at that point I said: ‘Enough!’”

His disappointment was first triggered by the absence of a “social dimension”: helping alleviate the housing shortage, increasing the supply while offering affordable rents, were arguments that had persuaded him to sign up for such an investment. Moreover, the training he attended was extremely rudimentary and contained none of the technical aspects he expected. Finally, the undisguised emphasis on the profitability of the operation alerted him to the nature of the contract he had signed a few months earlier.

These sales representatives play the role of intermediaries between the taxpayers and the law, while advancing their own interests: they get a 10% commission (or more) on the value of each property they manage to sell. Rather than just implementing the law, they orient and adapt the application of the law in line with the interests of the firms for which they work. The properties they offer are located in areas where it is advantageous to build and where they have agreements with several building firms that take part in the project. They sell not just a property but a package including the notary’s fee and the bank loan. Their whole aim is to build up a relation of “trust” (Shapiro, 1987; Bradach, Eccles, 1989) so that the client will decide to buy a property even in cases where he or she has not the means or the need to do so. To achieve this, they rely on other professionals with whom they work in partnership and who are directly and financially interested in the conclusion of the transaction. The foremost of these is the representative of the bank which grants the loan and then the notary who oversees the transaction. To produce this trust, the sales representatives use various persuasion strategies which mingle commercial and non-commercial considerations (Granovetter, 1985).

The advisors first exploit networks of mutual acquaintance linked to the personal sphere. Several interviewees were approached in an informal context: a dinner with friends, a phone call in which the advisor emphasized mutual acquaintances: he was the “friend of a

friend,” a student who graduated the same year as the interviewee’s spouse, etc. The recommendations that arise from interpersonal networks facilitate commercial exchanges (Baker, 1984; Chan, 2012; Uzzi, 1996; White, 2002) and become the nucleus of an expanding clientele. As with access to the labor market (Granovetter, 1973), it is not the close family circle who is mobilized but rather contacts with individuals whom the purchaser knows at a distance – either through his or her occupational activity, or as a client, or through networks of friendship. Potential clients who are approached in this way give more credence to the salesman’s word because they are already trustful. In the first stage, the sales representatives may benefit from the positive effect of reputation linked to the satisfaction of clients who, in the early years, mainly see the benefits in their tax bills. The sizeable gap between the decision to invest and awareness of the harm suffered works in their favor. Thus, legal intermediation sets up a power relation that initially works in the mode of mutual acquaintance – in many cases, the commercial relationship is embedded in more personal connections.

The relation of trust that is built through this commercial relationship is also based on a sacralized representation of the law and of the agents who produce it. The sales representatives emphasize the legal dimension – that is to say, the institutional and state-sponsored dimension of the contracts they offer their clients. The possibility of tax exemption is not just a motivating argument in financial terms: it is also a powerful vector of symbolic legitimacy in the sense that this is a device set up and organized by the state. The social and symbolic power of the law (Bourdieu, 1986) is a crucial element in the legitimization of these contracts. The security of bricks and mortar is associated with the state, which appears as the guarantor of the enforcement of the commercial relationship (North, 1991: 99). In dealings with private intermediaries, the label of a scheme organized and overseen by the state constitutes a reassuring element, a factor of trust. Sales representatives do indeed make extensive use of this official and institutional dimension. The logos used to sell these schemes systematically highlight the term “law” (see Figure 1), so as to benefit from the legitimacy associated with the legal process. As a further part of this marketing work, many sales brochures feature the logo of the state – the French flag and the motto *Liberté, égalité, fraternité* over the words *République française* – which appears in all administrative documents. All this symbolism generates trust, as this interviewee explains:

*A former police officer, he is now a high ranking civil servant. He owns property in Paris and is married with no children. He is the one who manages the household*

*budget, paperwork, and taxes. In 2007 and again in 2009, he bought two apartments under real-estate tax exemption schemes.*

“I didn’t worry much about where I was buying because we were dealing with schemes organized and guaranteed by the state. [...] The state puts its seal on it. So there’s no risk. What risk would there be? There is the mayor as guarantor, representing the state at town level, authorizing the construction of a building where there is big demand. So I didn’t ask myself existential questions in terms of price and so on. [...] I didn’t check, I took it trustfully. It was Pinel, Borloo, Scellier, the state, in other words. We need to build, they tell you, there is not enough housing in France. So you don’t ask questions.”

This interviewee listed a whole series of actors who explain how the state appeared to him as a guarantor: from the mayor who authorized the development, to the definition of the construction zones in the texts that define the tax-exemption, and the recital of the names of the various ministers who initiated each of them. The trust placed in the state is a constant background guaranteeing the solidity of these operations, even for interviewees who work in the private sector.

The production of trust in legal intermediation is finally based on a relational effort (Cochoy, 2007) which consists in stressing the technical dimension of the product so that the client readily places his faith in the competence of the intermediary. The interviewees describe the many graphs and figures handled with ease by the sales representatives, from the first meeting: “He showed me his statistics in the form of graphs, I couldn’t make head or tail of it. I never liked math”; “He seemed like a very professional salesman, quite restrained, very technical”; “She showed us impressive graphs of capital growth; she made calculations”; “He showed you with a diagram, a curve, how you could pay less tax; he used lots of technical terms that I didn’t understand.” These brief remarks indicate that the interviewees were *impressed* by these salespeople, in both senses: they were both intimidated and won over by their apparent mastery of financial data and techniques. The prospective clients are overwhelmed by a seller who seems to master a subject of which they know little. In the present case, the commercial relationship does not lead to a transfer of knowledge that would enable the consumer to acquire competences and proceed without the prescriber (Hatchuel, 1995); the social relationship that is formed around tax exemption makes the buyer dependent on the seller. The intertwining of legal intermediation and trust sets up an asymmetrical relationship: it is an exchange relationship based on inequality inasmuch as the layperson must put himself in the hands of a professional who is both interpreter and seller. It is this confusion of roles that opens the way to abuses in the work of intermediation.

