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# ECONOMIC SOCIOLOGY

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## NOTE FROM THE EDITOR

Dear reader,

In this issue Daniel Miller replies to Michel Callon, in a discussion that was started in the British journal *Economy and Society* a couple of years ago, and continued in the previous issue of this newsletter. In his response, Miller emphasizes the similarities between his own notion of virtualism and Callon's notion of performativity. At the same time, however he argues that only some institutions (such as the IMF and the World Bank) have the power and ability to actualize their (neoclassical) economic models in the real world. In that respect, Miller distinguishes grand Kapitalism from numerous forms of small, everyday capitalisms; the latter can only be understood by sticking to 'the integrity of ethnographic observation.' In short, Miller's response is a must read, if only for its implicit motto for economic sociologists: 'economic life is rarely the way it purports to be.'

Also in this issue, Richard Swedberg tells in an interview how he got involved in economic sociology and how the Handbook of Economic Sociology (including the second edition, that recently came out) came about. Marieke de Goede sketches the contours of one of the most active fields within economic sociology: social studies of finance. De Goede shows how work on finance is done in a multitude of disciplines, including law, gender studies and geography. As to what the core themes should be, De Goede identifies three: performativity, resocialization and repoliticisation of financial practices. And then of course there are the usual book reviews, call for papers, and recent literature, which is this time recommended by Peter Levin.

The editorial committee and I would also like to inform you that we are going to update the website of the newsletter (<http://econsoc.mpifg.de>) even more frequently, so that it functions even better as the prime source of information for economic sociologists on the web. This means that call for papers, job openings and other announcements can always be sent to me, after which they will be put on the website right away. Please check the website regularly.

*Also, we would like to put together a collection of course syllabi for everybody to consult on the website. To that purpose, if you have ever taught a course on economic sociology, we hope you will be willing to share the syllabus with us. Syllabi can be submitted by email to me or to Jens Beckert ([beckert@mpifg.de](mailto:beckert@mpifg.de)). By the way: Beckert, member of the editorial committee and since long involved with the newsletter, has recently been appointed director of the Max Planck Institute for the Study of Societies. We would like to congratulate him with his appointment, and wish him all the best in Cologne.*

The deadline for the next issue is September 15<sup>th</sup>. As always, articles, book reviews and conference reports are welcome.

Enjoy!

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# REPLY TO MICHEL CALLON<sup>1</sup>

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## What we sort of agree on

I am grateful to Michel Callon for his response and I will start with a moment of regret.<sup>2</sup> While, as will become clear, I stand by the content of my critique of *The Laws of the Market* I regret some of its tone. I may have over interpreted the request by the editors of that issue of *Economy and Society* to write a lively response. My style of writing sets up the issues as one of the agonistic clash between the ideas of two people, something which I increasingly find tedious, when it really should have emphasised the complementarity between these ideas, and their respective contribution to the search for a better understanding of political economy, something I regard as positive and exciting. As a result, (and separated out from the wider writings of those involved), the argument can descend into a simple drawing up of distinctions, an activity not without merit, but perhaps not as fruitful as it could be. This continues to be the case in Callon's further response, printed here, but the fault is clearly my own. As I will try and demonstrate now, the significant distinctions are clarified when certain similarities and parallels are pointed out, something lost in the structure of the original debate.

There are two important parallels, which lie first in our common interest in materiality and second in our common concern with the performative nature of economic action. As it happens I am not a sociologist, I teach a subject called material culture, within a department of Anthropology, and my primary interest is in the consequences of materiality. So I wholeheartedly endorse the contention by Callon that we need to pay far more attention to this issue. Indeed when I read the work of Latour (e.g. 1993, 1996, 1999) and Callon with regard to agency, I have to regard them as, to a degree - independently and entirely separately - re-inventing the very subject I teach. The intellectual projects that their concepts of actant and *agencements* seek to accomplish were to my mind rather more satisfactorily dealt with through the traditions of material culture analysis. Within material culture studies there are many parallel discussions about the distributive nature of agency and the way this includes artefacts as well as persons (e.g. Gell 1998, Keane 1997). To the best of my knowledge these were written as much in ignorance of the work of Callon and Latour as vice-versa. It is clearly no bad thing if this dialogue leads to better mutual awareness of these approaches. I hope I recognise the virtues of terms such as actant, and recognise that as with these parallel debates within material culture studies we are blessed now with many more sophisticated contributions than those implied by the more colloquial term agency.

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<sup>1</sup> Thanks to Michael Rowlands and Don Slater for comments on my comments.

<sup>2</sup> See Michel Callon, 'Why virtualism paves the way to political impotence', *European Newsletter for Economic Sociology*, 6 (2), 2005.

My own approach to materiality, does not however derive from these debates on agency either as given in material culture studies or by Callon. In general I prefer to work with my own dialectical approach to materiality (Miller 1987, 2005), which is derived from Hegel (not Marx). At University College London, I work with five colleagues who have consistently argued for an approach that transcends the usual dualism of subjects and objects, although each in turn have their own approach to this issue of transcendence that contribute to our collective endeavour as material culture studies. Indeed one of the things I found surprising in what Callon has just written, is his reference to the work and legacy of Pierre Bourdieu and the concept of habitus. Bourdieu's outstanding contribution to the dialectic of objectification and embodiment (e.g. Bourdieu 1977: 78-95) is precisely the tradition out of which much of contemporary material culture studies developed. Latour, at least, seems to have specifically repudiated this dialectical tradition, and both he and Callon have developed rather the approach to *agencements* and their entanglements that Callon has outlined here in his response to my critique.

I feel there are several important benefits that have been thereby sacrificed. Bourdieu, and those such as myself who follow Bourdieu, are concerned as much with how materiality makes people, as with what people make. We put at the centre of our analysis topics such as socialisation, and specifically the role of material culture, just as much as formal education, in inculcating basic values and norms. We also recognise that while the philosophical tradition of dialectics is just as effective in repudiating the distinction between subjects and objects, that analytically we need to acknowledge how and why people make these distinctions. For example, we try to understand the self-conception of subjects and their relationship to their own narrative history, and their colloquial sense of the self, agency and subjectivity. Finally there is the recognition in material culture studies of the particular dialectic involved in the study of artefacts, as against for example, microbes, where the objects that socialise people are also the products of human labour. But what the two approaches have in common is undoubtedly more important than what separates them. Both repudiate what could be seen as a Durkheimian reduction to the social as found in much conventional social anthropology.

The same would be true more specifically of the relationship between the idea of performativity and that of virtualism which is the subject of most of Callon's response. My problem with *The Laws of the Market* was not, even in the slightest, a problem with the idea of the performative. Indeed I would think that anyone reading my paper of virtualism would conclude that it is at least as much about performativity as anything one can find in *The Laws of the Market*. Both of us are concerned with economies and both of us see the importance of economics not as a means to study economies but rather demanding a study of the impact of economics on economies. The premise of my paper on virtualism is that we live in a period of history where we can see the increasing ability of certain powerful discourses, including that of economists, to realise themselves as models in the world through their increasing control over that world. That is their increasing ability to be performative. So how on earth this becomes critiqued by Callon for failing to appreciate the benefits of considering performativity rather eludes me.

As it happens the relationship between the performative and the material is the subject of many of the contributions to a collection I recently edited (Miller 2005). At one point Callon declares his dislike for the idea that one would compare economists with priests. What a pity. I think this is a very useful analogy. In my work in Trinidad it certainly seemed to me that it was helpful to think of economists as priests, and more specifically management

consultants as missionaries. Working on what some see as the periphery of metropolitan capitalism, it was curious to see the similarity of the two major influences that were coming from the nearby US. On the one hand a flood of Pentecostal missionaries, and on the other hand the management consultants that would spread the gospel of shareholder value, or the wonders of the internet as the next phase of all successful business. And behind the management consultants lay the stern priesthood of the IMF laying out the terms of pure capitalism to which the country must conform or be punished for its heresy (see Miller 1997).

The material and performative nature of all these faiths is the subject of this volume, which juxtaposes essays on ancient Egypt (Meskell 2005), medieval Islamic coinage and contemporary Islam banking (Maurer 2005) and Japanese traders in arbitrage (Miyazaki 2005). All of which illustrate how materiality is linked to issues of virtualism (performativity). In each case we are dealing with the most powerful models as to how the world ought to be, based on faith and normativity. In each case this faith is demonstrated in the practical attempt to create a material world in accordance with these ideals. In each case the specific nature of materiality is central to understanding the degree to which these ideas are able to realise themselves in the world, because materiality is always problematic as the form of realisation. In Ancient Egypt the concern is with monumentality. In Medieval Islam the problem is that coins have to serve both the materiality of exchange and the conceptualisation of the divine. This subservience of economic to theological imagining remains an important issue for Islamic banking today. For Japanese arbitrage traders the issue is one of suppressing the materiality of any discrepancy from their pure ideal of the market. In these essays the relationship between materiality and performativity becomes central to understanding not only economic life, but all genres of cultural form and action (see also Maurer 2002, 2003, Thrift 1998, Zaloom 2003) Indeed one of the contributors, Miyazaki, uses his case-study of Japanese arbitrage traders to suggest that neither Callon, nor myself, nor indeed McKenzie who also writes on the performative nature of economic theory (e.g. MacKenzie and Millo 2003), go far enough in repudiating a notion of economic reality, against which our sense of the performative nature of economic theory is constructed.

So with respect to the centrality of materiality and performativity we clearly in many ways agree. It is more a rivalry over the consistency with which we apply these ideals than any major distinction in the ideals themselves. Having thereby pointed out the similarities between our projects, I hope it is now possible to delineate the differences with greater precision. My criticism of *The Laws of the Market* was that it retreats from the promise that a concern with materiality and the performative should have led to. My critique was limited to the introduction and conclusion by Callon himself. There are many papers in that book, such as that by Granovetter (1998), which conform at last as well to my own programme of research as to his. My critique was essentially that Callon's emphasis on calculation and disentanglement ends up as an attempt to rescue more conventional notions of the market, for no particularly good reason.

## **Capitalisms**

Let us see what Callon offers us here in his response. He returns to my example of Sophie buying a car. He states 'for the transaction to take place we have to exclude from the market frame all these elements that are not to be taken into account, at least for the moment....It produces a stage on which the process of entanglement-disentanglement can be managed by

the agents engaged in the transaction. Once rid of global warming, traffic congestion, problems of urban tolls or road safety, our two heroes can focus on the qualification of the car that Sophie is (maybe) going to buy and on the process of that car's particular attachment to her world'. This is Callon's vision. The assumption behind it was that decision making is actually the kind of process imagined by economists. It is a calculation based on those factors which can be calculated, and is enabled through the, at least temporary, exclusion of those other factors that cannot be included within that calculation. The process is described by Callon as disentanglement. This was what I objected to in my critique. I believe this assumption to be wrong.

I invented Sophie partly because I read Callon's work soon after editing a book about cars (Miller 2001a), in the introduction to which I discussed the impact of economists and their concept of externalities. It seemed to me then, and it still seems to me now, that Callon has not moved anything like far enough from the conventional concept of externalities. What is the alternative? As it happens I suggested that Sophie was buying a car following upon her divorce. I had no reason to explain the divorce then, but I do now! Sophie had lived with her husband for a decade. When deciding to divorce she had many many factors to consider: the interests of the children, her and her husband's extra-marital affairs, her economic future, those infuriating habits he never got rid of and those shared memories that would never again be shared. I do not think she decided upon her divorce through a process of disentanglement, frames, externalities and calculations. Indeed I suspect when she tried to do something calculative, such as consider the impact on her income, it hindered rather than helped. She finally made the decision in a moment of aesthetic totalisation, in which she seemed to see clearly the overall picture, what we call the wood and not just the trees, and at that moment decided it was better to separate. The disentanglement came with the divorce lawyers, the subsequent arguments and the final decision never ever to see her ex-husband again. I assume that we can agree that it is possible that human beings make decisions in this way. That is no disentanglement is required in order for the decision to be made. The question this leads to is whether decisions that are made in what we call the economic domain, are of a different order to this kind of decision making, because they are in the economic domain. Or is it just that economists need to think they are of a different order in order to have them fit the models used by economists?

Now it may be clearer what I meant when I suggested that for Sophie buying her car was also a moment of aesthetic totalisation. The decision forced her to include, rather than exclude, factors ranging from the way it differed from her ex-husband's taste in cars, to her concern for the environment. The tradition of economics of thinking in terms of externalities, that is in turn reflected in Callon's writing on frames and calculation, assumes that because we are dealing with a decision it is possible to break this up into its component parts and consider it as a calculation. They are wrong. It is a decision simply because buying a specific car, like deciding on a divorce, ultimately comes down to something in which one either does or does not take the action. But the effect is one of totalising upwards, not stripping downwards to suit the models of economists.

If Callon was true to our mutual agenda, he would be analysing this moment in terms of its materiality (here an aesthetic) and performativity: a gesture of independence and self-actualisation that renders Sophie a different person than she had ever been, when married, or before she owned this car. For me this is the truth of dialectical analysis. The product of the decision is as much a new Sophie as a new car. In material culture studies the foundational argument is that what we conventionally think of as the human 'subject' is changed by the

same process that changes the 'objects'. Both are equally subjects/objects within a dialectical process of change.

