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Content

Note from the editors

Economic sociology, political economy, and Latin America's capitalism. Quo vadis?

Felipe González and Aldo Madariaga

In this third issue, we hope to come full circle in our elusive quest for Latin America's economic sociology. Elusive because one may wonder if regional labels are the best way to pose the question about scholarly traditions in the first place (see the interview with Andrew Schrank in this volume). In any case, we conceive the attempt to organize a heterogeneous field not as a definite topology, but as a way of channeling an ongoing conversation among scholars coming from different disciplines and traditions but with a shared historical background and an interest in economic phenomena. It is worth having such a conversation, especially when several subfields reach some degree of maturity, or at least seem to consolidate around more specific research agendas, questions, subjects, and approaches. We took our stand in the three volumes that we put together as editors. Starting from the question of whether there is a Latin American economic sociology proper, we have proceeded from the micro to the meso level, trying to answer the question of how Latin American economies and societies structure each other, how economic action, markets, and institutions are constructed, and how the social sciences make sense of them by developing new concepts and/or borrowing from and contributing to those developed in other latitudes – mainly in the Global North. In this issue, we come back to the macro level to reflect on the region's capitalism, analyze indigenous developments that are not directly related to the mainstream US economic sociology like solidarity economies, and consider the potential and limits of the tools of economic sociology to make sense of Latin America's reality.

From "estructuralismo" to rational choice

In the introduction to the first issue of this volume of the Newsletter, we argued that the tradition of studying the economy in Latin America started very close to the quest in the classics of the social sciences to understand social change in the context of simultaneous economic, social, and political transformations. This tradition took a marked macro and structuralist approach and reflected on the characteristics of the region's capitalist transformation and how this affected the development of the respective societies and polities, the levels of wellbeing, and social conflict in the region. For a variety of reasons that we developed there (including the counterreaction to continued distributional conflict under the form of military dictatorships), around the 1980s this tradition – that we refer to henceforth as "the old tradition" – lost steam and gave place to new, more specialized developments.

On the one hand, the influence and impetus of the US New Economic Sociology (NES) resonated with indigenous work in Latin America studying from a more anthropological perspective the variety of practices and repertoires of action that emerged in the context of poorly institutionalized and socially fragmented societies. The label "economic sociology" or "estudios sociales de la economía" started to be used to denote this type of work that focused on issues of culture, meaning, and practices – and increasingly also with artifacts and assemblages – and ceased to be associated with the study of capitalism and structures. In this sense, it followed a trend in US – and European – economic sociology to leave this level as an object of inquiry to other disciplines.[1] In any case, this group may be less comfortable with the partition into regional labels, as its unit of analysis is less concerned with national polities than with the practices of actors in the economy. Perhaps, as the conference report in this volume suggests, what is more substantial within this scholarly tradition is the voice it gives to actors themselves, which blurs disciplinary boundaries between economic sociology and anthropology. In this way, if one wants to locate this community within the broader landscape of economic sociology, the "estudios sociales de la economía" tradition is much closer to the works of Viviana Zelizer than any other reference in mainstream New Economic Sociology. In any case, again as the conference report in this volume makes clear, the identity of this community is being forged as it reaches a new stage of maturity, marked by an attempt to make its voice more public and to grasp its own identity in a more professionalized academic environment.

Interestingly, a variety of experiences and practices have continued to develop in different directions. Latin America is part of a global trend toward post-colonial studies stressing the need to create streams of thought and concepts from, in, and for the very places where these concepts are used. An example of this is the "social economy" perspective that Nicolás Gómez describes in this volume. This tradition connects an ethnographical approach to alternative ways of organizing economies around principles of commensality and reciprocity among the poor, with a broader reflection on capitalist modes of production and neoliberal development in the region.

While economic sociology focused on the micro level, political science specialized in the study of democratization and of the political system, relinquishing the study of capitalism and its institutions. During the 1980s and 1990s, the old tradition gave way to the increasingly more effective critique of rational choice authors stressing the need to focus less on structures and institutions and more on the internal workings of the state. In a combative and visionary article from 1995, Barbara Geddes argued convincingly that the study of economic reforms in Latin America should seriously turn to studying "politicians, their interests, and the political circumstances that shape the ways in which they pursue their interests. This is the research frontier. It is from these theories that a new

Felipe González is assistant professor at the Facultad de Gobierno of the Universidad Central de Chile, in Santiago. His research interests include economic sociology, the sociology of finance, the politics of economic expectations, and the relationship between politics and social media. His current research project (Fondecyt Nº 3160096) investigates the utilization of credit as policy tool and the politicization of debt. *felipe.gonzalez@ucentral.cl*
Aldo Madariaga is assistant professor at the Centro de Economía y Políticas Sociales (CEAS), Universidad Mayor in Santiago de Chile and Adjunct Researcher at the Center for Social Conflict and Cohesion Studies (COES). His research interests include comparative political economy, varieties of capitalism, development and sustainability, and topics such as neoliberalism, industrial policy and innovation, skills formation, renewable energy and environmental policy. He is currently working on a book manuscript on the Politics of Neoliberalism in Latin America and Eastern Europe. *aldo.madariaga@umayor.cl*

paradigm will emerge, and only a new paradigm can defeat an old one" (Geddes 1995, 214). The call was therefore not just to concentrate on the importance of the state – as in the work on developmental states in the region and elsewhere – but much more specifically on self-interested politicians acting in the context of specific rules of the game.