The construction of the relation of trust by the sales representatives is based on a combination of social and commercial considerations (Zelizer, 1979), but it does not affect all taxpayers in the same way. Those who are most inclined to entrust themselves completely to the advisors and consider themselves duped also have particular social characteristics.

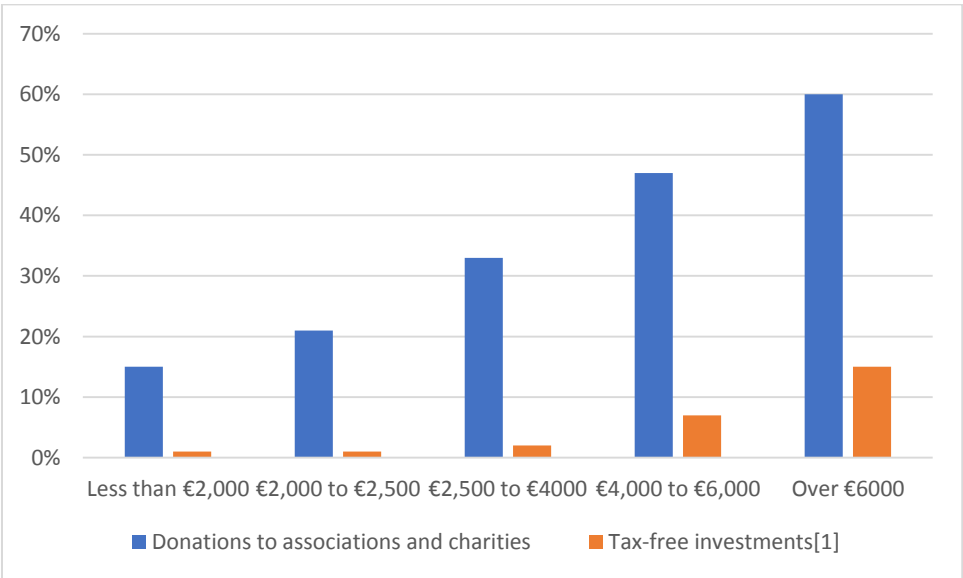
**3. Legal intermediation as a power relation: Unequally endowed laypeople**

If sales representative make every effort to build a relation of trust with potential investors, these efforts do not always pay off. Legal intermediation become a power relation especially when potentiel clients leave it up to sales representatives. To understand that, one has to take into account the various ressources of households concerned. The tax-exemption schemes have also to be replaced in the range of tax incentives offered to them.

**3.1. Tax exemptions and their public**

Tax-exemption schemes are officially targeted at a public of executives with high incomes and strong savings capacity, but in practice the sales representatives address a much broader population. The survey gives an insight into the social characteristics of the taxpayers who decided to make tax-exempt real-estate investments. On the basis of this survey, it is possible, in particular, to compare two types of practices giving rise to a tax reduction: donations to charities or associations and the main investments subject to tax reductions (investment in rental property, investment in the capital of a small company or in overseas French territories).

**Figure 1: Proportion of households benefiting from a tax exemption by monthly income**



Source: *Pratiques and représentations face à l'État* (February 2017), Équipes PREFACE/ELIPSS, Fondation Nationale des Sciences Politiques (FNSP), Centre de Données Socio-Politiques (CDSP).

Population: Interviewees who answered the questions on income and tax exemptions (N=2411).

How to read: 15 % of taxpayers living in a household with a monthly income over €6,000 benefited from a tax reduction for tax-exempt investments.

NB: Proportion of positive answers for one box.

These two practices are correlated with income: the percentage of taxpayers who say they have made donations or tax-exempt investments rises with the amount of available resources (Figure 1). Moreover, only 23 % of households with monthly resources over €6,000 benefit from no tax exemption, whereas this is the case for 55% of households with monthly resources between €2,000 and €2,500. However, the distribution of making donations or tax-exempt investments is very different. In the case of donations, income sensitivity does not mean the practice is reserved to an elite: even among households with less than €2,000 monthly income, 15 % state that they have made donations. Tax-exempt investments, by contrast, are a practice that seems to be less widespread: no more than 2 % of households with monthly resources less than €4,000 make use of them. This practice is thus much more frequent in households with substantial resources. While households with monthly resources over €6,000 are four times more to make donations than households with monthly resources under €2,000, the ratio rises to fifteen times more for tax-exempt investments. This is no doubt explained by the heterogeneity of the amounts in question: they may be very low for donations (€100) whereas tax-exempt investments often require a capital of €10,000.

**Table 1: Distribution of taxpayers benefiting from a tax exemption by socio-occupational category**

	Donations to associations and charities	Tax-exempt investments	Whole population
Farmers	1.6 %	3.8 %	1.6 %
Self-employed craftsmen and traders and heads of businesses	4.5 %	14.4 %	5.8 %
Executives and higher mental occupations	28.8 %	38.7 %	16.9 %
Intermediate occupations	31.2 %	26.7 %	26 %
Clerical employees	23.3 %	12.8 %	30.2 %
Manual workers	10.7 %	3.6 %	19.4 %
<b>All</b>	100%	100%	100%

Source: *Pratiques et représentations face à l'État* (February 2017), Équipes PREFACE/ELIPSS, Fondation Nationale des Sciences Politiques (FNSP), Centre de Données Socio-Politiques (CDSP).