That is how I analyse such events. Callon, by contrast, writes in the tradition of research that he claims to have repudiated; that tradition which has dominated the models of economists and psychologists. This is a book, after all, called *The Laws of the Market*. For him a decision must infer a process of abstract delineation, because in the economic tradition of research a decision is not a qualitative aesthetic form, but something that which in order for us to understand it has to be broken down into its calculative component parts through a process of disentanglement. For economists following Gary Becker (e.g. Fine 1998) it is better to see even something like a divorce as a form of this market logic, rather than to see buying a car as more like the qualitative actions of a divorce. To call a book *The Laws of the Market* and to emphasise disentanglement reads to me like a clear retreat to economic model building. Clearly I am not suggesting Callon takes this road all the way to Becker, though I can imagine readers of *The Laws of the Market* appropriating this in Becker-like ways in order to study phenomena such as marriage and divorce - and this is one of the major problems I have with Callon's book. But I am not suggesting that Callon himself would do this. Indeed I sense in the response he has written to my critique here, there is a subtle shift from the emphasis upon disentanglement to that of entanglement at which point I suspect there are many areas where the differences between us are much less significant. For example, we seem to share a mutual acceptance of the hybrid nature of economic actions such as those of advertising studied by Slater (Barry and Slater 2002: 184, Slater 2002, Callon Méadel et al 1998). So when Callon is talking about entanglements, rather than disentanglements, it seems to me that his vision of Sophie and mine are quite compatible.

Yet our similarities and differences with respect to the use of economists' models in theory is perhaps less important than a further question. The other critical dimension is the extent to which we think the economic world we encounter in our studies actually approximates to such models in practice. Here is perhaps the most important contrast between us. Of course I concede to Callon that there are indeed specific times and places where people and firms calculate through a process of framing and disentanglement. But I would argue that this most commonly happens as the direct result of what we both regard as performativity. The desire to perform and thereby create the idea and ideal of a market. But a critical differences is that I think the ability of performative action to realise the model of the market is still comparatively rare. My work is almost entirely based on traditional anthropological ethnography. For example, I spent one year (Miller 1997) observing the actions of people working in large corporate firms such as Nestlé and Proctor and Gamble. It is on the basis of this ethnographic observation that I am comfortable stating that I never in that year observed any decision making that approximated either the conventional model of the market or even what might be called Callon's unconventional model of the market. I confess to some inconsistency here. Looking back I can see that I sometimes wrote descriptions which give this impression. Indeed it is very hard not to, simply because writing and description are much easier to accomplish through modelling and framing than through trying to constantly return to the larger process of totalisation. Nevertheless I believe that the actions I observed and the decision making processes I observed at the heart of transnational and local companies were much closer to that of Sophie, whether seen in the act of her divorce or her buying the car.

To understand these actions one had to understand a complex mesh of personalities, traditions, rivalries and other qualitative forms. Once I had an ethnographic sense of the

larger context in which these decisions were made it seemed that the factors that tended to be most influential in making decisions were those that bore on personal reputation rather than factors that would normally be seen as part of 'economic' decision making. These were what appeared to determine whether a company decided to invest in a new product, or develop a new advertising campaign. There was never a sense of disentanglement except for the sake of appearances and in gaining legitimacy, at which point it was required that people present their decision making as though it had been the product of calculative disentanglement. In the same way there was plenty of marketing research going on, but while one could see how this was used to *legitimate* decisions it was rarely evident that it was used to *make* marketing decisions. As Callon would expect, I observed plenty of entanglements. What I didn't observe was disentanglement in order to accomplish calculation.

In the practice of ethnography what constantly comes to the fore are the discrepancies between what both the people working in commercial firms, and equally what the firms themselves actually do, as against the way they are portrayed by business schools and economists on the one hand and the crude criticisms of traditional Marxism on the other. Again there are parallels with the study of religion where much of the best ethnographic work demonstrates the remarkable distance between the varieties of cultural practice from the models of theology (e.g. Gilsenan 1983). As it happens most of my examples are of what might be called market failure, and the inefficiencies and ineffective nature of commercial practice. As a result I am fascinated by the failures of performativity, despite the power that has accrued to the institutions which attempt to realise their models in the world.

For example, in my year's study of firms, I was able to show how the relationship to consumers that both theory and critics assumed must be central to economic practice doesn't tend to develop because of an act of virtualism in which the actual consumers are increasingly replaced by a rhetoric based on competition between companies (Miller 1997). The ethnography also revealed how tensions between global and local interests often erupt within a firm. A local advertising agency insists on the necessity for creating expensive locally produced adverts at considerable cost which is then quite damaging to the profitability to the global agency. They do this because in that way the local agency can become a big office responsible for making adverts, rather than just two people placing globally made adverts on the television. This is despite the fact that the global adverts would probably sell the product better than the local ones. Similarly in a later study of a massive government audit in the UK I argue that, once again, consumers are replaced in practice by a rhetoric that comes from the process of audit itself (Miller 2003). One of my students recently completed a Ph.D on how firms creating clothes using Lycra failed to address the demand for sports wear that has grown amongst the middle aged 'baby-boomer' generation, because they could not 'see' this potential market (O'Connor 2003). So on the micro-level it seems to me enormously important to stick with the integrity of ethnographic observation and concentrate on trying to insist that economic life is rarely the way it purports to be. Attention to scholarly observation and analysis should accord with the tradition of economic sociology that was developed by Granovetter and others. My objection to Callon is that *The Laws of the Market* seemed like failure of nerve in relation to this important project of acknowledging the distance between theory and practice.

I would argue the same is true of some macro economic transformations as for these micro level observations. Attention to the materiality of political economy and its wider structures shows again and again the failure of these structures to operate as anything like a market. Instead we often end up with quite fortuitous trajectories. For example, major changes in



British capitalism such as the massive rise of management consultancy, or the way companies have in effect become owned by pension funds, are examples of what I call ‘the unintended political economy’ (Miller 2000), that is the unexpected results of materiality and structures of legitimation. No-one intended that most major British firms should be increasingly controlled by pension funds; the results are often quite absurd. As Clark (2000) notes, it is often those least useful to the firm, those whose services can be dispensed with, that end up sitting on the boards of the pension funds and in effect having immense power. I have little in common with the tradition of critique known as conspiracy theory. I do not think there is some underlying set of consistent interests being expressed at either at micro level at the macro level. Most of the time therefore I would also argue we study capitalisms, not capitalism, a strange history of unexpected and unpredictable juxtapositions that can be understood, but not through the application of any models or laws of the market.

This is true most of the time, but not all of the time. In my book on capitalism in Trinidad I distinguished between two particular variants of capitalism. The first was based on the observation of firms, and much of its was highly localised. I called this *organic capitalism*, perhaps better called organic capitalisms. But on the other hand there was also the macro impact of what I called *pure capitalism*, which was found in the dictates of the IMF and which I later on expanded into the more general theory of virtualism. The difference was a difference in power. The IMF, or the World Bank, unlike the firms, have the ability to construct an economic world as the pure product of their own performativity, what I called virtualism, reflecting their ability to take the virtual i.e. the model and actualise it in the world. Here one could see something that really did accord with an ideal of disentanglement and the reduction to clear calculative agents. It was also something much closer to the highest discourses of capitalism as a historical project, what Callon calls Kapitalism. When the IMF declared that a country should remove barriers to currency transactions and the like, it had to do so. What was impressive about the IMF at that time was its imperviousness to the local, the fact that the conditions it imposed (not formally imposed, officially it was the country that ‘offered’ these terms), were largely the same irrespective of whether this was Trinidad or Kenya or Poland. It was a set of conditions that derived from economist’s models of how capitalism ought to work. It systematically stripped away anything a country might do that seemed to interfere with its principles of how a market should operate. Not surprisingly, to the degree it could achieve these things, a market could appear to in fact operate. So as well as capitalisms there is also a thriving Kapitalism.

## **Kapitalism**

Callon’s insistence on performativity should have alerted him also to the continued existence of Kapitalism where the discourse of capitalism is so powerful that it has of itself created a domineering historical trajectory. In my paper on virtualism I am concerned to analyse the trajectory of Kapitalism. I do not, however, identify this with a logic of markets, still less with the logic of current Marxist critique. I admit I think there is something in common with the critique made by Marx of the Kapitalism of his time. Marx does seem, in retrospect, to have lived during a period of Kapitalism, which accrued to itself the power to strip commerce down to a state that could indeed be called naked Kapitalism because it so consistently manifested the discourse of the capitalists of his time. But history has moved on, and I was concerned to bring our sense of this Kapitalism up to date. One component of contemporary Kapitalism is the combination of power and performativity that bodies such as the IMF and World Bank and WTO together represented during the 1980’s and 1990’s when

they attempted to reconstruct whole states and their commercial systems to better accord with an economist's vision, not of economies, but of economics.

Indeed one of my conclusions of the original ethnography in Trinidad is that the power of Kapitalism is often detrimental to the interests of capitalisms; in that case the highly successful local and transnational firms that were working in Trinidad. But in my paper on virtualism I go further. Because some of the most important developments we can observe today at a global scale are clearly far more than the intended and explicit aims of world bodies to try and turn economies into economics, I was observing much less expected trends. Why on earth should genres as distinct as the supposedly critical theory of postmodernism (an infection Callon does not entirely escape) and the establishment theory of neo-classical economics end up equally based on the virtual consumer? After all, in most respects, they detest each other. Why should the vast rise of audit in government have the same consequences?

It seems to me that our analysis requires a combination of two perspectives. One is the kind of configuration of forces that act on a 'moment' much as Callon describes in his description of *agencements* which at least some of the time seems compatible to my own understanding of ethnographic observation. For example I recently called a publication '*the virtual moment*' (Miller 2003). This ethnography of a government audit demonstrates how the inspectors, who replace consumers with their virtual images, came with the very opposite intention. What they intended to do was to make consumers more visible and powerful. It is often the very materiality of practice, the forms taken by government and economic practice, that is largely responsible for giving us consequences that are quite the opposite of intentions (see also Riles 2001). I called this paper *the virtual moment* because I felt it important to take responsibility for specifying where these macro and micro forces actually come into conjuncture. I am happy to acknowledge that this is again probably compatible with Callon's own interest in the conjuncture of forces.

But I don't believe this is always sufficient in itself. I would argue that the study of capitalisms does not preclude an acknowledgment of Kapitalism, which is also an acknowledgment that there exists a *longue durée* in Braudel's sense, and that this too has an agency that needs to be understood in terms of its own temporality and not just in terms of 'moments' as a presence in a given sociological analysis of specific interactions of *agencements*. The way the World Bank formulates its ideas of the market have evolved over a half century and more. Earlier I stated that while I know how to philosophically transcend the dualism of subjects and objects I also recognise there are times when it is important to acknowledge the way people understand themselves as subjects with narratives and as the product of socialisation. Similarly I think there are times when it is important to acknowledge objects such as the World Bank with their narratives and see them as the product of particular long term histories. But the effect of these longer term processes are highly unpredictable and manifest themselves usually in the form of capitalisms, not just Kapitalism. Still acknowledging this *longue durée* acting in addition to the analysis of moments, does seem to separate our positions. As in our argument over materiality, I find the position I am opposing too 'flat' and one-dimensional in its opposition to such distinctions. Again to my mind it is the dialectical tradition that has always argued for the importance of this relationship between specificity and generality, or between the striving for the particular and for the universal and that is best placed to understand the relationship between these two perspectives.

Callon criticises the ambitious scale of virtualism. And I admit, taken entirely in isolation, I would see this criticism as quite reasonable. But the study of capitalisms and Kapitalism can be reconciled. It is possible to write about the general history of virtualism and to carry out ethnography on the virtual moment. Either without the other is lacking. Ethnography can so often reduce down to mere patochialism; a theory such as virtualism without ethnography is simply grandiose. The social science I would want to promote as indicated in Miller (2001b: 201-5) is one that tries constantly to prevent these two extremes flying off and losing touch with each other. Equally what we should avoid is the middle ground of every day sociological hypothesis testing which fails both the engagement of ethnography and the responsibility to general theory. If I come across as an 'extremist' it is through a commitment to constantly reunite the extremes of theory and ethnography. That is one of the things I hope I have learnt from Hegel.

So to recap. I believe Callon and I share a commitment to materiality and performativity. The key differences are that I prefer a dialectical tradition to that of *agencements* and actor-networks, and that I see *The Laws of the Market* as a retreat from this agenda. Callon gives much more credence to the practice of a model market than I feel is warranted by the ethnographic observation of economic actions. While I entirely support the idea that economic action is often performative, I suggest we need a better discrimination between those cases where there is the power to actualise the model of the market and those where no such imperative exists or there is no such power. In most cases economic activity is a failure of performance. The critical dimension that creates the consequences of economic action is most commonly that of materiality and its unexpected effects. I also argue that it is not just Sophie who has to contend with totalities, so do we. Deeply unpopular though it is to talk of 'history' in the age of fashionable postmodernism, the paper on virtualism suggests why this is sometimes necessary. It is necessary when taking a macro focus forces us to acknowledge that genres of practice that seem to have nothing to do with each other can be found moving in the same direction. And such observations need to be accounted for. We cannot simply dismiss them as incomprehensible simply because they are made up of myriad forces and connections. A methodological agentism can be as reductionist as a methodological individualism. Finally I would acknowledge my own retention of both a tradition of critique and of value, and even that I may indeed remain in thrall to the success of the Scandinavian welfare state. I was brought up on the contention of Habermas (1972) that social science is inevitably informed by an ethical stance and it is important to acknowledge this rather than pretend it could ever be otherwise. Of some of Callon's charges, I readily admit my guilt.