Thereafter, political science in and of Latin America increasingly specialized in the study of party systems, electoral institutions, executives, and congresses. In fact, as Luna, Murillo and Schrank (2014) note, democratization in the region functioned as a blessing and a curse. On the one hand, of course, the wave of democratization in the 1980s ended decades of bloody personalistic and military putsches in the region, allowed Latin Americans to elect their authorities, and made way for the building of accountability institutions and the strengthening of fundamental rights and civil society. On the other, however, democratization brought Latin America into the core of rational choice institutionalism and into the research agenda on comparative political institutions; due to the fact that the region finally had working congresses, recurrent elections, and other checks and balances common in advanced and institutionalized democracies, democratization served the purpose of adding dozens of additional cases to the respective datasets (see the interview with Andrew Schrank in this issue).

The revitalization of political economy

In spite of the dominance of US rational choice political science, an important group of Latin Americanists continued to reflect on and research the political economy of the region in the footsteps of the old tradition. Certain institutions were key to maintaining this continuity in terms of topics, methods, and type of reflections with that tradition, among them the University of California at Berkeley or the University of North Carolina at Chapel Hill, where generations of political scientists studied under the supervision of leading figures of the tradition such as David Collier, Ruth Berins Collier, Peter Evans, Evelyn Huber, and John Stephens.

Tired of the hegemony of the new paradigm, and taking inspiration from this continued work, in 2014 two political scientists and one sociologist – Juan Pablo Luna, María Victoria Murillo, and Andrew Schrank – wrote a piece on *Latin American Politics & Society*. In it they questioned the state of research on the political economy of Latin America and urged for a refoundation of the discipline and rescue of the old tradition, taking inspiration for this endeavor from titans of Latin American – and international – social sciences such as Guillermo O'Donnell, Fernando Henrique Cardoso, and Albert O. Hirschman. The document prompted a vibrant and stimulating discussion with other key figures of the Latin American research community and eventually served to agglutinate will and parallel efforts, and give birth to the Red Economía Política América Latina (REPAL), a network of researchers in the Americas that refuse to abide by the rationalist paradigm and seek to revitalize the spirit of the old political economy tradition from the perspective of today's epistemological and methodological advances. REPAL focuses on the interaction between economic, political, and social processes through empirically grounded and context-sensitive research that seeks to generate a diverse and plural debate on the political economy of the region.[2] The refoundational moment was crowned with the publication of a number of monographs that would set the future agenda of research for old and new generations of social scientists, among which are Ben Schneider's work on business politics and *Hierarchical Capitalism* (2013), research by Hilel Soifer (2015) and Marcus Kurtz (2012) on state capacity and institution building, Stephen Kaplan (2013) and Daniella Campello's (2015) studies of Latin American governments' dependence on international financial capital, Tasha Fairfield's (2015) revitalization of the business power literature, and the myriad volumes devoted to Latin America's "left turn" (e.g. Levitsky and Roberts 2011; Hunter, Madrid and Weyland 2010; Flores-Macías 2012; Silva 2009), to name but a few of the most influential.

REPAL has recently held its 6th Annual Conference, at the University of Tulane in New Orleans. A quick look at the program suggests that old topics and research questions – business–state relations, the power of trade unions and patterns of corporatist intermediation, different determinants of economic reform, the social bases of political parties, institution building and state capacity, foreign direct investment (FDI) and development, social policy and inequality – meet new and fascinating topics such as extractive industries and social movements, pollution and environmental regulation, participatory institutions, crime, violence, and corruption, among others.