Population: All persons who answered the question on occupation (N=2411; fourth column) and who made either donations (N= 898; second column) or tax-exempt investments (N= 121; third column).

How to read: Of the taxpayers who benefited from a tax reduction for a tax-exempt investment, 38.7 % are executives.

When one considers all taxpayers who made a tax-exempt investment (Table 1), it can be seen that a large proportion of them are in white-collar occupations (they make up almost 40 % of the taxpayers using them). Whereas manual and clerical workers make up almost 50 % of the whole population and more than 30 % of the taxpayers making donations, they account for only 16.4 % of the people who made a tax-exempt investment (Table 1). Taxpayers getting tax exemptions by virtue of investments are thus mainly recruited among the executives and the intermediate occupations. It can thus be stated that the investor population is over-represented in the higher classes. Tax-exempt investments stand out by the length of the commitment they entail, which may explain why those who make use of them are higher-up in the social hierarchy.

While we have identified the social characteristics of the households which made tax-exempt investments, the persons we interviewed are harder to situate precisely. When they made their investment, they were financially relatively stable: they all owned their main residence and the great majority no longer owed money on it. Some are in intermediate occupations, or were independent craftsmen or clerical workers, but most are private-sector executives (11 interviewees out of 28), heads of small businesses or professionals. The financial loss resulting from the investment affects them very differently, depending on the stability of their situation. For the majority, the investment primarily affects previous savings rather than the income used for current expenditures. The interviewees with the smallest incomes are the hardest hit; some found themselves over-indebted and were sometimes forced to sell their main residence. Others had to moderate their lifestyle because of the additional costs entailed by the investment:

*This auxiliary nurse in a private clinic, married to an independent craftsman, lives with her husband and two children near a large city. While her husband makes the financial decisions, she deals with all the paperwork and is in charge of the day-to-day spending.*

“Every month, I liked to buy myself something; if I wanted to, I would spend €150. I don't do that any more, that's for sure. And I say to myself, too bad, we have to... I don't 'need' it, but all the same you need to treat yourself. When you reach the age of 50, you think you ought to be able to, but I can tell you I have reduced the budget.”

Thus, the investment that was made for accumulation purposes – or even to attain a higher social status – brings about *déclassement*. How can one explain that these taxpayers, who are relatively strongly endowed economically and socially, place their faith in salespeople extolling the merits of these investments? To understand it, we have to examine the relationship formed with the intermediaries who market such investments.

### 3.2 Laypeople ill-equipped to stand up to “professionals”

Taxpayers who lack the skills to embark alone in complex schemes are the preferred targets for the salespeople, as shown by the account of this retired speech therapist:

*Having first worked as a self-employed speech therapist and then as an employee, this taxpayer is now retired, like her husband, a former salesman in a small electrical goods business. In the household, she deals with administrative matters, handles the budget, and deals with tax matters. She relates how they had had a tax reduction of €3,000 for loan interest when they bought their house and, some years later, launched into a much bigger operation:*

- “In 2007, my husband was already thinking of a tax-exempt investment, whereas I chiefly wanted our children to be able to house themselves properly. We talked about it with our advisor at the bank, who recommended us to another person who sold apartments under a tax-exemption scheme. What I liked about it was that it was two-way.”
- “What do you mean?”
- “He explained to us that there was a housing shortage and this scheme produced affordable rented accommodation. We were naïve. He told us it was a well-located apartment, in an expanding town where there would soon be schools, shops – a very desirable area. We trusted him implicitly. We were so trusting that we didn’t look at property prices in the area. We bought it on a credit plan for €145,000, without knowing the prices in the town.... When it was finished we had a look, and we saw how we had been duped: it’s next to a highway which makes terrible noise. But it was too late. Now it is valued at €55,000.”

Like many taxpayers of her age, this young retiree, who had paid off her main residence, wondered how to make use of her savings, without having skills in investment matters. Having already benefited from tax reductions for her main residence, she was immediately won over by her bank advisor’s suggestion that she invest in a new property and be exempted from income tax on the corresponding sums. With a lay person’s relation to taxation, she therefore let herself be referred (“trusting implicitly”) to a salesman who offered the couple the opportunity to buy on credit an apartment subject to tax exemption: by committing themselves to rent it for nine years, they could expect a tax reduction equivalent to the instalments on the loan over the whole period. Having no initial capital, the couple abandoned the (wife’s) idea of buying an apartment that could be used immediately by their

children and embarked on the tax-exemption project preferred by the husband, which meant not being able to choose the location and having to wait several years before using it themselves. This change of direction accepted by the household was based on three main arguments. Having already benefited from several tax-exemption schemes, the couple thought they were taking a decision in line with the previous ones, whereas it was in fact a real investment decision committing them over a longer period. Next, the tax reduction mechanism was encouraged by the state, which lent it an intrinsic legitimacy: for taxpayers unused to investing, the choice of putting one's savings into real estate is rather reassuring, especially under a scheme backed by the authorities. Finally, the measure was presented as a way of facilitating access to housing for students or families living in "expanding areas" where accommodation is in short supply. This opportunity to combine an individual advantage via tax exemption with a contribution to a good cause constitutes a third, more symbolic argument: for many middle-class households, this form of property ownership is also a way of demarcating themselves from the working classes by adopting the optimization practices of the upper classes. Like many others, the couple did not take the time to visit the site or inform themselves about local property prices. Lacking the means to hire the services of an accountant or an asset manager, they put themselves in the hands of these sales representatives who offered them a ready-made purchase for which they had to make no administrative effort. Having been persuaded that they could thereby reduce their tax bill and at the same time build up capital for their retirement, they indebted themselves for several years to purchase an over-valued, poorly located apartment. A year or two later, the apartment bought on credit turned out to be hard to rent and over priced. This account illustrates the attractiveness of tax-exemption schemes for middle-class households seeking to reduce their tax bills and, at the same time, derive advantages for the future. Lacking the expertise to handle housing loans and the tax-exemption rules, they are more likely to lose their way than more experienced taxpayers or those better guided in this area.