## **Conclusion**

In conclusion I return to my initial regret for having set up this debate in such negative terms. There are not so many people in social sciences who approach economic action from the point of view of materiality and performativity. It is probably healthier therefore if those who do so, concentrate more upon the complementarity of their projects than in defining themselves through difference and condemning each other as heretics. The response to my critique published here by Callon includes reference to a large body of work, much of which I am not acquainted with and sounds to be of considerable importance. I look forward to learning more about these studies. I, in turn, have already tried to apply approaches I have recently learnt from Latour and Callon within my own work (e.g. Miller 2001c, Miller and Banerjee 2003:235-253). Clearly there are important distinctions between our approaches and as will be clear from what I have just written I remain far from a convert to the particular ideas put forward in the introduction to *The Laws of the Market*. But I am happy that

interested readers should seek to know more of both projects and take from each what they find most productive. Otherwise having gone two rounds with Michel Callon I am content to retire from the fray, I hope with good grace. Finally I am grateful to the editor for instigating this further round of discussion which I hope clarifies both the parallels and differences between these approaches.

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**RICHARD SWEDBERG ANSWERS TEN  
QUESTIONS ABOUT ECONOMIC SOCIOLOGY**

*Richard Swedberg is the author of numerous books, articles and edited volumes on economic sociology. Born in Stockholm (Sweden) in 1948, he received his law degree in 1970; at Boston University, he received his PhD in sociology in 1978. Since 1984 he worked at the University of Stockholm, since 1996 as full professor. In 2002 he left Sweden to become a professor at Cornell University, where he is associate director of the Center for the Study of Economy and Society. On the occasion of the publication of the second edition of the Handbook of Economic Sociology, the newsletter invited him for an interview.*

**1. How did you get involved in economic sociology?**

In the early 1980s I was on the outlook for an area in sociology that was unexplored; and the reason for this was that I had come to the conclusion that many of the existing sub-fields in sociology (such as political sociology, stratification and so on) were overpopulated with skilful mainstream people – something that meant that it was very difficult for beginners and outsiders to get to work with the really fun stuff. All the good topics had already been taken, and some kind of general orthodoxy also ruled the already established subfields, and this didn't appeal to me. I wanted (and I still want) areas in which you can move freely, without any mainstream sociologists policing what you do.

So in the early 1980s I slowly began to realize that economic sociology was basically an unexploited area. I should also mention that I came from a Marxist background (my dissertation was in Marxist sociology of knowledge), and most Marxists are trained to move quickly between the disciplines since Marxism is “interdisciplinary” by nature. This capacity came in very handy when I started to deal with economic sociology since you cannot be afraid of dealing with new areas if you want to do something new; and one obviously had to get into economics if one was to do economic sociology. (My own background is incidentally in law and sociology, not economics).

I was also pretty good at the history of sociology, and I eventually figured out that sociologists had once been interested in economic sociology, but had then given it all up, say around 1920. This may not sound as much of an insight, but when I realized it, I couldn't believe my eyes: here was a beautiful area of sociology, uncontaminated by modern sociology, so-to-speak, but with the potential of becoming a key area of sociology and perhaps even something more. Great fun!

**2. Could you name books or articles that have profoundly influenced your own thinking about economic sociology in the early days?**

My first major exercise in economic sociology was a volume in the history of economic sociology that was published in 1987. Its importance was that it allowed me to slowly work myself through modern sociology and see what had been done in the field. So in a way I

wasn't so much inspired by any one thinker, as by the insight that there was a collective ignorance in this field. Beyond this, there were two people who did influence me very much. The first is Max Weber. I quickly realized that he was far more sophisticated than anyone else. He thought deeper and he knew more about economics, economic history and sociology than any other sociologist. This is still the case; and in so far as I am concerned, Weber is the prince of economic sociology.

The second important influence was Mark Granovetter. It was clear to plenty of people in the late 1980s that Mark's 1985 article in *AJS* was a major contribution to economic sociology. I met Mark in 1985 and I soon realized what a wonderful thinker and also what a wonderful person he is. Mark is extremely generous and very, very witty; and he will always be one of my favourite people. He is also an extremely fine scholar and has that special quality of Weber that once you have figured something out, and go back to his writings, you find that he has already been there. Reread Mark's 1985 article, and you will see what I mean: it is all there.

### **3. Can you tell something about the history of the first edition of the Handbook. Who took initiative? How did you and Neil Smelser get in touch about it?**

*The Handbook of Economic Sociology* was conceptualised during 1990-1991 when I was at the Russell Sage Foundation in New York. I was there to write a book about the origins of the EU, but I was not very happy with the way that my work developed (and - wisely - never published the manuscript that resulted). So my mind was probably wandering; and the idea of *The Handbook* was perhaps a result of this.

In any case, I felt that I was not in the kind of situation where I could pull off a major enterprise of this type myself, so I decided to contact Neil Smelser, whose *Handbook of Sociology* had just appeared. Neil responded very positively to my suggestion; and I was of course thrilled that the co-author of *Economy and Society* (Parsons-Smelser, 1956) wanted to do this project with me. Neil and I also soon discovered that we worked very well together. My inexperience and other weaknesses were well balanced by Neil's experience and great intelligence. Both of us were also pluralists, so we agreed to include many different perspectives in *The Handbook*, rather than just push one perspective. Neil is great to work with, and I am very happy that he wanted to do this.

### **4. How would you characterize the development of the field since the publication of the first edition of the Handbook in 1994?**

To some extent I think that the first edition of *The Handbook* defined the field of economic sociology, in the sense that we pushed very hard for a pluralistic approach, and that is also what we have today: a truly pluralistic economic sociology.

Every now and then rational choice people and mathematical sociologists express their discontent to me that they are not "included" in economic sociology, but I think they have it wrong. Neil and I, for example, got Coleman to write on economic topics for *The Handbook*, from a rational choice perspective (as opposed to just analysing everything but the economy, as rational choice sociologists often do). But this is also where it stops: I have no sympathy whatsoever for the imperial ambitions of rational choice sociology (or any other branch of economic sociology).

## **5. Can you tell something about how you and Smelser went about deciding the themes and authors for the new edition?**

Neil and I were very much driven by the idea that we wanted to use the second edition of *The Handbook* in the same way as we had done with the first, namely to move economic sociology ahead rather than to just summarize existing research (as a handbook typically does). My own suggestion was to throw out ALL the authors that we had used in the first edition (minus myself!), but Neil - no doubt wisely - thought that this was a bad idea. Still, we ended up with 2/3 of the second edition being new authors or new topics (and all chapters rewritten or new). We also had the great fortune of having Mark Granovetter as our (unpaid) consultant for the second edition. It was, for example, Mark who had the terrific idea of including a chapter on the economic sociology of Antiquity. Mark also helped us in many other ways; and I am very grateful for this.

I also want to stress that I myself tried to take a long hard look at the economists, in order to see how many chapters from the economists we wanted to commission. We ended up with only one chapter – on behavioural economics. This was a good choice, I feel, since behavioural economics is a field that is very much alive, very empirical and very creative – and, hence, of much interest to today’s economic sociology. I also took a very long and hard look at game theory (which resulted in two articles on “game theory and sociology”). But my verdict here was that game theory has little that can be of true assistance to economic sociology. While I realize well that what someone like Avner Greif (an economist at Stanford University who writes about culture & institutions) does is of much interest to economic sociology, I still feel that the approach as such is too artificial to be of much use to economic sociology. Finally, it was probably a mistake not to have asked Douglass North (an institutional economist who won the Nobel Prize in 1993) to write about economic history. North has, incidentally, just published a thoroughly Weberian book on the topic!

## **6. What do you see as the main differences between economic sociology in Europe and in the United States?**

Well, modern economic sociology was born in the United States and it is still very much dominated by U.S. sociologists. The American universities are formidable machines for producing huge numbers of sociologists who are skilled, empirically oriented and very professional, and this also goes for economic sociology. What Europe has that the United States does not have, are perhaps two things: different takes on the topic and single brilliant individuals. The United States has never produced sociologists as good as Weber, Durkheim and Simmel, and it has no-one today that can match, say, Bruno Latour in being bold, creative and opening up new ways of looking at things.

Sociologists in Europe also do things a bit differently. There are, e.g., no U.S. equivalents to Luc Boltanski and Michel Callon. More generally, European sociologists are perhaps a bit more interested in applying complexity to the theory part of the analysis than to the (quantitative) methods part. My sense when reading Patrik Aspers, Jens Beckert and Philippe Steiner, for example, is that they primarily aim at saying something novel about economic phenomena, rather than doing high-tech sociology.



**7. In the last twenty years, you have published an enormous number of books and articles on economic sociology. What do you see as your own main contribution to the field?**

Hm. I wouldn't exactly say an "enormous amount" (though it may feel as such to the prospective reader). Anyway, I see my own contribution as being on two levels. One is institutional, and here I think that I have perhaps contributed to some extent to launching and institutionalising the field of economic sociology. As to contributions of a more conventional scholarly type, I think that I have helped to put Schumpeter and Weber on the map as economic sociologists through my two monographs on them. I have also tried to show the importance of entrepreneurship, law, and the interpretive dimension of economic life, for economic sociology. More recently, I have tried to introduce the notion of hope into economic sociology.

**8. Is it important for you to establish dialogue with economists, and if so, what are feasible strategies to accomplish that?**

Yes, it is important to have such a dialogue, and the whole thing will also work much better if both sides are interested - something which is currently not the case since economists ignore what economic sociologists do much more than the other way around. In the early 1990s I had a sense that some economists were indeed looking towards sociology, something that is reflected in the first edition of *The Handbook* (1994). Today, in contrast, I feel that economists think that "sociology" is important – but also that they think that they themselves can quickly put together such a "sociology". This, of course, is an illusion, and it wouldn't hurt the economists to study a bit what Weber, Granovetter and so on have accomplished.

In the meantime, sociologists need of course to familiarize themselves with the economics literature since most topics in the economy (if by no means all) have been analysed by economists. It is fun to read in another discipline, and it also helps to set your own work in perspective. Having said all of this, it is still true that economic sociology will ultimately strand and fall with how well the sociological perspective is handled; and economists have little to contribute on this score. They have had a good run with the help of their ideas of equilibrium, *homo economicus* and demand-supply for more than a century by now, while we have still not shown what can be done with the help of sociology. "*Be bold!*", as Harrison White says.

**9. What are according to you the main current debates within the field?**

Well, some people feel that the idea of embeddedness needs to be better fleshed out. There are also some people who are trying to take network analysis to a higher level. The science and technology people are introducing the ideas of Latour, Callon and so on into economic sociology; and especially the ideas of Callon have led to some heated discussion. Still, I am not so sure that we are currently having so many debates that crisscross economic sociology as people are trying to work with their own ideas and push ahead. The field is pluralistic, and this is perhaps the way that things happen in a pluralistic field in times of "normal" science.

**10. What are research topics within economic sociology that have so far been neglected?**

There are two ways to answer this question. One would be to start enumerating the areas where very little work has been done, and this may be what you had in mind when you asked this question. So, very little work for example has been done on law and the economy, entrepreneurship, and savings. But there is also the fact that we still lack really good work on nearly all of the “classical” topics – such as the market, the firm, gender and the economy, and so on. So we also need many more high-class studies of this second type, I think.

## Resocialising and Repoliticising Financial Markets:

### Contours of Social Studies of Finance

*Economic Sociology Newsletter*, May 2005

Marieke de Goede

In his essay *A Primer on the 1930s*, John Steinbeck gives a personalised and literary account of the 1929 stock market crash and the Great Depression. “I remember ’29 very well,” Steinbeck writes (2002: 17), “We had it made...I remember the drugged and happy faces of people who built paper fortunes in stocks they couldn’t possibly have paid for...Their eyes had the look you see around the roulette table.” Then, however, “came panic, and panic changed to dull shock...People remembered their little bank balances, the only certainties in a treacherous world. They rushed to draw the money out. There were fights and riots and lines of policemen. Some banks failed; rumors began to fly” (Steinbeck 2002: 18). Political guidance was inadequate in these confusing times, according to Steinbeck (2002: 18), who writes: “I felt sorry for Mr. Hoover in the White House...His gift for ineptness with words amounted to genius.”

Steinbeck’s recollections of panic and poverty, rumour and uncertainty in the 1930s – followed by a new decade of speculation in the 1960s – emphasise the need for social studies of finance. Economic models are simply not enough to comprehend and critique the profound social impact of credit, speculation and financial crises on daily life. As Donald MacKenzie puts it on his social studies of finance website: “To understand the creation, development and effects of financial markets we need more than the perspectives of economics or of a ‘behavioural’ finance that is rooted in individual psychology. Markets are cultures.”<sup>1</sup> Moreover, it is becoming increasingly clear that *money itself* – coins and bills as well as stocks and derivatives – is socially and discursively constituted (e.g. de Goede 2003: 81-86). As Marc Shell (1999:61) puts it: “[a] piece of paper money is almost always a representation, a symbol that claims to stand for something else or to be something else. It is not that paper depicts and represents coins, but that paper, coins, and money, generally, all stand in the place of something else.” In recent years – and partly within the pages of this newsletter – the contours of an interdisciplinary field of research are being defined that accepts the challenge of providing a *social studies of finance* (a term coined by Vincent Lepinay, now a phd student at Columbia University).

This essay reflects upon what social studies of finance *is*, or rather what it *might be*. Does social studies of finance entail a particular approach or research agenda? Which themes and concerns may be identified to be at its core? Are there important issues or disciplinary insights currently under-explored? I do *not* intend to define or delimit this emerging field of research, nor do I intend these reflections to be a definitive overview of existing work that may be said to belong to the social studies of finance. Instead, I hope to draw attention to new and exciting work being done within a diversity of disciplines, provoke discussion, and develop some of the concerns outlined in Alex Preda’s social studies of finance ‘manifesto’, which was published four years ago in this newsletter (Preda 2001a). It will become clear that social studies of finance is not the prerogative of sociologists, but may be thought to include a variety of work being done within geography, politics, cultural studies etc, that shares the goal of thinking money and markets socially.