Looking closer at the discussions in REPAL, one has the feeling that this vibrant research community has created an important space for questioning the hegemonic rational choice paradigm. The new findings and reflections raise new questions and lead us to think about the circular logic of paradigm shift in the social sciences. Maritza Paredes' article in this issue illustrates this. Paredes reflects on the conflicts and quandaries of economic development, state capacity, and inequality at the subnational level. In the context of the institutionalist literature in economics and other social sciences, a focus on institutions and state capacity has come to reflect a more nuanced understanding of how countries progress and what are the limits to that progress. However, the discovery of institutions in a region like Latin America quickly leads to more profound questions about how those institutions emerge in the first place, what are the prerequisites for their functioning, and what, therefore, are the politics behind the region's pervasive institutional weaknesses (Brinks, Levitsky and Murillo 2019). In relation to this, Paredes' article shows that the commodity boom of the 2000s was a mixed blessing for countries in the region: alongside the lower external financial dependence, increased state revenues, and higher social expenditure that this made possible came the strengthening of extractive/enclave industries with high pollution costs and few ties to local communities, and a reinforcement of regional inequalities – particularly between urban and rural areas. In this context, the capacity and incentives for governments to make rational use of windfall economic resources and/or to build institutions to improve their management in the future was very limited. In the end, therefore, state capacity and strong institutions seem to be prerequisites for state building and institutional consolidation. Acknowledgment of this circular logic has led in the last few years to revitalization of the research on coalitions, that is, thinking about the set of actors, their interests and organizational capacity that would push countries onto more virtuous institutional development paths – and about those that oppose and have opposed them for centuries (see e.g., Doner and Schneider 2016; Holland and Schneider 2017).

As Andrew Schrank warns (see his interview in this issue), not everything has been perfect in these refoundational efforts, and while new and exciting avenues are opened, other issues come to the fore, such as the compartmentalization of the different social sciences and the career incentives that researchers and practitioners face in different disciplines and locations.

Questions for the future

It would be difficult to close this third issue without a broader reflection on the future of the social sciences studying Latin America's economies. Two considerations come readily to mind. The first is concept formation: How should we make sense of concepts developed for other latitudes? Are Latin American social scientists supposed to engage with and in them? What is the space for indigenous concept and theory formation? Should it be a goal of Latin American social sciences to influence back the northern "mother" disciplines that inspired them in the first place? Or are we supposed to found new region-based foci of knowledge creation and discussion? The second concerns the development of the social science disciplines that study the economy. The Latin American social science traditions have always been less institutionalized and therefore more ecumenic and transdisciplinary than their northern counterparts. What leads research is more often than not the quest for answers to pressing problems and a militant approach to research problems rather than the scientific quest for knowledge. How are we to react to the increasing demand for "scientific" method and evidence-based knowledge at the moment of influencing debates in our countries? Are we supposed to respect disciplinary boundaries and lines of inquiry? How are we supposed to connect this in the actual practice of research and teaching in concrete educational organizations? How do we combine the institutionalization of our disciplines with maintaining porosity and exchange among them? How can we strengthen our methods and research approaches without losing our political commitments and interests? As we warned in our introduction to the first issue, it is not our duty or our will to provide answers, but to open pathways and invite reflection.

Endnotes

1 Although the NES grounded its refoundational spirit in the classics of sociology, it took a distinctly micro and meso approach that did not take into consideration macrosociological approaches to the economy, as Giovanni Arrighi complained some time ago (see Arrighi 2001). For a critical appraisal of this debate, see the interview by Andrew Schrank in this issue.

2 http://redeconomiapoliticaamlat.com/about

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Notes for a sociology of economies based on self-management, solidarity and work in Latin America

Nicolás Gómez Núñez

The construction of economies invites us to reflect on the way people experience being owners and workers of their organizations, and how these communities make decisions and implement modes of production and distribution to satisfy their needs. Economic sociology deals with these matters.

This approach incorporates the strength of evidence, thanks to which it avoids the biases that other inquiries have already anticipated. In the practical field of economics, however, the narrative of orthodox economic discipline produces a rhetoric whose performative capacity becomes a production force (Latour and Lépinay 2009). In the exercise of demarcations, economic sociology has included the diversity of empirical referents, conceptual repertories, and epistemic-methodological scaffolding to prevent scientific experience from being tied exclusively to the study of a market that has the capacity to transform values into prices.

Here lie the inquiries into alternative economies. Concepts such as *solidarity, social* or *popular economy* reflect an interest in understanding how women and men cope with exclusion from labor markets, which prevents them from pursuing life projects or meeting their needs.

The notion of *social economy* covers a wide range of economic qualities that interest us in this document; it indicates a productive sector and an area of study that has progressed since the mid-nineteenth century in Europe and Canada. One of its assumptions is the plurality of principles that guide the conduct of *homo faber* and exchange. This position recognizes that there are several biases when studying economic phenomena: for instance, the belief that there are "experts" who can anticipate the performance of economic organizations without resorting to the variables that constitute their framework of action; or the lack of consanguineous relations that forge the communitarian social capital of the families that create monopolies.

The *social economy* perspective shows that market economies are not based exclusively on the "for-profit" business model, but rather on a variety of property and organizational modalities.