The aggrieved taxpayers often mention their incompetence in financial and tax matters to explain their gullibility and the trust they placed in the salesman. An engineer, married to a teacher with whom he had just bought a house on credit when signed up to buy a tax-investment property, recalls the painful memory of this investment, which led to financial losses:

"They created a lot of small investors, who had just about enough to invest but knew nothing about investment, and they presented things to them in a hyper-simplistic way, when they weren't simple at all. But really I'm not an investor, I just wanted to set



aside a bit of money for my retirement, build up a nest for my children, that's all... I really wanted to do it for the sake of security.”

In this extract, the engineer counterposes a logic of investment, specific to experienced operators, and a logic of savings, that of the laypeople among whom he classifies himself. The tax-exemption schemes set up by the state lead to confusion between saver and investor, and this ambiguity gives rise to disappointment. Unlike buyers who can and know they should consult one or more advisors to weigh the risks of each decision, they found themselves in a “forced channeling” (Trompette, 2007: 5). They were approached about a construction project which might not even have started and which involved capital that was largely fictitious at the moment of signing: most of the investments require no initial input and are therefore based on monthly instalments in the years to come. The risk is therefore less perceptible than when the capital at stake is already assembled.

Another engineer worked in an executive role in an aeronautics firm in southern France. Having divorced, he found himself handling the administrative and tax matters that his wife used to address. He relates:

“They were the ones who came looking for me. I didn't even know you could get tax exemption, I tell you, I knew nothing about all that. If you ask me to fix your computer or make a drone fly, or how a mechanical watch works, then I can draw you diagrams, explain everything to you, but if you ask me how tax exemption works, anything administrative, there I know absolutely nothing. So, these people came looking for me, I didn't ask anyone for anything.”

While he has a significant income from his executive status and modest liquid savings which he wants to use to pay for his daughter's higher education, this interviewee had never thought about ways of investing this money. He placed himself in a logic of accumulation oriented more towards capital build-up than yield. The salesman indeed invited him to invest without drawing on his savings, envisaging an entirely loan-based scheme. He encouraged him to commit himself for money he did not yet have. The terms of the discussion remained very abstract: the capital involved was not visible, the money to be borrowed did not yet exist, and the apartment was virtual because it was not yet built.

Lack of financial expertise, mentioned by the interviewees to explain their misfortunes, does not suffice to explain the relation of domination established by the salespeople. Indeed, some respondents diverge from the image of the layperson in financial and tax matters that is found in most of the interviews. For example, a microelectronics engineer with a PhD, working in a start-up, described at length the set of precautions he took before embarking on a purchase of real estate: he “reworked all the calculations” to check the

outline plan he had been given, considered that he had “quite quickly understood how it worked,” and stressed that he had refused a loan in Swiss francs as “too dangerous” and himself negotiated a loan from his bank. In this case, as in some others, his signing up to a risky investment did not stem from a lack of competence in financial and tax matters, but from a relation of deference towards the law and the intermediaries who claim to work for it.

The technical nature of law and taxation is conducive to the development of a relationship of delegation, favored by sales representatives who offer to take charge of everything, from management of the property to help with the tax declaration, including negotiating a loan from a bank and finding a notary. This delegation is initially seen as positive, for people who want to invest their money without investing too much time. This is why the interviewees agreed to buy apartments sometimes very far from their own homes, imagining they would never need to go there because everything was taken care of. The relation of delegation is also induced by numerous reassuring signals that the salesman gives from the first encounter, by visiting the clients at home and promising to assist them throughout the process. The interviewees describe them as affable experts, precise, generous with their time: “The gentleman made a very good impression”; “The man was very... yes, very nice. And he really knew how to talk to people at their level”; “But very charming, you know. Charming, good-looking, and everything.” This mechanism of delegation to a figure perceived as competent is reminiscent of the relation of deference toward the educational system among populations deprived of cultural capital (Bourdieu and Passeron, 1979). As in the case of the educational institution, someone who follows the rules has less chance of making the most of it than someone who has learned to play with the rules, without following them to the letter. Legal intermediation functions like any institution possessing a legitimate knowledge: the technical character of tax matters makes it possible to distinguish those who have learned to be wary of intermediaries and keep them under control and those who entrust themselves completely to them. The difference may be fine, but it seems essential for understanding the impression of having been duped through lack of awareness of the risks associated with these investments.

The taxpayers endowed with the most economic capital do not necessarily have a greater grasp of financial matters; they may even find administrative documents and tax forms repellent (Sherman, 2017). Unlike small savers who see tax reduction as an end in itself, they have sufficient resources to optimize their investment decisions by targeting yield and not being locked in a tax-based logic:

“As regards tax on individuals, there are many ways of optimizing your tax bill. Personally, I have already made two tax-exempt investments, under the Scellier scheme, taking care that they were in areas where you could easily be rented out. I didn’t do it in a development of 500 dwellings built next to a village with 1,000 habitants. I took advice from my advisor at the bank and from a friend who is an asset manager. It’s an investment, after all, and not a decision to be taken lightly.... I’ve never had unpleasant surprises with tax exemption.”  
Interview with finance manager of a fashion business, Paris.