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<sup>1</sup> Donald MacKenzie, ‘About Social Studies of Finance,’  
<http://www.sociology.ed.ac.uk/finance/about.htm>

## Disciplinary Views

In spite of the risk of making disciplinary boundaries seem more clear-cut and less permeable than they really are, I will draw attention to work done within a diversity of academic disciplines on the themes of finance and money. If the most important aspect of a social studies of finance is its interdisciplinarity, in which disciplines may we find its contributions?

In my own disciplinary (former) home, international political economy (IPE), studying finance is nothing new. This field of study has at least since the 1970s enquired into the political power of financial actors and institutions. The historical development of international financial markets is seen to have culminated into the current era of ‘global finance’ – where finance is like a Phoenix taking flight over the power of nation-states (Cohen 1996; c.f. Cerny 1994; Helleiner 1994; Germain 1997; Langley 2002a; Soederberg 2004). Susan Strange’s (1986) popular metaphor of global finance as a giant casino in which speculators gamble with the pensions and savings of ordinary people has not lost its appeal in the age of Enron and Equitable Life. Furthermore, IPE has critically interrogated the boundary between ‘the economic’ and ‘the political’ for many years, and the conviction that ‘no meaningful distinction can be made’ between the two is at the heart of this field of study (Underhill 2001: 3; also Tooze and Murphy 1996). However, the broad and sweeping accounts of (financial) globalisation to be found within this body of work can be criticised for overlooking, as Paul Langley (2002b: 2) puts it: “the ties that bind global finance and our everyday...practices.”

Also within geography, meanwhile, the particular geography of financial markets became an important focus for study. These studies show that global finance is not a homogeneous sphere, operating in a mythical transnational space, but plays itself out in particular places and processes, that are socially embedded and geographically uneven (Leyshon and Thrift 1997; Martin 1999; Tickell 2003). Global cities occupy a pivotal role in finance: both enabling the globalisation of financial networks, and anchoring them in space and social interaction (Sassen 1991; 1994). In fact, according to Leyshon and Thrift (1997a: 50), financial globalisation has not led to the depersonalisation and abstraction of financial activity, but, on the contrary, “social networking has become an even more important activity because of the increased amounts of knowledge of all kinds that now circulate [and] the need to interpret this knowledge.”

Anthropology and sociology offer studies that corroborate this argument by demonstrating the importance of social networks – both on and off the trading floor – for the ways in which financial traders, speculators and other market participants interpret information and make investment decisions (Abolafia 1996; Hertz 1998). Hasselström (2000), for example, explores the importance of trust between market participants as one social mechanism through which seemingly abstract financial markets operate. These studies demystify *the market* by examining the complex and contradictory ways in which market participants relate to it. As Urs Brügger (2000: 237) notes: “A study of the vocabulary of the market used by market participants brings out the multi-faceted character, ambiguity and openness of the concept...among market participants themselves.” In fact, argue Knorr Cetina and Brügger (2000: 9), the market is perhaps best theorised as a ‘lack’, or “an object of knowledge [that] can never be fully attained.” These ever-shifting and contradictory meanings of the market in daily financial practice emphasise the shortcomings of economic theory that takes the market to be a measurable and bounded object.

Not just social interaction on the trading floor, but also the social meaning of money more generally has become an important research focus within sociology. Viviana Zelizer argues that money is *not* the ‘great leveller,’ or the socially neutral, abstract and depersonalising force that Simmel and others described it as. Instead, Zelizer (1994) argues that the ways in which people make sense of money on an everyday level is differentiated and personalised (c.f. Ingham 2001). This social dimension is not an aberration of economic logic or incidental practice but, as Nigel Dodd (1994: xxviii) argues, “the condition for the very existence of monetary networks.”

In fact, if there is one aspect of modern financial markets that calls for social analysis, it is the unprecedented growth of information, analysis, media and commentaries that do not just reflect upon, but that help define and constitute, what finance is. Processing, selecting and interpreting information is an ambiguous and political process which is vital to the possibility of a financial sphere. “The more one analyses the realm of money and finance,” Leyshon and Thrift (1997b:289) point out, “the more one realises that an attention to discursivity is required to come to an understanding of it...the world of money is a world of interpretative power struggles, where competing sets of scripts and discourses conjure up alternative plausible ‘orderings’ of the economic world.” The social studies of finance then, explores the historical emergence of practices of financial knowledge, such as financial broadsheets, advertisements, price lists, graphs and stock indices that made the rise of popular investing possible (Aitken 2003; Preda 2001b; 2002). In my own work, I have argued how in the nineteenth century, financial markets sought to establish their scientific respectability – and defend themselves from accusation of gambling – through the appropriation of both statistical practices and moral ascetics from the natural sciences (de Goede 2005a).

The opening of the late-modern “black box” of financial statistics, models and technology must be identified as one of the most important aspects of the social studies of finance (MacKenzie 2003a; Beunza and Stark 2004; Izquierdo 2001; Maurer 2002). An increasing number of studies explore the contingent, contradictory and political histories of the development of financial technologies and formulas. MacKenzie’s work on the history of the Black-Scholes formula, for example, demonstrates the increasing entanglement of finance theory and practice in the 1970s. The Black-Scholes option pricing formula was not incidental to the growth in derivatives markets, but at the heart of it. The model helped legitimise options trading and spurred the growth of the Chicago Board Options Exchange (CBOE), which was founded in 1973. In an interview with MacKenzie, Chicago’s exchange counsel says,

Black-Scholes was really what enabled the [CBOE] to thrive...[I]t gave a lot of legitimacy to the whole notion of hedging and efficient pricing, whereas we were faced, in the late 60s—early 70s with the issue of gambling. That issue fell away, and I think Black-Scholes made it fall away. It wasn’t speculation or gambling, it was efficient pricing...[Soon] I never heard the word ‘gambling’ again in relation to options (quoted in MacKenzie and Millo 2003: 121; see also MacKenzie 2003b; 2003c).

Opening the black box of financial models, then, helps explain the contingent development of actually existing markets.

Derivatives, in particular, are proving to be fascinating modern artefacts to sociologists and anthropologists. Bill Maurer (2002: 29), for example, explores the ‘theological unconscious’ of complex financial instruments, by tracing the cultural and religious roots of modern stochastics. His analysis reminds us that “contemporary invocations of Lady Luck in Las Vegas and grain futures on the Chicago Mercantile Exchange are merely variations on the character of the unknowable.” Maurer’s analysis transforms derivatives from ‘mere technique’ to social and cultural products that are based on particular normative assumptions (also Arnoldi 2004; Lee and LiPuma 2002).

Law and legal studies is yet another discipline in which contributions to a social studies of finance may be found. It is an easy assumption that law, or global financial regulation, serves the purposes of taming otherwise potentially devastating international financial flows. However, it is becoming increasingly clear that the law and the market *constitute each other*, making a legal history of modern financial markets indispensable to understanding its power today. For example, Ronen Palan challenges the myth of ‘offshore’ financial markets as created spontaneously by finance seeking its highest return and escaping restrictive onshore rules. Instead, according to Palan (2003: 2), offshore is a *legal* space, created and enabled by the modern state system and practices of sovereignty: “Thus, ‘offshore’ refers not to the geographical location of economic

activities, but to the juridical status of a vast and expanding array of specialised realms” (see also Maurer 2001). As MacKenzie (2003a: 23) points out, law and regulation should be studied as a “key force in shaping what markets do, and don’t do” (see also Fligstein 2001)

Gender studies is making an important contribution to social studies of finance, by exploring not just the physical exclusion of women from the marketplace, but more importantly the gendered nature of the conceptual apparatus of modern finance. Financial markets throughout history have considered female participation either suspect or at least remarkable. For example, the nickname of the late-nineteenth century successful female speculator Hetty Green, who was known as the ‘Witch of Wall Street,’ represents the incredulity of contemporaries who believed that a successful woman on Wall Street had to possess unnatural powers of magic. But more importantly, gender studies have shown that contemporary financial markets rely upon gendered discourses that contrast masculine rationality with feminine irrationality and that cast risk-taking as the ultimate masculine practice necessary to succeed in markets (Aitken 2002; McDowell 1997; de Goede 2005a; Hooper 2001). It should be clear, however, that women as well as men draw upon the gendered discourses of financial markets in the daily performance of their financial identities (Fisher 2004).

Finally, it is necessary to reflect upon the contribution of cultural studies to a social studies of finance. Does social studies of finance – despite its name – include the humanities? Money, finance and culture are certainly important topics of study within the humanities. Some of the most sophisticated explorations of the discursive constitution of monetary value, and of the complex question of money and representation are to be found in literary and cultural studies (Goggin 2003; Goux 1999; Shell 1995). The issue of reality and representation is at the heart of historical cultural confusion over financial instruments and financial crises, as described by Steinbeck. Film, theatre and literature are important domains where the meaning of money is not just represented but negotiated and fixed. For example, Jean-Christophe Agnew (1986) documents the cultural webs of meaning within which concepts of the modern market emerged, demonstrating a close historical connection between the ways in which meanings of the market and the theatre evolved in sixteenth- and seventeenth-century England. More recently, Olav Velthuis (2005: 12-13) has argued that *imaginary economics*, or “the non-verbal, visual and poetic means by which contemporary artists reflect on a range of economic issues” is a legitimate and important source of knowledge about modern markets, that is closer to “everyday economic life” than abstract academic economic knowledge. If the materialisation of finance in daily life takes place, partly, through the realm of the cultural, then social studies of finance *should* relate to work being done within the humanities. I come back to this point below.

### **And Financial Economics?**

Can economic science in general, and financial economics in particular, be considered an important contributor to a developing social studies of finance? In the previous *Economic Sociology* newsletter, Karin Knorr Cetina (2005) emphasises the importance of engaging with economic literature, and expresses the fear that a sociology of finance that does not seek this dialogue produces rather “flat, culturalist stuff.” However, it is also important to note that (still) much of mainstream academic finance theory assumes the markets to be populated by disembodied rational actors in pursuit of profit maximization. In economic textbooks, the sphere of finance is held up as the typical example of the free market in action. The development of finance as an academic discipline and professional practice has historically depended upon the abstraction of all that is considered to be ‘human’ from this domain. In other words, financial study and decision-making are supposed to exist independently from culture, society, history, sexuality and emotion. Closer historical scrutiny, however, shows that the casting of the stock markets as the epitome of the free market has to be seen not as logical corollary to the articulation

of laws of supply and demand, but as a nineteenth-century political move which served to legitimate exchange transactions in (de Goede 2005a: 95-107)

The recent emergence of behavioural finance is supposed to challenge and repair this absence of humans from academic finance. This new strand of research combines economic and psychological theory, in order to "...understand whether aspects of human behaviour and psychology might influence the way prices are set in financial markets" (Barberis 1997:11). In other words, behavioural finance aims to introduce the variable factors of human behaviour and psyche into the equations of classical financial theory. For example, the essence of Robert Shiller's (2000: 167-168) influential book is that "*irrational exuberance* is at work in producing the elevated stock market levels we have seen recently...[W]e see newly high valuations but cannot detect a cause for those valuations that is associated with rational public thinking" (emphasis in original). It becomes clear, then, that behavioural finance accepts that markets function efficiently as long as uninfluenced by psychology. Where psychology comes in, and hence where behavioural finance hopes to make its radical contribution, is in explaining inefficiency, distortion and crisis in financial markets. Seemingly radical, behavioural finance maintains a strict division between the rational and the irrational in finance, and considers only the latter to be a social product. It shares with mainstream finance the assumption that human aspects have a disturbing and distorting influence on economic fundamentals.

Social studies of finance, in my opinion, should refuse to occupy the peripheral and secondary place carved out for human psychology and social interaction in behavioural finance. According to Preda's *Manifesto*, the social studies of finance should be the 'shadow' of academic finance. "I would argue that it is exactly here that the chance of Social Studies of Finance lies," writes Preda (2001a: 16), "in becoming an indispensable shadow in the study of financial markets. What I mean with this is the following: Social Studies of Finance should provide key financial theory concepts like noise, portfolio, arbitrage, and the like with social translations...And remember: any model of financial markets which loses its shadow (or cannot have one) is nothing but voodoo economics." If a social studies of finance is to provide a shadow to academic finance, let it be *not* a legitimating force that corroborates finance theory with empirical evidence, but let it be a haunting shadow that continues to disturb and question the apparent securities of academic finance by demonstrating their incongruity with practice.

### **Interdisciplinary Concerns**

What is it then, that draws together the diversity of disciplines in which social studies of finance can be found? I would like to set out three themes that, in my opinion, are central to social studies of finance. These three concerns – let me be clear about this – are neither an exhaustive list, nor meant to define, and delimit, the research agenda of a social studies of finance. They are articulated in order to stimulate discussion (and disagreement!) within the pages of this newsletter.

First, I would count the *resocialisation of financial practices* among the most important aspects of social studies of finance. Social studies of finance repopulates abstracted financial markets with human traders and speculators, who have particular and complex relations to what they understand to be the market; with human inventors of market models and formulas, that prove to be contested and fallible interpretations of economic reality rather than unproblematic representations; with human designers of technology and risk assessment models, which have normative choices and criteria at their hearts; and with human journalists who do not just write impassive financial news, but play important roles in marketing financial products and creating space for speculation in everyday life.