In Latin America, the term *solidarity economy* was coined to name the strategies that women and men created to solve the problems derived from changes in labor markets, lack of housing, poverty, and the deterioration of the environment that results from the depletion of biodiversity and the privatization of common goods. Undoubtedly, the history of these collective experiences of economic organization and the investigations that address them are related to the development of various dictatorships, such as that of General Stroessner (1954–1989) in Paraguay; the "bureaucratic and developmentalists" in Argentina (1966–1970) and Brazil (1964–1985); the "nationalists and reformers" such as General Torres in Bolivia (1970–1971) and Velazco Alvarado in Peru (1968–1975); and the "terrorists and neoliberals" in Argentina (1976–1983), Bolivia (1971–1978), Chile (1973–1988), and Uruguay (1973–1988) (Paredes 2004).

Nicolás Gómez Núñez is a sociologists and researcher at the Faculty of Education and Social Sciences of the Central University of Chile. His main lines of research are social economy, epistemology and research methodology in social sciences, and economic sociology. His latest publications include "Technology and Reciprocity in Urban Popular Economy" (Tecnología y reciprocidad en la economía popular urbana) and "The economies of the invisible: views and experiences of social and solidarity economy" (Las economías de lo invisible: miradas y experiencias de economía social y solidaria), Santiago, RIL. *sociologonicolasgomez@gmail.com*

Researchers at that time wanted to describe the way marginalized, excluded and subordinated individuals developed solidarity within different types of organizations. To this end, they focused in their work on four areas: the social management of production, socio-environmental rationality, cooperative work, and the practices of reciprocity.

Researchers use different labels to make sense of this reality. Social economy, solidarity economy, popular economy, and "good living" all seek to describe historical modes of consumption, production, or distribution with unique qualities that are reproduced in coexistence economies. Despite the variety of labels, however, one can list at least six emerging topics within this flourishing scientific community.

1. We have learned that the organizations of the popular economy blur the separation between an informal and formal economic sector (Lomnitz 2003, Weller 2000). We also know that these organizations are work-intensive (Nyssens 1998, Ferreira 2006, Gaiger 2006), and that they produce unconventional resources that allow them to depend on community participation. These resources include commensality, reciprocity, solidarity, accumulation of values, social awareness, organizational culture, management skills, and popular creativity (Razeto 1984, Max-Neef, Elizalde and Hopenhayn 1993).

Documentation of these new productive factors required a different denomination: Factor C. This category was first used by Razeto (1987), who sought to organize the dimensions of the productive processes of popular economic organizations that did not fit the classic productive factors: capital, land, and labor. Factor C rather brought together variables as different as companionship, commensality, sharing, communion, community, charisma, or communication, thanks to which a novel area could be recognized to guide reflection on the economy. At the same time, however, the concept of Factor C did not help with understanding the phenomena that derived from these interactions, such as the collective identities that accompanied popular economic organizations when they fought for their social rights. This aspect was very important because it suggested that the associative capacities of the productive units could change the rules of the neoliberal model that had first been installed in the Chilean productive matrix.

In the last writings of Razeto (2015) and in the studies carried out during the first ten years of the new century, Factor C refers to the technical cohesion of a working group. This made the concept more specific, and technical cohesion can be differentiated from meetings where people eat, drink, or smoke together, or commensality, and from social technologies.

These unconventional economic resources would contribute to unfolding socialization processes where one or several labor identities are built (Hardy 1985), which are linked through the milestones of an organization's trajectory (Borges, Scholz and de Fátima 2014, Ferreira 2016).

2. The transformation of subjectivity in these conditions is experienced as an "inflection," a turning point, especially among people who have been socialized in the relationship of sale and purchase. For example, in the sale of its labor force, this inflection modifies the labor culture of the owner of the factory and leads towards de-proletarization; a similar situation occurs with people who have been socialized in trade, as they experience contradictions between buying at a low price to sell at a high price, or participating in short chains based on fair treatment.

In reviewing the various cases that are being reported by colleagues in the field of solidarity economy, I have no doubt that the most relevant inflection is that experienced by socialized individuals from an early age to sell their capacity for work and to be defined in the salaried workplace. Regrettably, the model of "import substitution" that protects this process in Latin America felt the consequences of the dependency on international capital and of the alliances of the privileged sectors with the capitalist transactional groups. Hence, in the last thirty years, joint ventures and state-owned companies have been under privatization and others have had to compete with merchandise produced on the basis of dumping, the prices of which are obtained when the labor force is in a situation of slavery or people cannot defend their rights.

In this context, the closure of national and workers' factories (*fábricas populares*) became the norm, inviting us to carry out systematic studies on the companies recovered by their workers. The various aspects addressed in this field include inquiry into the importance attached to self-management (Ruggeri 2012), decision-making in the assemblies (Rebón 2017), and descriptions of the tensions that appear in speeches and practices. Here, Rieiro observes the following:

> […] the forms of organization are being innovated. An example of this is the figure of coordinators and the search for horizontal planning […] Beyond the subjects and the individual interest / commitment to recovery, workers must begin to generate a collective subjectivity capable of allowing a common action. Through this participation, which tries to modify its environment, a timid change in the old contemplative attitude can be observed, happening to affect psychically and existentially in the events on those that stop being "observers" to form a constitutive and active part of them. Individual trajectories are not automatic or homogeneous. The appropriation of the productive and political project takes place between discussions, differences and internal struggles for arduous moments, but which generate an intersubjective attitude, where individuals begin to recognize themselves as part of a "we" (Rieiro 2012, 5–6).