The former head of an IT firm who specializes in management takes a close interest in all the ways of optimizing the tax bills of his various clients and is also careful to minimize his own contributions. He sees these schemes as investment-leverage devices and chooses them on economic and accounting criteria, taking advantage of the windfall effect of these opportunities. His way of using tax-exemption schemes is very different from that of the taxpayers we encountered, who, enchanted by the idea of reducing their taxes, entrust themselves to the expertise of salespeople working on behalf of real-estate firms.

Laypeople are unequally equipped to stand up to sales representatives. What distinguishes them from other purchasers is not so much their economic, financial, and taxation competences as their deference toward legal intermediaries, the place of investment in the household finances, and also the captive configuration in which they find themselves. Legal intermediation is thus the source of a division between users who entrust themselves completely to intermediaries and others who can afford to face possible financial setbacks and/or are concerned to keep full control of the capital at stake.

#### **4. The production of distrust of the legal system**

The interesting aspect of the cases of the taxpayers misled by tax-exemption salespeople also lie in the experience that many of them had with the legal system. When they realized the losses they had incurred, some tried to secure redress and contacted an association for the defense of investors<sup>5</sup>. They very quickly had an interview with the chairwoman, who encouraged them to mobilize the other purchasers of the building where they had bought their property, so to engage a collective action. They were then brought into contact with a second type of legal intermediaries: lawyers specializing the legal representation of duped investors. With these legal professionals, intermediation was again a source of domination for laypeople

---

<sup>5</sup> The association was created in 2008 by a former saleswoman who had worked for a firm specializing the sale of tax devices encouraging investment. In her book (C. Giroz, *Défiscalisation ou défricalisation*. Marignier: Éditions Le Porte-Voix, 2012) she describes how for several years she sold such investments to clients and a network of acquaintances until she realized the recurrent risks and poor yields of these investments.

who did not always understand legal procedures and most of whom were encountering the legal system for the first time. As the long and expensive procedure went on, their positive view of lawyers, justice, and the state progressively turned into a deep sense of mistrust.

#### 4.1. Starting an action: a prospect of redress

For many of these cheated taxpayers, engaging a legal action offered a prospect of securing redress, on the condition that were aware of the wrong done to them (“naming”) and could identify those responsible (“blaming”) (Felstiner, Abel, Sarat, 1980). For example, a teacher in a public conservatory describes how she understood the cause of her misfortunes while listening to a radio program in which a Paris-based lawyer described the plight of people who, like her, had lost money on a property investment:

“There were lawyers and the testimony of people who had done the same operation as me. They described what had happened to them, and it was exactly the scenario I had gone through. I could see myself in it. [...] And then I said to myself, ‘That’s it, now I understand, it’s a great fraud.’ Somehow that was a relief, because I had been cheated and somehow I knew I was not responsible. I had been stupid, of course, but it wasn’t bad management on my part. At last I understood the situation.”

Struggling with debt after becoming unable to repay her mortgage, she describes this radio broadcast as a turning point at which she became aware for the first time that other people had also been misled and that she could put herself in the hands of a specialist to seek redress through the legal system (“claiming”). For her, akin to the other cheated savers, the prospect of undertaking a legal action was a way of retaking control and giving legal and political meaning to their sense of victimization. Because the cost of a consultation was not very high, many asked the lawyer for an opinion on their individual case in order to know their chances of winning. Those who engaged an action were often neither the richest nor the poorest, but rather those who had been hit hard enough financially to have to change their lifestyle but who could still find the resources to take legal action. The harm done to them was seen as an insult; it was also a matter of “keeping face” (Goffman, 1959) and obtaining legal recognition of their status as victims. Many of them thus started legal proceedings with a view to obtaining redress and avoiding the role of passive victim. This interviewee, living in the Paris metropolitan area, trained as an engineer but now working as a sales executive for a car company, had invested in a tax-exempt property and explains the reasons that led to start the proceedings:

“I didn’t intend to leave it at that. Even if the lawyer cost me still more money and even if I did not get redress, at least I would have tried what it takes to be compensated. For me it was a way of showing the people who made me buy this

property that I wouldn't let them get away with it, that they couldn't just ring doorbells and rip off everyone like that, that some people would stand up for themselves.”

The legal action (“claiming”) thus took on a symbolic significance: it enabled the misled investors to reverse the stigma of the confidence trick and show that their story was not the product of individual but of an organized deception by professionals who should be punished and sanctioned. The association strengthened them in this idea by encouraging them to fight a battle in the name of small savers against the banks and the tax-exemption marketers. But while presenting itself as a legal intermediary alongside the victims, it maintained an ambivalent attitude toward the courts: the legal system was presented both as a tribunal from which one could obtain redress and as a wheel in a system that protects the powerful and crushes the weakest. Thus, one reads in the book published by the chairwoman that “the embryonic revolt of some investors suffered unfairly from the ignorance of the authorities and the judges”<sup>6</sup>. The association engaged them in a legal battle which it explained in advance it might not necessarily win, implicitly suggesting that the judges and the developers would protect each other. This was also a way of excusing itself in advance of a trial in which the investors lost.