I understand the resocialisation of financial practices to include a focus on the complex and important interaction with the *non-human* in financial markets. Technologies, models, screens and lists "come alive" through social studies of finance (Leyshon and Thrift 1999). Partly, this understanding of the non-human draws upon Bruno Latour's (1999: 27) work on "circulating

reference,” whereby the human and the non-human constitute knowledge through a “chain of translation.” For example, in their contribution to the ‘Making Things Public’ project curated by Latour and Peter Weibel,<sup>2</sup> Beunza and Muniesa explore the centrality of the ‘spread plot’ in the *hausse* of financial trading surrounding the merger of Hewlett Packard and Compaq in 2001. The spread plot – a computer model on the basis of which the stock of the merging companies is priced – becomes an independent and influential financial actor in the weeks prior to the merger. “The spread plot is alive,” write Beunza and Muniesa (2005: 6). As Callon (2005: 2) concludes, agency in finance is better conceptualised as *agencement*, being “made up of human bodies but also of prostheses, tools, equipment, technical devices, algorithms, etc.”

Secondly, *performativity* is emerging as a core theme of a social studies of finance – although the precise meaning and significance of financial performativity is under debate (see Callon 1998; Clark, Thrift and Tickell 2004; de Goede 2005a: 5-13; MacKenzie 2001, 2003b; Muniesa 2000; Cameron and Palan 2004; Thrift 2002). In discourse theory, a performative is that which enacts or brings about what it names – the quintessential example being the priest whose words ‘hereby I thee wed’ enact the marriage (Butler 1993: 13; Austin 1962: 4-7). Understanding finance as a performative practice suggests that processes of knowledge and interpretation do not exist in addition to, or of secondary importance to, ‘real’ material financial structures, but are precisely the way in which ‘finance’ *materialises*. It is not just the case then that financial knowledge is socially constructed, but the very material structures of the financial markets – including prices, costs and capital – are discursively constituted and historically contingent. In the words of Callon (1998: 23), for example, measuring tools “do not merely record a reality independent of themselves; they contribute powerfully to shaping, simply by measuring it, the reality that they measure.” According to Butler (1993: 10), performativity entails “neither a single act nor a causal process initiated by a subject and culminating in a set of fixed effects,” but an ongoing, citational practice, “which operates through the reiteration of norms.” In this sense the revolution in financial reporting that has made the movements of stock market indices and other financial news a standard part of the evening news broadcast, are at the heart of the performativity of financial discourse (Clark, Tickell and Thrift 2004)

Thirdly, I would like to consider the *repoliticisation of financial practices* as a core concern of social studies of finance. Writing detailed cultural histories of finance, opening the black box of financial technology, and drawing attention to the performativity of financial discourse entail, in my opinion, a politicisation of practices and technologies that were hitherto regarded as natural and a-political. The political, for Jenny Edkins (1999: 2), “has to do with the establishment of that very social order which sets out a particular, historically specific account of what counts as politics and defines other areas of social life as *not* politics.” The political, then, is precisely to do with the representation of what *is* and *is not* subject to debate, contestation, critical questioning, dissent and resistance. Mainstream economic theory holds the history of markets to be not political, but evolutionary, in which the invention of coin, paper credit and financial instruments were logical subsequent steps in human civilisation. In contrast, writing empirical and detailed histories of modern markets shows that markets are not natural givens or a-historical entities, but have been constructed in particular, contingent and contestable ways. This even goes for the historical emergence of complex financial modelling and technology that are taken as scientific ‘discovery,’ but that in recent work within the social studies of finance have been demonstrated to have contingent beginnings.

My emphasis on a repoliticisation of financial practices certainly does not mean that I think that social studies of finance should develop a political agenda or even that it encompasses a coherent political point of view. Instead, I think of politicisation as the opening of a black box:

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<sup>2</sup> Bruno Latour and Peter Weibel, *Making Things Public. Atmospheres of Democracy*, <http://makingthingspublic.zkm.de/>



Making visible and debatable practices that were hidden from view. Opening to wider debate and understanding formulas and technologies that were the domain of specialists only. This opens a moment for change – without necessarily describing or predicting the form that change must take. As MacKenzie (2003d) puts it at the end of his *Philosophical Investigation into Enron*, “[The] fate [of Enron’s employees] should...remind us that numbers matter. We need to understand how they are constructed, and perhaps to start to imagine ways in which they can be reconstructed to better ends.”

It is in the practices of resocialisation and repoliticisation that the humanities have an important role to play: literature, film, but also popular practices like carnival, can be important sites of cultural critique of modern finance (de Goede 2005b; Amoore forthcoming 2006). Jonathan Franzen’s (2001) recent novel *The Corrections*, for example, includes a funny but biting critique of financial practice during the Dotcom boom, in which the financial media play an ambiguous role. In the novel, Franzen’s characters create Lithuania.com, that sells attractive, if fictional, shares in Lithuania’s national economy and natural resources. Franzen’s characters participate in fora of financial knowledge production – answering questions in financial chatrooms, producing creative but *not* entirely fictional press releases, writing tracts on the morality and inevitability of free markets in human history. Lithuania.com, in short, acquires its satirical force because it mimics so well the logic of the new economy itself (cf. Thrift 2001). Similarly, in his *Imaginary Economics*, Velthuis (2005: 114) offers numerous examples of playful and ambiguous critiques of the market by “artists [who] imitate and parody economic processes, taking them out of their context and thereby revealing their absurdity.” Art, literature and (popular) culture, may make visible the “multiplication of differences, gaps, displacements and translations” in financial practice (Callon 2005). As Callon concludes: “The reversals of balances of power can come from anywhere.”

## Conclusion

The social studies of finance is not, nor should it be, a coherent research programme with a singular objective or politics. A social studies of finance is not likely to, nor should aspire to, deliver “the Great Unifying Market Theory” (Preda 2001a: 17). Instead, it should be first and foremost an interdisciplinary forum for discussion and debate, enabling dialogue and disagreement between researchers in a diversity of disciplines who share a fascination for money, and who may otherwise not have easily engaged. Given the twin developments of the increasing precedence of finance in daily life, through popular investment and financial reporting, and the increasingly technical and depoliticised nature of financial knowledge itself – its charts, graphs and formulas – a social studies of finance is perhaps more necessary than ever.

This is an expanded version of my keynote address to the *Social Studies of Finance Research Workshop*, University of Edinburgh, October 2004. Many thanks to Donald MacKenzie and Lucia Siu for organising this workshop and inviting me to speak. Many thanks to Daniel Beunza, Donald MacKenzie and Olav Velthuis for comments on an earlier draft of this paper.

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**READ AND RECOMMENDED**  
**RECENT LITERATURE IN ECONOMIC SOCIOLOGY**

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Two pieces of economic sociology I would like to recommend are a book and an article. The book is Vicki Smith's *Crossing the Great Divide: Worker Risk and Opportunity in the New Economy* (ILR Press, 2001). The article is Fabrizio Ferraro, Jeffrey Pfeffer, and Robert Sutton's "Economics Language and Assumptions: How Theories Can Become Self-Fulfilling" (*Academy of Management Review*, vol. 30(1), January 2005, p. 8-24). These two pieces represent varied currents within economic sociology. The book grounds discussions of labor market transformations and uncertainty in a detailed empirical analysis of workers in three different industries. The article provides a potential venue for joining discussions of economists-as-experimenters with more traditional cultural and institutional analysis.

Vicki Smith's book is not brand new but certainly warrants a wider read. It provides an example of the fruitful cross-fertilization of economic sociology and studies of work. She examines changes in the new economy that shift risks from companies to labor. She conducted extensive interviews and observations in a timber mill, a copy-services company, a high-tech firm, and at a white-collar job search service. Growing numbers of temporary and contingency workers labor under various forms of uncertainty: some (like the copy-services workers) were likely to maintain their jobs but to move from business to business. Others (like the timber mill) faced uncertain prospects over their continued long-term employment.

The upshot of her book is that while some jobs provide skill-sets that benefit their employees, the new economy shifts a significantly greater degree of risk onto workers themselves. What is compelling here are the ways these forces of opportunity and risk overlap; low-end workers benefit from the added autonomy of "workplace participation," at the same time they are subjected to an increasing array of costs. One comes away from *The Great Divide* with a better understanding of the complexities and nuances of flexible accumulation, both as an analytical category and as experienced by workers.

Ferraro, Pfeffer, and Sutton's article swims in other economic sociology waters. They theorize questions asked by recent work in the traditions of science and technology studies (including those by Donald MacKenzie, highlighted recently in this newsletter): what is the relationship between economic theorizing and economic institutions? Their contribution is to provide a way to join discussions of "economists in the wild" with institutional analyses of how ideas become instantiated. What they find is that being empirically "correct" may sometimes be insufficient – and it may sometimes be unnecessary. The article reminds us that part of the task for economic sociology is to address a whole worldview of assumptions and normative expectations that underpin socio-economic activities. Theoretical mechanisms for going about this task are surely welcome.

Finally, I would note that there are a number of ‘memoirs’ that, while not fitting neatly into economic sociology, vividly illustrate the differences between markets in theory and markets in action. Two I have in mind are Peter Griffiths’ *An Economist’s Tale* and John Perkins’ *Confessions of an Economic Hit Man*.

These memoirs are first-hand accounts of the spread of Western-style capitalism to the developing world. Griffiths is an agriculturalist who was in a position to see (and ultimately halt) the potentially devastating effects of World Bank policies in Sierra Leone. Ideological commitments to markets would have led almost directly to widespread famine. Perkins, by contrast, was hired *precisely* to produce devastating effects for developing countries. As an ‘economic hit man,’ his job was to funnel monies to American corporations, via international aid organizations, and to bankrupt developing countries. Working in the private sector for the US National Security Agency, Perkins’ aim was to create dramatic political dependency through economic development, and to help US corporations get rich in the process. He did this not as a killer or spy, but as an economic consultant, simply by providing optimistic economic assessments of the benefits of massive aid projects.

Both books lend credence to criticisms of international development organizations, and to the ascendancy of Western-style market evangelism. They are reminders at a personal level that markets spread not just as a result of more efficient allocations of resources. Capitalism also spreads as a result of powerful institutions and agents promoting capitalist and Western interests - in these memoirs, power and politics matter more than economic efficiency. Economic sociologists should be (and are) well-positioned to understand these processes. These books are well worth a read.

**BOOK REVIEW: FRANK DOBBIN, *THE NEW ECONOMIC SOCIOLOGY. A READER*, PRINCETON NJ: PRINCETON UNIVERSITY PRESS, 2004, 520 PP.<sup>1</sup>**

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After the publications of *The sociology of economic life* by Mark Granovetter and Richard Swedberg and of *Readings in economic sociology* by Nicole Biggart, the reader edited by Frank Dobbin is the third important anthology devoted to economic sociology. The main interest of this kind of book is to provide immediate access to major texts within the field. Dobbin attains the objective through 8 articles and 12 books extracts. Four of them, written by Emile Durkheim, Karl Marx and Max Weber, show how classical sociologists have tackled economic questions. Other texts are characteristic of the sociological critique of economics and of the renewal of economic sociology in the 1980's. The rest of them reproduce remarkable recent contributions that illustrate the specific relevance of economic sociology. Another interest of the book is the long introduction written by Dobbin. Dobbin gives a few elements of the history of the field that help to locate the writings in their intellectual context. Above all, he presents the texts in a clear and coherent way. After reading the introduction, readers may have a good idea of the content of each text and may see how they are connected. In his introduction, Dobbin goes from one text to another but his aim is not only descriptive. The texts he refers to are presented as elements of a unified vision of what the sociological view of the economy is. This consistency is the main strength of the anthology. But, as those writings focus only on one aspect of economic sociology, I will wonder in this review if it may become a source of weakness too.

As Dobbin rightly reminds the reader, the starting assumption of economic sociology is that economy is not a separate sphere of society. In consequence, economic behavior can be analyzed with the general tools sociology has developed to study other social behavior. Dobbin distinguishes four mechanisms: institutions, networks, power and cognition. The book is then structured in four parts: each one focuses more specifically on one mechanism and begins with a text of a classical author.

The first part is devoted to institutions. It starts with extracts from *The protestant ethic and the spirit of capitalism*, goes on with articles by John Meyer and Brian Rowan and by Paul DiMaggio and Walter Powell being the basics of the new institutional analysis of organizations, and ends up with texts by Viviana Zelizer about the changing value of children, by Richard Whitley about differences in national business systems, and by Gerald Davis, Kristina Dieckmann and Catherine Tinsley about the role of fads in the decline of conglomerate firms in the 1980s. The first purpose of this part is to show that the context of various institutions, where economic actions are carried out, widely matters. Institutions like

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<sup>1</sup> The table of contents and the beginning of Dobbin's introduction can be found at: <http://www.pupress.princeton.edu/titles/7771.html>

law and culture are important in the creation of an economic activity (for example, a market for child adoption), in the way actors behave and take decisions (the way they define efficiency) and in the functioning of an economic field (for instance, the existing rules that frame competition). In addition, Dobbin stresses the historical nature of institutions. In daily economic life, institutions are taken for granted, but their evolution is due to a process of social construction where path-dependency and collective action mix. So institutions are never natural, even if they seem so, but they are the result of shared conventions peculiar to each social group. This idea is also well established in the fourth part devoted to cognition. In his introduction, Dobbin distinguishes cognition from institutions according to a level difference (institution as a collective reality and cognition as an individual process). Yet passages by Durkheim, by Peter Berger and Thomas Luckmann and by James March and Herbert Simon describe cognition as a social fact, as a process that differs from one institutional-cultural context to another. Then, texts selected in institution and cognition parts pursue a very similar plan and the partition between the two may seem, in this anthology, a little bit artificial.