Meanwhile, the transformation of subjectivity has also allowed us to return to the quality of social bonds, and the exercise has been carried out by reconsidering the counterpoints between the utilitarian reason hypothesis and the forms of sense assignment that are present in the interactions of economies based on self-management, solidarity and work. Here the question is the following: How can principles different than those of utilitarian exchange gain weight and supremacy? In my opinion, the answer forces us to evaluate the location of reciprocity in everyday life and in a theory of economies. For Gaiger the answer is to assume the real and conceptual existence of a "homo donator" (Gaiger 2016, 83), which helps us make sense of the practical reasons that reproduce commensality, autarky, and the market of reciprocity.

Commensality would be an expression of group identity, collective memory, of an idea of justice and equity; autarky describes a consequence of the "domesticidade," that is, the results of self-consumption management that would characterize the peasant family economy and the popular economy. And the treatment of the reciprocity market is conceived as a regulated integration that facilitates the circulation of objects and participants (Gaiger 2016, 98–109).

At this point I must emphasize that this perspective is not naive, that is, it also recognizes that reciprocity produces asymmetries that are used by companies for profit on the territory of the "domesticidade." This reveals the neoliberal policy devices of philanthropy, social responsibility, social enterprises, or inclusive businesses. All these models of reciprocity management create situations in which citizenry is cornered in the cage of the faithful consumer while the rights of workers fall into oblivion, with the force of the gifts that cascade, always from top to bottom, pacifying the class consciousness, reducing the expectation of the claims, and strengthening the distributive inequality that benefits a plutocracy (Gaiger 2016, 126–129).

3. We have also learned that the capacity to produce interactions that transform subjectivity occurs whenever there is an interpretive community (Gómez 2016), which in turn is produced when people engage in dialogues where they question the meaningful content of their productive and commercial lives. These experiences take place between congeners that are in a spatial and temporal community (Schütz 1993), and such productive collectivity displays its subjectivity thanks to the processes of production, accumulation, and appropriation. Within this "technical-methodological framework," workers and owners of the means of production and/or distribution are likely to observe themselves and apprehend others in "a permanent exchange that follows a spiral path" (Pichón-Rivière 1975, 211).

This transformation of subjectivity does not only happen with the members of the organizations that are in the popular, solidarity and/or social economy. It also happens to militants of political parties, among workers of the public sector bureaucracy or among officials of for-profit economic organizations; and it is very possible that it happens because the mass media involve these experiences and reincorporate them into the public agenda as exceptional cases. Revisiting Pérez (2002), we can argue that these means of communication disseminate the non-utilitarian and non-hedonistic identity in the globalized world, and when it returns to the local territory, neighborhood, commune, or region, it reinforces the cohesion of the commercial fraternity of the organizations and thus adds socio-cultural resources that are the basis of community social capital.

4. Economic organizations with or without profit, supportive or not supportive, create sociotechnical networks that solve production or exchange problems. In the case of solidarity economy and popular economy organizations, we have observed that they solve their problems in public spaces that are based on short marketing circuits and that also allow a transparent, predictable capitalism with fair or measured profits (Braudel 1986). Even more, those public spaces – or agoras – attract those who recycle the city's waste or make culinary preparations. In these agoras, the worker is fed, the immigrant participates stripped of his network of inclusion, and ordinary people take part in recreation (Polanyi, 2009).

In addition, this type of empirical reference has allowed us to coin the term *social technology* for the tools that are manufactured in enriched interactions with cultural values, in activities of diagnosis, choice, and planned implementation (Sen 1987; Forni 1992; Gómez 2014, 2016a). To illustrate its existence, we remember a practice of collective savings that is common among women. Over a number of days, weeks or months, an amount of money fixed by the members is deposited in a fund that is paid out to each member in turn. In Chile, this traditional set of interactions is called "polla," in Mexico "tanda," and Vélez-Ibáñez has also found other names for it: "cundina," "quiniela," "mutualista" and "vaca"; in Peru, it is known as "pandero" or "junta," in Guatemala as "chuchuval," and in the United States as "tanda" or "cundina" (Vélez-Ibáñez 1993, 32–44).