The whole work of the association consisted in hearing and grouping the complaints of the cheated savers: it asked each claimant to mobilize all the other purchasers of the estate so as to organize a collective action which could be brought before the courts. It then referred them to two lawyers who presented themselves as specialists in commercial contracts and who reformulated an individual and singular wrong into an injustice perpetrated against savers. They could thus play the role of “cause lawyers” (Sarat and Scheingold, 1998). A former senior manager in a publicly owned enterprise, now retired, relates first meeting with these legal professionals:

“When we heard the lawyers talk on the subject, we thought they were people committed to a certain justice. They were not seeking gain but helping people who had been cheated. It isn't right that people are cheated. We thought they were on the side of social justice.”

Far from stressing the legal dimension of tax-exemption schemes, the lawyers, like the association that recommended them, emphasized their commitment to secure justice for people cheated by a coalition of the powerful – developers, banks, notaries, and insurance companies. It was this image that subsequently, when the complainants' case entered the judicial arena, began to fade away.

---

<sup>6</sup> C. Giroz, *Défiscalisation ou défricalisation*. Marignier: Éditions Le Porte-Voix, 2012, p. 23.

#### 4.2. The production of distrust

The relationship that formed between the lawyers and their lay clients progressively revealed a relation of domination at the expense of laypeople who did not master legal proceedings and were forced to entrust themselves to experts. As they waited and saw their requests for advice ignored, the clients of these lawyers began to distrust these professionals. Many of them felt they received little support and shared with others their sense of abandonment. One of them was this hospital manager:

“I think all the same the worst thing is feeling alone. Now, I have the impression of having written checks and just having to wait for justice. [...] The only recourse you have is to pay a lawyer, who gives you very little information. You see, you have the impression of being shut out.... The lawyer tells me nothing. Not a word. And I have the impression that I’m disturbing him when I telephone or send an email.”

As the proceedings wore on, there was growing tension in his relations with the lawyer, whom he thought treated him disdainfully. Other interviewees highlight their incomprehension of the legal process. In the first meeting, the lawyers had used a language of moral redress that they found convincing, but the confrontation with the technical character of the law gave rise to great incomprehension and the sense of not being listened to. This interviewee, an executive in an aeronautics firm who, as has been seen, had already declared himself incompetent in financial and tax matters, likewise says of the case:

“When I read the documents from the lawyers, I don’t understand half of what they are saying. They go off into details I can’t see the point of. I ask myself, why is he telling me that? [...] He goes into aspects that make no sense to me but facts that seem fundamental to me, he doesn’t even mention.”

The discrepancy between the wrong done to them as seen by the plaintiffs and the legal definition of it as formulated by their lawyer was a source of disappointment. There followed from it a sense of dispossession regarding a case in which they were nonetheless actively involved in bringing together other savers for a collective action. One was surprised that the bank was attacked, another that the grounds for the complaint were reformulated, or was concerned about the vocabulary used. This senior civil servant who followed the procedure closely was critical of the vocabulary used by the lawyer in his conclusions:

“At first it was ‘victim of a calamitous investment, sir,’ and so on. Then later he replaces that with ‘considering himself misled and in any case having been ill-informed.’ That’s a big difference. [...] It’s staggering. You start out with the status of victim and then in his conclusions, he’s talking about impressions by writing ‘considering himself misled.’ That’s unacceptable.”

The often negative outcome of the hearings and the cost of the procedure completed the reversal of the view taken of the lawyers. For one building financed by tax-exemption schemes, a single lawyer could take on the cases of ten or so clients brought together by the first plaintiff. For each individual case, the lawyer charged almost €5,000 and could double this sum in the event of an appeal. He could then handle a large number of cases heard in the same sessions and for which the arguments and procedures were identical. This collaboration between actors of the association and legal professionals gave a considerable scale to the judicialization of these disputes: the more the two lawyers dealt with similar cases, the more they could present themselves as specialists in these matters.

For the plaintiffs, the financial cost of the legal action could turn out to be considerable. This new experience compounded the earlier grievances and gave rise to a feeling of distrust of the legal system, as the same complainant explained:

“I regret it now. I regret having invested €10,000 only to end up in the same situation as at the start of the business.... We had no idea where we were going, we were stumbling from stage to stage.... My lawyer never gave me any indication.... No support from the state, from the legal system, in fact not from anyone. We were abandoned by everyone!”

As the judicial proceedings went on, there was a growing sense of having been duped a second time. The accumulation of lawyers' and court fees helped intensify a sense of incomprehension of a legal system that had seemed to offer the hope of redress. The expression “a justice that feeds itself” (“la justice se nourrit elle-même”) illustrates the suspicions that lurked about the probity of the judges and his lawyer, whom he accused of earning money whatever the outcome of the trial. At the end of a session in which the claim was denied, another interviewee, who manages a small construction firm, also declared:

“The lawyer doesn't give a damn whether you win or lose. If you end up homeless, that's not his problem. [...] One contact with the legal system and you learn straight away. You learn that, in the end, the lawyer is there to run his business.”

The sense of distrust is thus first expressed towards the lawyer and then progressively expands to the whole profession, the legal system, and also to the state. The plaintiffs' defeat in the courts confirmed a sense of alienation from judicial institutions. The interviewees describe their indignation at an outcome that seems to them profoundly unjust.