A different question is treated in the second part devoted to networks. People do not meet haphazardly and economy does not fit the atomistic representation offered by the pure and perfect competition mold. The study of the local interaction (the exchange relationship) and of the global structure of recurrent transactions (the network) is needed. This helps to better understand behaviors (in particular those implying trust), performances (due to the position in the network or linked to the global form of the network) and outcomes (in the first place: prices). Dobbin goes back to Durkheim's distinction between mechanical and organic solidarity to show the prevalence of this issue in sociology. Of course, this question is today more associated with the works of Granovetter, Harrison White or Ronald Burt. Indeed, the second part contains the famous Granovetter's 1985 paper, an article by Eric Leifer and H. White that gives easy access to White's theory and an extract from the beginning of *Structural holes*. These three writings offer a theoretical background on the importance of networks in economy, a framework applied by Brian Uzzi and by Alejandro Portes and Julia Sensenbrenner in the two following texts to credit markets and immigration respectively.

The third part deals with power. It starts with selected passages from Marx's *The german ideology* and reproduces extracts from Neil Fligstein's *The transformation of corporate control*, William Roy's *Socializing capital* and Bruce Carruthers's *City of capital*. Its conclusion is similar and complementary to those previously established. Relations of economic and political power affect behaviors, economic organization and institutional change. Formal regulations and cultural conceptions (of efficiency, of accepted competition...) that seem natural, democratic or efficient may be in fact shaped in order to favor the interests of some powerful agencies.

In short, Dobbin recommends us to be attentive to institutions, networks and power. Precisely, one important message of his introduction is that we should always take care of the way these three elements entangle in concrete situations. To consider only one of them is a research strategy that can be justified to isolate the effect of the network structure, the weight of culture or the significance of financial power. But to do so, is to risk providing a reductionist explanation that does not grasp the complexity of the situation. For example, neglecting cultural features of social networks makes it difficult to understand how relationships arise, persist and affect behaviors. On the contrary, Uzzi's text illustrates the benefits of research that simultaneously pays attention to the structure and to the cultural content of networks. Similarly, power is often at stake in networks. Agencies can acquire



political power through their involvement in business communities. They can also gain control from a position of a structural hole. More generally, one can say that institutions, networks and power influence one another and situations where only one of these elements plays significant role are without doubt extremely rare.

A second methodological recommendation arises from Dobbin's introduction. Talking about institutions, networks and power must not induce an "over-socialized conception of human action". Already the main reproach that Granovetter was directing to Parsonsian economic sociology was that Talcott Parsons conceived institutions as a set of exogenous data from which economic behaviors could be mechanically deduced. However, people are not puppets of their culture but use their cultural tools to build purposive actions. Culture is a limited but essential resource for the analysis of a situation, as well as the planning, the accomplishment and the justification of action. In several texts it is equally noticed that the existence of interpersonal relationships is a source of trust. This does not imply that networks create norms of honesty that people automatically comply with. It just means that in this context the occurrence of opportunistic behavior is more likely to be taken away from the range of possibilities. In this respect, networks are not a functional substitute for honesty; they are contexts that enhance expectations of honesty. New economic sociology is significant not only because it stresses the contextual elements that affect economic decisions but also because it develops a rich theory of economic action. This second point is perhaps the most important one, especially as sociologists aim at distinguishing themselves from economists like Oliver Williamson who also take into account the impact of networks and institutions.

All these points are clearly elaborated on in Dobbin's introduction. They make sure that readers will greatly profit from this anthology. I would however express some reservations on two points. The first one is about the extracts that Dobbin has selected of the writings of Durkheim, Marx and Weber. Of this choice, which is always disputable, I have not been convinced. First of all, the selected passages are highly descriptive and particularly tedious. I am afraid that a new student in economic sociology that read them would not wish to continue his discovery of classical authors. Secondly, it misses some passages that, at least according to my opinion, are theoretically important. Take the excerpts from *The division of labor in society*. Durkheim's argument on the non-contractual foundations of contracts (book I, chapter 7) is absent although it is fully congruent with the general argument of the anthology. In this chapter, Durkheim showed that institutions are collective constraints that render private interests compatible and that permit actors to anticipate the normal implementation of a contract. Without institutions (especially law), economic action would be simply impossible. Similarly, as the objective in part 3 was to introduce the importance of networks in the economy, I think it would have been fair to select the passages where Durkheim explains the development of the division of labor by the evolution of social structure. The transition from a segmented structure to a society whose density is greater, leads formerly distant agencies to enter in competition with each other and to specialize themselves (book II, chapter 2).

My second reservation concerns efficiency. Most of the texts of the book demonstrate that economic behaviors and institutional changes are not driven by rationality and efficiency alone. Differences in power, in regulations and in cultural representations play a crucial role too. The point is made in particular in several texts that elaborate on the fashionable rationales that spread inside organizations or among business agencies independently of their real economic efficiency (Meyer and Rowan, DiMaggio and Powell, Davis, Diekmann and Tinsley, March and Simon). These conclusions are perfectly demonstrated and I do no

contest their validity – for further examples, see the 12 excellent recent studies gathered in a second book edited by Dobbin (2004). However, I wonder if it is still necessary to insist on this point. New economic sociology has adopted a social-constructivist methodology in response to inadequacies in the works of New institutional economics and Organizational ecology. Now that many significant studies have clearly shown the excesses of these approaches, it might be time to adopt a slightly different point of view. Dobbin says that “Americans believe that a kind of Darwinian competition among firms creates progress, killing the less efficient and rewarding the more efficient” (p. 34). Is this process nothing more than a cultural representation? After all, classical authors did believe in the existence of a selection due to competition and bankruptcy. In *The division of labor*, Durkheim describes competition as a social fact that tends to accelerate the dissolution of the segmented society and the development of the division of labor. The end of *The protestant ethic and the spirit of capitalism* is very clear in this respect as well. “The puritan wanted to work in a calling; we are forced to do so”, says Weber in a famous passage reproduced in the anthology. Some religious beliefs are at the root of the spirit of capitalism. But, from this spirit has emerged an autonomous economic order that imposes its constraint on economic behaviors. The participation in the capitalist order forces people to adopt a formal rationality that disregards the person and does not account for the ethical, religious or political criteria that formerly used to influence economic behaviors. Several passages in the chapter devoted to *the spirit of capitalism* are extremely clear on this point:

“The capitalistic economy of the present day is an immense cosmos into which the individual is born, and which presents itself to him, at least as an individual, as an unalterable order of things in which he must live. It forces the individual, in so far as he is involved in the system of market relationships, to conform to capitalism rules of action. The manufacturer who in the long run acts counter to these norms, will just as inevitably be eliminated from the economic scene as the worker who cannot or will not adapt himself to them will be thrown into the streets without a job” (Weber 1992, pp. 54-55, see also pp. 65-73).

Demonstrating the incompleteness of the explanations in terms of efficiency is relevant. But in doing so one should not throw away the baby with the bathwater: studying the impact of market forces and the constraints they have on social life is important as well. Anthropologists have shown the evolution of mentalities among people newly confronted with a colonial market economy (for example: Bohannan and Dalton 1965). And many historians’ works have equally well described the cultural restructurings that have been managed in the West by contemporaries of market development (for example: Appleby 1978). Market forces are shaped by the social conditions peculiar to each market; they are not passively endured but are exposed to subjective interpretations and to strategic actions; nevertheless they do exist and they do constrain behaviors and institutional changes. Dobbin shortly recognizes it at the end of his introduction. Unfortunately, the anthology does not propose any text that illustrates the reality of emergent economic constraints. Relations between social mechanisms (institutions, networks and power) and economic system are not one of one-way-determination but of mutual influences. Market pressures and institutional constraints may have different relative weight; they may articulate in a cumulative or in a contradictory way; they may be accepted or rejected by agencies... but, both of them need to be evaluated in each concrete economic situation.

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**AFTER THE BALL WAS OVER.**

**BOOK REVIEW OF DOUG HENWOOD. 2003. *AFTER THE NEW ECONOMY*. NEW YORK: VERSO, 306 PP.**

**Reviewed by:**

**Kieran Healy**

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The conventional wisdom of the late 1990s was that the New Economy was an unprecedented miracle about to transform us forever. The conventional wisdom after the party ended and the recession and scandals began was that it had all been “a mix of collective folly and outright criminality.” Henwood insists it was neither. From the first page he argues that the New Economy circus emerged “from the innards of the American economic machinery,” as something that capitalism brought forth from within itself, and not for the first time. Though he doesn’t say it directly, he also wants to get across Marx’s idea that capital is a social relation of production. Exotic financial instruments and global capital flows notwithstanding, the world of money is rooted in concrete social relationships. A capitalist market economy is not a neutral system governed by immutable laws of nature. Rather, even the powerful forces of supply and demand work within institutional contexts and cultural conventions.

The best way to bring out this point is to take a comparative approach. The first three chapters take the tenets of ‘90s rhetoric and confront them with evidence, first from official data about the U.S. and then from studies of other countries. The trends in real wages, poverty rates and the occupational structure go a long way towards deflating the grandiose claims of unprecedented economic transformation that were thrown around in the late ‘90s. The biggest changes have all been in the direction of greatly increasing inequality in the distribution of income and wealth, to a degree not seen since the late 1920s. These chapters are largely descriptive, but worth reading as they incorporate a lot of material that doesn’t get widely discussed in the U.S context. Henwood also presents data from the Luxembourg Incomes Study showing that the U.S. has the smallest middle class and largest proportion of poor people of any of the advanced capitalist democracies.

A second line of argument focuses on the rapid increase in measured productivity since the late 1990s, which has widely been supposed to be the (much-delayed) payoff from improvements in information technology. Henwood argues that this increase is largely explained by changes within high-tech sector that are not reflected in other industries. He is also skeptical of the productivity numbers themselves: quantifying the contribution to productivity of a new Dell with Microsoft Office installed is a tricky business.

The question of skills and information technology can also be approached in terms of change in the occupational structure. Occupational shifts are easier to measure than productivity. Henwood shows that very few of the fastest-growing occupations during the 1990s were the

kind of exciting, autonomous, “frictionless” info-tech jobs that were supposed to be in everyone’s future. He criticizes a typical example from the 1990s, Robert Reich’s (1991) claim that knowledge-intensive occupations staffed by “symbolic analysts” were the hot new trend. Henwood has little trouble showing that the fastest growing categories do not fit the New Economy image. They include food preparation and food service workers, computer support specialists, office clerks, truck drivers, nurses and nursing aides. Some of these jobs do involve intensive use of computers, but usually not in the ways suggested by the phrase “symbolic analyst.”

Henwood follows up his survey of these trends with a discussion of the debate on globalization. This chapter is quite different from the others in the book, as it is less a summary of what we know about the global economy and more a rearguard action against various wings of the anti-capitalist movement that Henwood disagrees with. Like all good Marxists, Henwood has a clear-eyed appreciation of the real and potential benefits of capitalist markets, and no wish to revert to what Marx called “the idiocy of rural life,” with all the back-breaking drudgery that it entails. So he has no time for “de-linking” from the world economy or self-imposed cultural isolation. Henwood derides “the nationalist fantasies of antiglobalizers,” for example, though he favors a strong role for the state in governing the market. One of the main tasks of the book is to remind American readers that a polarizing, unfettered market and authoritarian isolationism are not the only choices.

At times, Henwood writes like a straightforward social democrat, arguing for strong welfare provisions and a stable bargain over wages and profits. Elsewhere, he’s happy to use the language of class warfare when describing the increasingly important role of the Federal Reserve from Paul Volcker’s tenure onward. But by and large he confines his aspirations for a better world to a few lines here and there and devotes his energy to attacking New Economy talk in general, particularly in the business press and from ideologues like George Gilder. The book is an exercise in pouring cold water on utopias, but it’s also an effort to reclaim utopian language for the left. Why, he asks, “did The System’s publicists need the utopian story? If all challenges to capitalism were dead, why did we hear so much about democratization and the overturning of hierarchy?”

The reason Henwood hates New Economy talk so much is that market populism is ersatz anarcho-socialism. The democratization of ownership through shareholding, the proliferation of fulfilling, creative work directed by autonomous workers, the elimination of corporate hierarchies, and above all the transcendence of the material world of production through the power of technology --- this is Marx’s vision of utopia percolated through the pages of *Business Week* magazine. This connection, ironically, might help readers who are otherwise allergic to the language of class conflict to see why Henwood’s exposure of the New Economy’s empty rhetoric is on target.

## References

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## **JOB ANNOUNCEMENTS**

### **University of Bradford and University of Leeds Leeds University Business School**

#### **EPSRC Funded Research Assistant Knowledge, Skills and Productivity in Retailing**

This EPSRC funded research project is a joint endeavour between the Universities of Leeds and Bradford. It involves qualitative case study research into both overseas and UK-owned retailers and focuses specifically on employee skills (including soft skills) and firm knowledge practices. Candidates should have experience of qualitative research and a good honours degree in management, sociology, industrial relations or a related subject and ideally a doctorate. For informal enquiries please contact Professor Jeremy Clegg at Leeds on [ljc@lubs.leeds.ac.uk](mailto:ljc@lubs.leeds.ac.uk) or 0113 343 4512/6749 or Professor Irena Grugulis at Bradford on [I.Grugulis@bradford.ac.uk](mailto:I.Grugulis@bradford.ac.uk) or 01274 234331.

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### **University of Chicago Graduate School of Business Tenure-track faculty in the area of Organizations and Strategy**

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The organizations and markets group at the Graduate School of Business focuses on theory and research on organizations and markets; the ways in which actors organize to manage their variable interdependence within a social structure, and the attitude and behavior implications of the resulting organization. Applications are diverse, including how organizations operate, why they differ, how they emerge from prior organizations, how

future growth depends on position in a structure of other organizations, and how people survive and thrive as a function of their position in social organization.