5. The experiences of solidarity economy and popular economy are models of public policies that can reach a different scale and be adapted to the qualities of each territory. More precisely, each organization is a resource-management device that does not depend on the individual with unprecedented abilities, nor on the spontaneous and willful act. The consequence we wish to emphasize here is that the performance of these organizations increases the efficiency of the ecological system, and this efficiency can be identified by the following indicators: creation of jobs, distribution of wealth, valorization of the human be-

ing, diversity of identities, enriching the solidarity and quality of life (Gaiger 2004). On the positive side of these indicators, or when the production of common goods and the extended reproduction of life are verified, we can argue that the ecological system is an "economic common-being" (Gibson and Graham 2011, 216).

The continuous action for the defense of human rights has modified common sense. Therefore, it became feasible to observe that the reproduction of the social division of labor places women in a subordinate position, and that several of the activities they undertake were not considered in the analysis. This bias, moreover, fixed a patriarchal domination in various branches of the production of life and commodities, because it was science itself that naturalized the logic of the components of these phenomena. Following this line of inquiry, the studies on solidarity economy now seek to contribute to the understanding of the economic functions of the care provided by women to their families.

6. Thanks to the involvement of the researchers with the people who took control over their jobs and who may or may not be part of an economy based on solidarity or guided by cooperation, progress has been made in the methods used by economic sociologists. It has also advanced the ways in which we build scientific knowledge about economies. Here the impact caused by the categories and variables of the *gift* is undoubted, the theoretical consequences derived from the relationships between: work and solidarity, and community and nature; and non-traditional economic resources. Without these conceptual references, it is difficult to understand why the inclusion of Mauss and Polanyi in research designs happened. Even from here, it is possible to see that there is a conceptual repertoire that delimits the phenomenon under study, where the contributions of Appadurai and Clastres are added.

Several topics still merit a deeper revision. Among them, the decolonial perspective stands as an important approach that has come to broaden observation in the field in important ways. Addressing the indigenous uprisings in Latin America, the conflictive inclusion of Afro-descendants, and the feminist movement, the decolonial perspective has strengthened inquiry into power and politics. For example, it helps us to understand, explain, and influence the construction of private property under neoliberalism, or to understand and participate in the construction of collective work that produces social surplus.

In general terms, the decolonial perspective provides two key insights to approach economies. The first is its definition of coloniality as a device for the elimination of other economies than the capitalist, and its impetus to impose a conception of society as a unit and totality. From this perspective, it was possible to observe the existence of a marginal pole that brought together survival strategies based on self-management, solidarity and work (Quijano 1998), or to confirm in favor of the formalist current of the economic discipline that there was a legitimate way to produce knowledge: the scientific (Santos 2009).

Most researchers in this field raise stark criticisms of the economic discipline, which seek to define what is, or what should be, the "expert" interpretation of the economy. These opinions argue that the practices are reduced to economic rationality, price market, economic growth and development. In addition, from different approaches, diagnoses are made about the transformations of "the Euro-American paradigms of development" (González 2014, 131) and about the variation in the behavior of capital, from its phase of proletarization to achieve profitability, towards another, the current phase, in which profitability is obtained by financial speculation, dispossession strategies, the destruction of ecosystems, the deregulation of salaried work, and the privatization of state companies.

By developing this critical stand, the decoloniality perspective plays in favor of the legitimation of the daily life of the women, men, communities, and organizations that constitute the structurally heterogeneous community bonds. And as we anticipate, this act of legitimation has been possible because these other ways of making the economy provide refuge to people who returned hopeless from the urban salaried workforce (Marañon 2014).

The second key is the incorporation of natives' ideas about the spaces and time of coloniality as a "world upside down," for which the conception of the world is like a mosaic of times and spaces that do not depend on their relationships; on the contrary, it would be a coexistence in a mottled social state (Rivera 2010, Gago, Cielo and Gachet 2018). By the same token, the assumption of the community's dependence on nature is noteworthy, which means moving the individual from the center of creation, putting instrumental reason in the margins and, in its place, using the content of what emerges from the collective that is inherent in the economies that flourish in Latin America. These collective actions would initially be an indigenist cultural affirmation and only later an effort destined to solve what modernity could not settle.

That is why the Kawsay worldview is included, and it is treated as an episteme, for example, to guide a methodology of reflection from and with the spirits that live in what is not human. As a result, we witness the display of different symmetrical sociologies that are opposite or strange to the strategies used by the state to carry out social modernization. At the same time, there is a process of construction of a relevant language, which is necessary because our language in the social sciences comes from a modernizing matrix. In this matrix, its solipsistic individual could have the capacity to elaborate a method that guarantees access to laws of universal behavior, and so he would move from the barbarian to the modern, from the informal to the formal, from the simple to the complex, to the organizations and the communities. Therefore, our language in the social sciences may speculate upon a subject that is outside of history and its community.