Legal intermediation thus reveals itself to be a paradoxical process: it was just when the plaintiffs had the sense of retaking control thanks to their legal battle that their sense of injustice was doubled by the decisions of the courts, who often awarded them neither financial compensation nor recognition of their status as victims. Through the trial, they had the sense

of reliving the wrong they had already suffered. In the interviews, the similarity in the vocabulary used to describe the dishonesty of the salespeople and the ineffectiveness of the lawyers is striking. Having failed to win their case, both symbolically and materially, the plaintiffs have the sense of having been obliged into legal action despite themselves. Altogether, their indignation and sense of being abused are directed to the courts and the judges: “We wouldn’t wish it on anyone to have to deal with the French justice system”; “I think the legal system is rotten.” Ultimately, it is the state that is called into question, both because of its role as guarantor in the tax-exemption scheme and because of the impunity the judges guaranteed for the commercial organizations responsible for the wrongs committed. Many consider that the judges’ decision is explained by their wish to protect the state: “An unfavorable judgement would amount to admitting the responsibility of the state.” Another interviewee interpreted the refusal of the tribunal to recognize the wrong done to him as the sign of an implicit alliance between the government, real-estate developers, and judges.

After their defeat in the courts, the plaintiffs thus felt they had doubly lost face. The misdeeds of the legal intermediaries had the effect of supporting or even increasing their distrust of judges, justice, and the state.

## **Conclusion**

The case of tax-exempt rental properties makes it possible to confirm that the law can be a resource instrumentalized by economic actors (Stryker, 2003). In the case of the real-estate tax-exemption schemes in France, commercial intermediaries were able to persuade savers to indebt themselves so as to buy overvalued apartments in areas where it is difficult to find tenants. In a second stage, lawyers as legal intermediaries were able to persuade the plaintiffs to undertake legal actions, whereas these people often do not see their problem as connected to law or rights (Yngvesson, 1993). These legal actions were often bound to fail or gave rise to compensation rarely covering the legal costs. Thus, the work of legal intermediation between these professionals and their lay clients is a power relation enabling one side to take full advantage of the law and leading, for the other side, to disappointment and disagreeable consequences. The state plays a central role in these complex power relations. On the one hand, it is the guarantor of legitimacy in the sale of tax-exempt real estate. It also appears, through the legal system, as the last-instance arbiter of disputes between misled clients and property developers. In the same way that Granovetter (1985) showed that the relationships that generate trust can also favor malfeasance, so too can legal



intermediation contain the same ambivalence. To measure the scale of this difference, it is indispensable to adopt a sociological reading that takes account of the individuals' social position, resources, and capacity to defend their interests. These differentiated uses of the law also have powerful effects on the actors' legal consciousness, as in the case of sexual harassment (Marshall, 2005). We, again, find here the idea of a "managerialization" of understanding the law (Edelman, 2005), which stems from people's experiences of the law's application but takes different forms depending on the social position of the individuals concerned. It is then possible to show that representations of law and justice vary according to social positions of the actors involved and are closely correlated with their everyday experiences of these institutions.

## **Bibliography**

Aitken, R. (2007). *Performing Capital: Toward a Cultural Economy of Popular and Global Finance*. Palgrave Macmillan: New York.

Baker, W. E. (1984). "The Social Structure of a National Securities Market", *American Journal of Sociology*, 89(4), 775–811.

Becker, H. S. (1960). "Notes on the Concept of Commitment", *American Journal of Sociology*, 66, 32–40.

Billows S., (forthcoming). "Contracts as Compliance Mechanisms. Legal Intermediation and the Failure of French Retail Regulation", *Studies in Law, Politics and Society*.

Bourdieu, P. & Passeron, J-C. (1979). *The Inheritors: French Students and Their Relation to Culture*. Chicago: University of Chicago Press.

Bourdieu, P. (1986). "The force of law: Toward a sociology of the juridical field", *Hastings Law Journal*, 38, 814-855.

Bradach, J. L., Eccles, R. G. (1989). "Price, authority, and trust: From ideal types to plural forms." *Annual Review of Sociology*, 15(1), 97-118.

Buchter, L. (forthcoming). "Beyond Lip Service? Activists' Attempt to Influence Corporate Anti-Discrimination Regulations in France", *Studies in Law, Politics and Society*.

Carruthers, B. G. & Kim, J-C. (2011). "The sociology of finance", *Annual Review of Sociology*, 37, 239–259.

Chan, C. (2012). *Marketing Death: Culture and the Making of a Life Insurance Market in China*. Oxford: Oxford University Press.

Cochoy, F. (2007). A Brief Theory of the 'Captation' of Publics: Understanding the market with Little Red Riding Hood. *Theory, Culture & Society*, 24(7-8), 203-223.

Dobbin, F. (2005). Comparative and historical approaches to economic sociology. *The Handbook of Economic Sociology*, 2, 26-48. Eds Neil J. Smelser, Richard Swedberg Princeton/Oxford: Princeton University Press.