Appointments would begin in the 2006/07 academic year. For full consideration, applications should be received by December 1, 2005. Please send a cover letter briefly describing your plans for future work, a Vita, a written sample of your present work, and two letters of reference to: Deputy Dean for Faculty, Organizations and Markets Recruiting, Graduate School of Business, University of Chicago, 5807 South Woodlawn Avenue, Chicago, IL 60637.

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## CALL FOR PAPERS

### **(Small) Workshop on Measuring Path Dependency – The Social-Constructivist Challenge**

**September 5-6, 2005, Free University of Berlin**

Path dependency has become a popular notion, not only in economic history and social studies of technology, but also in management and organization research. However, the reference to path dependency is often made in a rather loose way. The concept implies much more than simply the insight that “history matters” in processes of technological and organizational change. Technology dynamics, especially in its soci(et)al-constructivist versions, has been able to show how paths emerge and stabilize (cf. Garud and Karnøe (2001) *Path dependence and creation*). To show its explanatory usefulness, path dependency is in urgent need of empirical operationalization and measurement. We understand ‘measurement’ in a broad sense (taking the measure of), and thus see it as a particular challenge from a social-constructivist perspective.

The workshop will be entirely devoted to this question of how to ‘measure’ path dependency. A small number of researchers will be invited to present the empirical contexts of their projects, their understanding of path dependency or creation, and their ideas on how to measure path dependency in the context of their projects. The workshop is part of an ongoing research project by the Research Group “Inter-firm Networks” (Prof. Jörg Sydow, Free University of Berlin; Prof. Arnold Windeler, University of Technology Berlin) on creating technological paths in the field of next generation lithography (for an outline, see [http://www.tu-berlin.de/~soziologie/Tuts/Wp/TUTS\\_WP\\_2\\_2004.pdf](http://www.tu-berlin.de/~soziologie/Tuts/Wp/TUTS_WP_2_2004.pdf)). The workshop will be organized in collaboration with Prof. Arie Rip of Twente University in the Netherlands and the Doctoral Program “Research on Organizational Paths” that is located at the Free University in Berlin ([www.pfadkolleg.de](http://www.pfadkolleg.de)). The workshop is sponsored by the Volkswagen-Foundation.

If you are interested in actively participating in this workshop, please send a two-page outline of your research project, stating the context of your research, the importance of the concept of path dependency in it, and your present ideas on how to measure path dependency to the two organizers of the workshop, Jörg Sydow ([sydow@wiwiss.fu-berlin.de](mailto:sydow@wiwiss.fu-berlin.de)) and Arnold Windeler ([arnold.windeler@tu-berlin.de](mailto:arnold.windeler@tu-berlin.de)) by July 31, 2005.



## CALL FOR PAPERS

### **Market Making and Market Shaping in the Global Political Economy Annual Conference of the Political Economy Section of the German Political Science Association (DVPW)**

**Open University in Hagen, 16-17 December 2005**

The question of how to reconcile the economic benefits and social costs of integrated markets is at the core of the current debate on economic globalization. Market making activities seek to foster economic integration by eliminating barriers to free trade, capital flows or movement of producers, workers and consumers by deregulation, liberalisation or privatization (*negative integration*). Market shaping entails efforts to embed the market and to cope with the negative externalities of economic transactions by setting standards of labor-, consumer-, investor- and environmental-protection (*positive integration*).

Balancing the costs and benefits of markets used to be the task of the nation-state; i.e. by restricting competition where it led to politically or socially unaccepted outcomes or by imposing taxes and social standards on market actors to make them internalize the negative externalities of their economic behaviour. Globalization and the growing integration of the economy on the European and global level, however, have challenged the capacity of nation states to effectively intervene in the economy and to impose binding rules on internationally mobile firms. In the view of many globalization has altogether disentangled market making and market shaping efforts from the domestic realm, whereas international organizations or intergovernmental negotiations proved unable and/ or unwilling to impose a global regulatory regime upon the market actors.

International institutions like the World Bank and the IMF have adopted the neoliberal perspective of freeing up markets by granting loans conditional on severe anti-inflationary measures, deregulation and privatization. Free trade agreements like the NAFTA, ASEAN and the WTO have restricted the range of state interventions into the economy. The European Union has joined the bandwagon with the Single Market Act in 1986 and the Monetary Union. The Maastricht stability criteria sought to impose a tight corset on public deficits and inflation levels among the members of the single currency and European Integration with its emphasis of the 'four freedoms' has for many become a neo-liberal market-making project that is now extended to Eastern Europe. Nation-states, internationally less mobile parts of the business community and citizens have to cope with growing, and potentially ruinous, competition for taxes and working environments that suit the needs of transnational business.

This scenario contrasts with a more optimistic perception brought forward in the global governance debate. On the global level, the neoliberal project has caused growing resistance of civil society. The "battle of Seattle" in 1999 and recurring protests during meetings of the G7/8, World Bank and IMF indicate the emergence of a global protest movement of environmental groups, trade unions and left-wing groups against perceived excesses of globalization. In addition, there have been significant changes to some aspects of the Washington Consensus since the mid-1990s. Both the World Bank and the IMF acknowledge the importance of balancing economic growth with social and political

welfare-type aspects in the formulation of conditionality. Global firms, under the auspices of the UN or based on self-binding agreements, are willing to consider issues of “corporate social responsibility” in their corporate policy. Free trade institutions such as the WTO take increasingly issues of positive integration into account; the TRIPS agreement for instance, does not only enforce a particular conception of property rights across the members of the WTO, but also links the issue of trade opening to environmental and labor standards. Environmental regimes that operate in the framework of the UN are probably more successful in shaping the market than hitherto expected –that the Kyoto Protocol has finally gone into effect with the recent ratification by Russia may indicate the potential of international coordination. States in the European Union perceive intensified regime competition as challenge to the “European Social Model” as the recent discussion on the EU directive on services in the internal market indicates.

We look for papers that address some of the following questions:

- How far is the expansion of the market and the retreat of the nation state advanced in *different sectors of the economy*? Are the ‘territories’ lost to the international market irretrievably lost? Will Europe be able to recoup some of the regulatory competencies that the nation state lost?
- What is the *relationship between political layers* in matters of market making and –shaping? Is there an inherent bias towards market opening policies on the supra-national layer that restricts national market shaping activities (i.e. taxing, defining social standards)? What role do intermediary institutions, such as the European Court, dispute settlement procedures on the level of the WTO or even forms of private commercial arbitration play in reconciling conflicts about market making and -shaping?
- How do *public and private actors relate to each other*? What role do private associations and forms of global business organization play in defining social standards? Can growing private self-regulation compensate for the loss of public control? Or does increased openness of domestic markets make a country more susceptible to the preferences of international capital investors?
- What are the *cleavages between countries of the North and South and East and West*? Do developmental states accept higher social standards in exchange for market access to the industrialized world? Or do the structural adjustment programs make the South more dependent on portfolio and direct investment, and therefore translate into greater discipline of transnational market actors in the South than previously? What role do the United States play in processes of market making and –shaping? Papers should have a clear empirical focus. We particularly welcome papers that tackle their topic from different theoretical approaches (incl. gender approach), look at different institutions and /or different policy or market sectors.

English abstracts, no longer than one page, should be submitted to Susanne Lütz ([Susanne.Luetz@FernUni-Hagen.de](mailto:Susanne.Luetz@FernUni-Hagen.de)) by **15 July 2005**. The conference language will be English.

For more information, see <http://www.fernuni-hagen.de/POLOEK>

## CALL FOR PAPERS

### **3rd Phd Conference in Economics: The Importance of Methodology in Social Sciences**

**8-10 September 2005, Real Collegio Carlo Alberto di Moncalieri  
Moncalieri, Torino, Italy**

The purpose of this conference is to provide PhD students and junior researchers with the opportunity to take a focused view on the methodological possibilities and limitations they face while conducting research in economics. This event is organised by and for PhD students confronted with the need to critically question the methodological instruments and approaches used in their research works. We believe that methodological issues are not given adequate attention in most PhD programmes in economics. As a consequence, the relevance and robustness of research are weakened. Developing a network of students and scholars interested in debating the relevance of research in economics is a complementary goal of this conference.

PhD students will have the opportunity to present their ongoing research works and engage in debates with colleagues and senior researchers on the methodological approach they adopt. Sessions will be organised in order to compare different methods applied to the same topic, as well as sessions strictly related to methodological issues.

Some indicative topic issues that might be debated are highlighted in what follows:

1. What is the aim of our research and to whom it is addressed?
2. Which instruments are broadly consistently used (or usable) for a specific economic research? Is it necessary to choose the 'right' instruments for every topic or some are valid extensively?
3. Which is, and should be, the role for quantitative tools? Is mathematics an instrument or an aim?
4. Which micro-foundation can be considered legitimate?
5. How do economists define and take into account issues of realism and relevance, and to what extent?
6. Do social values matter in economic research?
7. Could other disciplines (e.g. history, psychology, ecology, sociology) improve our understanding of the socio-economic reality?

Given the aims of the conference, PhD students in economics and related disciplines in social sciences are invited to submit their works. No topic restrictions are placed but special emphasis has to be placed on the methodological approach adopted. Hence, even though the paper may not focus on methodological issues, the methodology it builds upon should be discussed in a dedicated section or appendix. The paper (or its appendix) should discuss:

- the relevance of the argument made in order to address the core questions of the paper
- the relevance of the instruments used to address the topic

- the reasons for choosing the methodology

Accepted papers will be discussed by a junior and a senior discussant, before opening the floor to debate. The methodological section will be part of the presentation. Some of the relevant methodological issues will be also discussed by senior scholars invited to attend plenary round tables (refer to the updating program on the website).

### **Selection of Participants**

Proposals for papers are invited in the form of an abstract of 15 lines max (200 words), and should be submitted by June 30th, 2005 to the conference secretariat by email using the attached form. Submissions should be sent to the following addresses only: torinoconference2005@debating.it

Each proposal should be accompanied by short answers to the questions indicated in the form; keywords and classification code; and key references. We kindly ask to follow the format below to submit the abstract. Please, note that the questions are very important for us to frame the conference organisation, and define the sessions for both presentation and discussion.

Papers written either in English or Italian are welcome. However, given the subsequent publication on the conference web site, the English language would facilitate the diffusion of the topic and the debate. Presentation and the discussion will be in English.

A final draft of the paper should be submitted before August 25th 2005 by e-mail to the following address only: torinoconference2005@debating.it

### **Key Deadlines**

June 30, 2005: Deadline for abstract submission, in the format indicated.

July 10, 2005: Authors will be notified of acceptance

July 30, 2005: Pre-registration: participants (with accepted abstracts) and participants not presenting, who are willing to attend the conference, should register (including co-authors). Papers will be included in the final programme only if registering by this date. Only accepted and presented papers will be posted on the Conference website.

August 25, 2005: papers should be submitted by this date

September, 8-10 2005: Conference in Torino

### **Accommodation and Conference Fee**

Accommodation in University structures are guaranteed and offered to all participants.

Travel expenses are not included and no support is available. We encourage students that are not presenting a paper to participate to the conference debate, although we cannot guarantee accommodation (please keep an eye on the website for up-to-date information on the issue).

### **For further information**

Please write an e-mail to the conference secretariat: torinoconference2005@debating.it

For information about debating visit our conference website [www.debating.it](http://www.debating.it) or

send an e-mail to: [info@debating.it](mailto:info@debating.it)

## **CALL FOR PAPERS**

### **Economics and Morality**

#### **2006 SEA Meetings April 21-23, 2006 Ventura County, California**

The Society for Economic Anthropology seeks proposals for papers and poster presentations for our 2006 annual meetings, April 21-23, 2006 at California State University, Channel Islands on the theme : Economics and Morality. Deadline for abstracts: OCTOBER 1, 2005.

The SEA meetings provide a rare opportunity for a focused program of presentations with time for critical discussion in a convivial intellectual setting. Approximately 15 papers are selected from abstracts for a program that allows 20 minutes for presentation followed by 20 minutes for discussion in a single plenary session over two days ; 20 to 30 additional abstracts will be selected for a special poster session. Each SEA conference also produces a book on the same theme. Presenting a paper in the plenary session is a commitment that you are willing to have your work considered for inclusion in this volume. Papers developed from poster presentations may also be considered for the volume.

#### **Meeting theme**

Morality refers to a code of conduct based on shared principles about what is good and right behavior and values, and what is not. When moral meanings intersect changing economic realities, economic anthropologists are ideally positioned to investigate the product of these intersections. For the 2006 SEA meeting, we are inviting ethnographically-grounded papers that engage the following issues : how everyday economic activities are conceptualized in moral terms, how local and global institutions, enterprises and social movements develop moral claims and package them for consumption, how moralities are challenged, reformed, and newly indexed, and how moral choices impact stratification by class, ethnic groups, gender, sexualities, and nations. As the possible range of categories below suggests, research relevant to this topic spans all subfields of anthropology and will hopefully attract scholars from other social sciences and the humanities as well:

1. Strategies for Defining and Investigating Morality in Economic Life Emphasis on methods for demarcating moral aspects of economic values and practice over space and time, and for decoding its variability at the level of individuals, local communities, and across societies. Concerns related to moral relativism and fieldwork dilemmas.
2. Conceptualizing Moral Frameworks in Economic Practice Emphasis on theoretical constructs to distinguish morality from ethics, to frame the emergence, fragmentation, and shifts in moral understandings, and to outline an anthropology of morality and economics.
3. Moral Claims and Contradictions in the Global Economy Discourses and practices that underlie neoliberal reform and its impacts, new social movements (fair trade, new religious movements, human and animal rights movements, labor movements, environmental movements), and increasing commodification of new terrain (body parts, expired drugs, toxic waste) and of prisons, war, etc.
4. Who Owns the Past ? Indigenous and Western Conflicts and Claims Competing moral

claims on bones (NAGPRA), on museum artifacts, and intellectual property (native crops, medicinal herbs, etc).