In favor of the new language there is a real economy that demonstrates the plurality of ways to achieve sustenance, and we must recognize that, in this common world, the codes of the economic and other aspects of life "are not interpreted, this is, they are not decoded in the plane of representations; they are lived and, in such a case, they are decoded in the plane of the experiences" (Moreno 2006, 226). It is in this sense that Rivera uses metaphorical concepts to regain the polysemy that derives from the ways of being in the world, especially those worlds that coexist without entering into lasting relationships, through which she seeks the theoretical levels (abstract and hermeneutical) of what she has lived in scientific experience. In her words,

"[…] the fact is that all those horizons -pre-Hispanic, colonial, liberal and populist- converge on the syntagmatic surface of the present, in the here-now of the lived continuum, as an apparently chaotic juxtaposition of traces […], which are embodied in everyday habitus and gestures" (Rivera 2018, 76).

As a way to close these notes for a sociology of economies based on self-management, solidarity and work in Latin America, it is elementary to assume that today the challenge invites us to place scientific experience within tools that promote co-production of knowledge, negentropy, and the formation of collective subjects that produce analyses, define the procedures based on collective reflexivity, facilitate the making of records and transmit the results to non-specialized audiences. This is very important since a large part of the economies that have occupied the previous pages register their production processes, distribution and consumption in ways different from those used by social science research methodologies and, especially, the tools for designing or evaluating public policies.

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Local resource-based growth, inequality, and state capacity

Maritza Paredes

A local resource "curse"?

Recently, Andean countries, including Bolivia, Colombia, Ecuador, and Peru, have experienced sustained growth, with average annual rates of 4.9% in the period 2011–2014. Peru averaged an annual rate of 6%, higher than the approximately 4.5% rates experienced by the other countries.[1] Growth was led mainly by mining and hydrocarbons exports. Each sector's growth in these countries has depended on external (international prices) and internal (private investment incentives) conditions (Arellano-Yanguas 2011a). The most important commodities in each country were gas in Bolivia, coal and oil in Colombia, oil in Ecuador, and copper and gold in Peru, with 2003 clearly being the starting year for the price boom in the most important commodities.

The extractive industries (referred to here as "extractives") have also been the main source of investments in the Andean region, resulting in income and tax revenues. Different rules make it difficult to compare estimates of fiscal collection from the extractive resources in each country; however, the Economic Commission for Latin America and the Caribbean (ECLAC) has estimated that between 2000 and 2012, tax revenues from the extractive sectors grew as a share of total collection in all countries under review (Figure 1).

Another key aspect during this recent boom was the consolidation of the rules for fiscal transfers to sub-national governments of a portion of tax revenues from the extractive sectors in countries like Bolivia, Colombia, and Peru. These rules establish that revenues from extractive activities must be shared between central governments and producing local governments. As this essay later shows, rules for sub-national transfers are important to understand public investments, including rural investments, in extractive local territories.

The macroeconomic impact of the metals and hydrocarbons price boom in Andean countries is undeniable. However, major doubts regarding the distribution of the social impact of this growth at the local level remain. Local analysis of resource boom effects features less in the literature, which focuses mainly on the national level. Nonetheless, there is a new and growing interest among economic development studies to build a local perspective on the effects of growth driven by non-renewable natural resource extraction. Examples are Larsen (2005, 2006) and Hajkowicz et al. (2011); and regarding Peru, Zegarra et al. (2007), Herrera and Millones (2011), Aragón and Rud (2013), Ticci and Escobal (2012) and Loayza et al. (2013) are some of the existing cases of economic research on this country's version of this local growth model. These results are not yet conclusive, and dialogue between the evidence found and theory is still weak.

The aim of this essay is to present some ideas on an aspect of local resource-based growth. This is the relation between group inequalities and state capacity in resource-based local economies. Inequality in general tends to be ignored in the empirical analysis of growth driven by extractive industries. In particular, the analysis misses how gaps between groups evolve during boom cycles. A focus on resource-based growth and inequality, particularly on social gaps between groups, is crucial, as equity is directly threatened by extractive industries. These industries distort distributional arrangements among different groups. This is the case, for instance, in urban and rural territories.

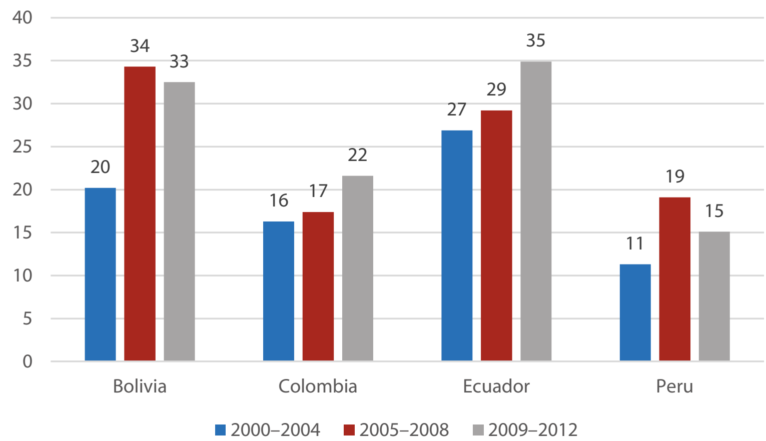

Figure 1: Income shares of non-renewable natural resources in total income (%)
Source: ECLAC