- Dynan, K. E. (2009). "Changing household financial opportunities and economic security", *The Journal of Economic Perspectives*, 23(4), 49–68.
- Edelman, L. B. (1992). "Legal ambiguity and symbolic structures: Organizational mediation of civil rights law", *American Journal of Sociology*, 97(6), 1531–1576.
- Edelman, L. B., Erlanger, H. S. & Lande, J. (1993). "Internal dispute resolution: The transformation of civil rights in the workplace", *Law and Society Review*, 27(3), 497–534.
- Edelman, L. B., & Suchman, M. C. (1997). "The legal environments of organizations", *Annual review of sociology*, 23(1), 479–515.
- Edelman, L. B., & Suchman, Mark. C. (1999). "When the "Haves" Hold Court: Speculations on the Organizational Internalization of Law", *Law and Society Review*, 941–991.
- Edelman, L. B. (2005). Law at work: The endogenous construction of civil rights. In *Handbook of employment discrimination research* (pp. 337-352). Springer, New York, NY. Eds Laura Beth Nielsen, Robert L. Nelson.
- Edelman, L. B. (2016). *Working Law: Courts, Corporations, and Symbolic Civil Rights*. Chicago: University of Chicago Press.
- Felstiner, W., Abel, R. L. & Sarat, A. (1980). "The Emergence and Transformation of Disputes: Naming, Blaming, Claiming", *Law & Society Review*, 15 (3/4), 631–654.
- Goffman, E. (1959). *The Presentation of Self in Everyday Life*. Garden City, New York: Doubleday Anchor.
- Granovetter, M. (1973). "The strength of weak Ties", *American Journal of Sociology*, 78 (6), 1360–1380.
- Granovetter, M. (1985). "Economic Action and Social Structure: The Problem of Embeddedness", *American Journal of Sociology*, 91(3), 481–510.
- Hacker, J. S. (2004). "Privatizing Risk without Privatizing the Welfare State: The Hidden Politics of Social Retrenchment in the United States", *American Political Science Review*, 98(2), 243–260.
- Harmes, A. (2001). "Mass Investment Culture", *New Left Review*, 9, 103–124.
- Harrington, B. (2008). *Pop Finance: Investment Clubs and Stock Market Populism*. Princeton: Princeton University Press.
- Hatchuel, A. (1995). "Les marchés à prescripteurs" in Jacob, Warin (ed.). *L'inscription sociale du marché*, Paris, L'Harmattan, 203-224.
- Howard, C. (1997). *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States*, Princeton, NJ: Princeton University Press.
- Kellogg, K. C. (2009). "Operating room: Relational spaces and microinstitutional change in surgery", *American Journal of Sociology*, 115(3), 657–711.
- Marshall, A-M. (2005). "Idle rights: Employees' rights consciousness and the construction of sexual harassment policies", *Law & Society Review*, 39(1), 83–124.
- Mettler, S. & Soss, J. (2004). "The consequences of public policy for democratic citizenship: Bridging policy studies and mass politics", *Perspectives on Politics*, 2(1), 55–73.
- North, D. C. (1991). Institutions. *Journal of Economic Perspectives*, 5(1), 97-112.

- Pélisse, J. (2004). From Negotiation to Implementation. A study of The Reduction of Working Time in France (1998-2000). *Time and Society*, 13/ 2-3, 221-244.
- Pélisse, J. Tالش S. (2018). “How Legal Intermediaries Facilitate or Inhibit Social Change”, *Studies in Law, Politics and Society*, forthcoming.
- Pélisse, J. (forthcoming). “Varieties of Legal Intermediaries. When Non-Legal Professionals Act as Legal Intermediaries”, *Studies in Law, Politics and Society*.
- Pierson, P. (1993). “When effect becomes cause: Policy feedback and political change”, *World politics*, 45(4), 595–628.
- Pollard, J. (2009). “Political Framing in National Housing Systems: Lessons from Real Estate Developers in France and Spain”, in Herman Schwartz (ed.) *The Politics of Housing Booms and Busts*, Palgrave Macmillan, 170-187.
- Pollard, J. (2011). “Les groupes d’intérêt vus du local. Les promoteurs immobiliers dans le secteur du logement en France”, *Revue française de science politique*, 61, 681–705.
- Revillard, A. (2017). “Social movements and the politics of bureaucratic rights enforcement: insights from the allocation of disability rights in France”, *Law & Social Inquiry*, 42(2), 450-478.
- Salamon, L. M. (1995). *Partners in public service: Government-nonprofit relations in the modern welfare state*. JHU Press.
- Sarat, A., & Scheingold, S. A. (Eds.). (1998). *Cause lawyering: Political commitments and professional responsibilities*. Oxford: Oxford University Press.
- Shapiro, S. P. (1987). The social control of impersonal trust. *American journal of Sociology*, 93(3), 623-658.
- Sherman, R. (2017). *Uneasy Street: The anxieties of affluence*. Princeton: Princeton University Press.
- Shuey, Kim M. & O’Rand, Angela M. (2004). “New risks for workers: Pensions, labor markets, and gender”, *Annual Review of Sociology*, 30, 453–477.
- Stanziani, A. (2004). Wine reputation and quality controls: The origin of the AOCs in 19th century France. *European Journal of Law and Economics*, 18(2), 149-167.
- Stryker, R. (2003). Mind the gap: law, institutional analysis and socioeconomics. *Socio-Economic Review*, 1(3), 335-367.
- Swedberg, R. (2003). The case for an economic sociology of law. *Theory and Society*, 32(1), 1-37.
- Trompette, P. (2007). “Customer Channeling Arrangements in Market Organization: Competition Dynamics in the Funeral Business in France”, *Revue française de sociologie*, 48(5), 3–33.
- Uzzi, B. (1996). “The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: The Network Effect”, *American Sociological Review*, 61(4), 674–698.
- Vincent, F. (forthcoming). “Approaching legal intermediation through a micro-level “in action” perspective: the case of the 12-hour work derogation in French Public Hospitals”, *Studies in Law, Politics and Society*.

White, H. C. (2002). *Markets from Networks: Socioeconomic Models of Production*. Princeton: Princeton University Press.

Yngvesson, B. (1993) *Virtuous Citizens, Disruptive Subjects*, New York, Routledge.

Zelizer V. (1979), *Morals and Markets: The Development of Life Insurance in the United States*, New York, Columbia University Press.