5. Who Cheats and Why ? The Moral Terms of Economic Deviance Practices and understandings of cheating, undeclared economic activity. pilfering, petty theft.

6. What they were Thinking ? Moral and Material Intersections of Past Societies Understandings of moral codes embedded in landscapes, built environments, material culture, and political transformations.

DEADLINE : OCTOBER 1, 2005. Please send your 500-word abstract for a paper or poster to both Kate Browne and Lynne Milgram. [kate.browne@colostate.edu](mailto:kate.browne@colostate.edu) and [lmilgram@faculty.ocad.ca](mailto:lmilgram@faculty.ocad.ca). Kate Browne, Department of Anthropology, Colorado State University, Fort Collins, Colorado 80523-1787. Lynne Milgram, Faculty of Liberal Studies, Ontario College of Art and Design, 100 McCaul Street, Toronto, ON, Canada, M5T 1W1.

THE SITE : The meetings will take place in beautiful Ventura County, California, 1.5 hours north of Los Angeles, where opportunities are available for hiking, kayaking, snorkeling, boat cruises and visiting wildlife and wildflower sanctuaries. A Friday afternoon poster session and evening reception will be held on the campus of California State University Channel Islands, the newest addition to the CSU system. Nestled in the foothills of the Santa Monica Mountains and built as a WPA project, the mission revival buildings enclose 35 separate courtyards, each uniquely decorated with hand-painted tiles, amid vast lawns and mature pepper and jacaranda trees.

## **CALL FOR PARTICIPATION**

### **Cultures of eBay: making sense of social and economic aspects of the eBay 'phenomenon'**

**August 24th and 25th, 2005. University of Essex, Colchester (UK)**

#### **Conference background**

This is the first independent UK conference which aims to look at the cultural, social and economic aspects of eBay. In order to gauge the demand for this one-off conference, this e-mail asks for early expressions of interest to attend, as well as being a call for papers and posters. The idea for this conference originated from an ongoing ESRC project (RES-000-23-0433) at Chimera, a department of the University of Essex, which began in February 2004 and is due to end in January 2006. Results of this research project will be disseminated at the conference.

The overall aim of this conference is to bring together academics and practitioner groups from both business and the voluntary sector, to explore and 'make sense' of the cultural, social and economic aspects of eBay, the Internet auction site, and consider its social and business implications.

#### **Who should attend?**

- Academics in the fields of (but not exclusively): new media, e-commerce, cultural studies, sociology, human geography, HCI
- Practitioners in relevant fields
- Research students
- Industry consultants

#### **Conference website:**

<http://www.essex.ac.uk/chimera/culturesofebay.html>

#### **Keynote speakers:**

Dr Rebecca Ellis and Anna Haywood, University of Essex  
Mr Will Davies, IPPR (tbc)

#### **Background to eBay**

This conference explores a phenomenally successful form of e-commerce, the Internet auction. Specifically, the conference will concentrate on one such Internet auction site, eBay - chosen for its market dominance. With 70% of all online auctions currently taking place through its site (Rowley, 2000), eBay represents 'the world's largest personal online trading community'. Initially set up in 1995 with collectors in mind, eBay enabled easier access to

collectibles (vid. Bunnell and Luecke, 2000) - where the traditional inefficiencies of person-to-person trading such as geographical fragmentation and imperfect knowledge (ibid.) could be offset through computer-mediated communication (CMC). Dubbed “the perfect store” (Cohen, 2002), its success has been phenomenal both in financial terms and in the number of users it has attracted. Indeed, eBay is fast becoming an e-commerce mainstay and household name with 125 million registered users worldwide (eBay, 2004), and it is now the UK’s number one e-commerce site (Nielsen Net Ratings, May 2003 cited eBay, 2004). Online auction sites have revolutionised the way we browse and shop for second-hand, antique and collectible items. However, they also provide new ways and new spaces to perform and display knowledges and ‘knowingness,’ particularly in relation to material culture.

eBay differs substantially from almost every other ‘virtual store’ or e-commerce site in carrying a stock of mostly second-hand items, which are described and loaded on to a database by thousands of individual sellers themselves. Accordingly, very contrasting consumer and collecting knowledges are brought to bear on such items than for mainstream new goods e-tailing. eBay is also a highly unusual site in the way that ‘communities’ are enabled and identities performed through the site’s own community spaces - mediated by material culture in buying, selling and browsing practices. Yet eBay remains largely unexplored by the academic literature beyond its reputation (feedback) system, particularly in terms of the key issues it raises around knowledge, identity, community and collecting practices in an e-society. This conference seeks to redress these gaps in the literature. But eBay also has considerable relevance for government and practitioner groups. The research will raise key issues for government and policy surrounding the potential for eBay to be a source of self-employment, particularly for ‘disadvantaged’ groups or those requiring flexible work, and increasingly important consumer issues such as the mis-selling of goods and the growing problem of fraudulent behaviour over the Internet. eBay additionally has significant implications for UK economic competitiveness in terms of the practices, structures and systems architecture of e-commerce, which include web site design and the distribution systems for both goods and money in an Internet era.

### **References:**

- Bunnell, D. and Luecke, R. (2000) *The eBay Phenomenon: Business Secrets Behind the World's Hottest Internet Company* (John Wiley & Sons).
- Cohen, A. (2002) *The Perfect Store – Inside eBay* (Piatkus Books).
- eBay (2004) ‘Company Backgrounder and FAQ, November 2004’ [Available from the eBay Press Office].
- Rowley, D. (2000) *The Virgin Internet Auction Guide, Version 1.0* (Virgin Publishing, London).



## **CALL FOR PARTICIPATION**

### **The Economic Sociology Research Network**

**European Sociological Association, Torun (Poland), September 9-12, 2005**

The Economic Sociology Research Network (ESRN) of the ESA shall organise eight sessions in the sixth European Sociological Association Conference in Torun, Poland, September 9-12, 2005.

Since the inception of the ESRN and its first meeting, held in the context of the Amsterdam ESA conference in 1999, there have been additional meetings held in Moscow, (2000), Helsinki (2001), Murcia (2003), and Rethymno (2004). In the course of these meetings more than 250 papers have been presented and discussed. The papers cover an extensive array of economic sociology themes, and demonstrate a growth in interest in this expanding sociological subfield. With this in mind, we now look very much forward to receiving your proposals and to another most interesting meeting in Torun.

For more information concerning the conference (e.g. fees, book of abstract, accommodation, venue, etc.) colleagues should consult the Conference WebPages regularly at: <http://www.7thesaconference.umk.pl/>

Or contact the Economic Sociology Research Network Co-chairs:

- Søren Jagd: [jagd@ruc.dk](mailto:jagd@ruc.dk)
- Sokratis Koniordos: [skoni@social.soc.uoc.gr](mailto:skoni@social.soc.uoc.gr)

Final date for registering for the meetings of the Economic Sociology Research Network is 15 August 2005.

## **CALL FOR PARTICIPATION**

### **Economic Sociology and Technology Conference**

**Cornell University, Ithaca (New York); September 23-24, 2005**

During the last ten or fifteen years the social study of science and technology and economic sociology have moved closer together. Within the social study of science and technology researchers are increasingly looking at economic activity such as markets, and within economic sociology researchers are increasingly seeing the need to analyze technology. Thus far, however, these two fields of study have had little contact with one another. The Economic Sociology and Technology conference will attempt to draw the two fields together to explore links and possible differences and future research agendas.

Jointly sponsored by the Department of Science and Technology Studies, the Institute for the Social Sciences and the Center for the Study of Economy and Society, Cornell University, Ithaca, New York

Please contact either Trevor Pinch (607.255.6048, [tjp2@cornell.edu](mailto:tjp2@cornell.edu)) or Richard Swedberg (607.255.4325, [rs328@cornell.edu](mailto:rs328@cornell.edu)) with any questions.

## CALL FOR PARTICIPATION

**European Association for Evolutionary Political Economy  
Annual Meetings 2005, Bremen/Germany, November 10-12, 2005**

**A New Deal for the New Economy? Global and Local Developments, and New  
Institutional Arrangements**

### **General Theme**

The new “new economy” involves not only novel information, but it is also characterized by increased spatial and functional fragmentations of the value-added chains. On the one hand they may give rise to information failures and problems of uncertainty which require the development of new institutional and specifically non-market arrangements that can cope with different forms of coordination and cooperation problems. On the other hand these fragmentations may be accompanied by the development of new forms of coordination like local clusters and different forms of network cooperation in order to operationalize iterative interactions and collective learning processes.

These theoretical and observed concepts are relevant for a wide array of fields in economics and more broadly the social sciences. One area where information and arising problems of coordination and cooperation play an important role is the study of innovation and technical change. Technological change is based on the accumulation of information or knowledge through learning, which may lead to non-market determined outcomes. Information failures or the uncertainty that is inherent to choosing *a priori* a successful innovation from a stream of new innovations and in a fragmented and turbulent environment thus bring about technical lock-in and path dependencies. Moreover, the rate at which new technologies diffuse may have implications for differential economic performances over space and time, the rate of employment, and the distribution of income.

The new “new economy” is also associated with an increasing globalisation of production and societies, new forms of global politics and of a new global coordination, i.e. governance. The spatial and functional fragmentation of the value-added chains may bear an important source for the creation of wealth. However, it may also worsen existing inequalities or bring about new ones and thereby increase the risk for conflicts, interventionism and war.

Conflict – also armed conflict – may arise between old and new stakeholders, between members and non-members of a network or society. These scenarios emphasize the importance of new local and global institutions that are designed to mediate the socio-economic transformations associated with the new “new economy”.

### **Keynote Speakers**

Paul Davidson, University of Tennessee, Knoxville, TN, USA  
Joseph Stiglitz, Columbia University, NY, USA, and ECAAR-US

**For more information, see [www.eaepe.org](http://www.eaepe.org)**

## **ANNOUNCEMENT: THE FRENCH ECONOMIC SOCIOLOGY NEWSLETTER**

### **Lettre d'information sociologie économique**

"La lettre d'information en Sociologie Economique" is a newsletter for economic sociology edited by the "Economic Sociology Network" of the French Sociological Association (AFS). This newsletter aims at providing information about topics or events concerning economic sociology (such as publications, meetings, jobs, seminars, etc.) in France and abroad.

- People in charge: Antoine de Raymond (ENS Cachan) and Pierre-Paul Zalio (ENS Cachan)

- For free subscription, please contact: [sociologieeconomique@gmail.com](mailto:sociologieeconomique@gmail.com)

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- To check the website of the Economic Sociology Network of the AFS:  
<http://www.melissa.ens-cachan.fr/socioeco>

## CURRENT PHD PROJECTS IN ECONOMIC SOCIOLOGY IN EUROPE

### **Invisible-hand Explanations: an Evaluation of their Explanatory Power, Distinctive nature and Normative Use**

**Emma Tieffenbach**

Since the Scottish Enlightenment, it has been quite common among social scientists to invoke, either literally or substantially, the operation of an “invisible hand”. Two different but conceptually connected metaphoric uses of the invisible hand can be distinguished. The first is normative. It aims at showing that self-centered actors may unintentionally contribute to the common good “as if they were lead by an invisible hand”. The second and somewhat broader use is explanatory. It aims at showing how a given social pattern which, at first sight, seems to be intended, could be the result of no intention whatsoever. After R. Nozick (1974) and E. Ullmann-Margalit (1978), explanations of this type are often referred to as “invisible-hand explanations” (IHE). In the dissertation, my goal is to provide an epistemological exploration of this notion.

Invisible-hand explanations are intriguing in virtue of three aspects, namely their explanatory power, distinctive features and normative uses, around which I will organize my research. Firstly, paradigmatic cases of IHE often have a conjectural shape. In many cases, they show how certain regularities *could* in a hypothetical world be brought about and/or maintained without stating anything reliable about the way these regularities *really* are brought about and/or maintained. The first part of the study will investigate whether IHE do possess an explanatory power, in spite of their propensity to describe counterfactual worlds. Secondly, IHE are supposed to differ from other types of explanations. An abstract characterization of the diverse sorts of mechanism that are at work in the production of invisible-hand consequences will be proposed in the second part of the study. Thirdly, IHE are sometimes invoked in order to justify the institutions to which they apply (Nozick, 1974). This normative use will be under scrutiny in the third and final part of the study.

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### **Barter in the Market : political categories and inter-firm transactions in Russia in the 1990's - (Recently defended)**

**Caroline Dufy**

My PhD research is devoted to the emergence of the “barter issue” in the 1990’s in Russia. This issue has been at the centre of a large scientific debate at the end of the 1990’s among scholars. The transition reforms to the market were supposed to eradicate Soviet barter from

the economy. This phenomenon was portrayed by experts and economists as negative and inconsistent with the transition to the market economy.

On the contrary, in my work based on field material collected from Russian inter-firm transactions in the Urals at the beginning of the 2000's, I argue that during the transition period, economic regulation has integrated barter into the sphere of market transactions. My empirical work shows that this process, which I call "normalization of transactions", is the result of accountability reforms introducing the market and the enforcement of new contract laws. But this macro process of normalization does not imply a total standardization of the actors' practices and perceptions on a market model of exchange. Economic actors still refer to several forms of barter. They are connected to different criteria – for example the good considered, the conception of the social relation engaged – but also to the fact that they have been evolving throughout the transition decade.

In conclusion, I claim that the barter issue in contemporary Russia is useful if we want to understand how powerful the normalization process on western standards has been in the Post Communist Societies. My research also focuses on the various arrangements that actors make to comply with the rule.

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