The concept of "horizontal" inequality or inequality "between groups" was introduced by Frances Stewart to differentiate inequalities between groups of people (with individuals sharing specific and important characteristics, e.g. gender, ethnicity, class, region) from inequalities between individuals, which are regularly analyzed (Stewart 2008, 2).[2] Individuals, ascribed or assigned to these categories (Sen 2007), are frequently trapped in vicious circles of exclusion (Paredes and Thorp 2015). Thus, economic growth based on extractive industries can consolidate and enhance bad distribution for these groups in the future.

In addition to the direct effects of extractives at the micro level and on group inequalities, this essay considers the mechanisms through which the dependence on extractives may distort state institutions and policy competence to manage these effects at the local level. As previous works with co-authors have shown,[3] extractives development itself has particularly paradoxical and often detrimental effects on the development of local state institutions while at the same time posing huge local management challenges. The "local resource curse" is expressed in the challenge of managing two opposing forces. The political economy produced by extractives tends to weaken key institutional development *needed* for inclusive and sustainable development, while the direct consequences of extractives on inequality, conflict, and environmental damage simultaneously make the absent or deficient institutions even more necessary.[4]

This short essay first discusses the challenging undertaking of managing local and group inequalities together and building state capacities when both are simultaneously subject to the negative effects of extractive industries. The literature and collected evidence indicate that the emerging political dynamics in contexts of abundant windfall rents from extractive industries undermine the good governance that is needed to reverse negative direct effects on inequality. Second, the essay briefly presents general data on the evolution of social inequalities between rural and urban territories in Andean countries during the most recent extractive boom (2000–2014). The data indicates sustained and increasing gaps between rural and urban territories throughout the recent cycle of the commodities boom. Third, focusing on Peru, the essay examines these results in dialogue with studies on the local effects of extractives on rural communities. It then goes on to discuss why in these contexts building state institutions becomes a problem rather than being the solution to the portrayed problem.

Maritza Paredes is Associate Professor at the Department of Social Sciences (sociology section), Ponthifical Catholic University of Peru (PUCP). She obtained her PhD in International Development from Oxford University and teaches and writes about the political economy of extractive industries, environmental social movements, state capacity, and indigenous politics. Her last book (coauthored) is "Resource Booms and Institutional Pathways. The Case of the Extractive Industry in Peru" (Palgrave, 2017). *maritza.paredes@pucp.pe*

The evolution of rural–urban inequality, 2000–2014

A study prepared for the Natural Resource Government Institute (NRGI) assesses the evolution of rural–urban inequality during the recent cycle of boom in commodities in four Andean countries (Bolivia, Ecuador, Colombia and Peru).[5] This section draws on these results to show increasing rural–urban social gaps.

In general terms, the percentage of households living in poverty has been reduced significantly for the total population in the Andean region. Poverty rates fell in Bolivia, Colombia, Ecuador, and Peru during the 2000–2014 cycle. At the beginning of the boom cycle, poverty rates were approximately between 50 and 70 percent, and at the end of the same cycle they were between 20 and 40 percent. The biggest drop, from 70 to 20 percent, is in Colombia. The same tendency is replicated with respect to extreme poverty, where the results show similar patterns. Colombia is again the country that reduces the extreme poverty rate from 50 percent to less than 10 percent, while in Ecuador it goes from 40 to 10, in Peru from 25 to 10, and in Bolivia from 45 to 20 percent.

It is thus irrefutable that this reduction in poverty has been achieved through economic growth during this cycle of expansion of extractive industries. Some studies indicate that much of the improvement occurs through non-labor income, by direct transfers. This has been possible through the social programs of governments that have more income in a time of boom of resources and also of remittances (Jaramillo & Saavedra, 2011). More non-labor income than labor income is not a bad thing in itself, but it raises the question of long-term sustainability that is so recurrent in these natural resource economies.

The distribution of the reduction in poverty, nonetheless, is not the same for all groups or territories. Poverty fell faster in urban areas than in rural areas. The urban–rural poverty ratio grew in the 2000–2014 period as a result of mining and hydrocarbons exports. In Bolivia the ratio grew from 1.5 to 2 and in

Peru from 1.8 to 3. In Ecuador it also grew from 1.5 to 2.7. Colombia is the only country that maintained its urban–rural poverty ratio at around 1. In the case of extreme poverty, the great increase observed in Peru is notable, where the ratio of rural–urban poverty goes from 5, a high amount per se, to almost 12.5. A rural household is thus 12 times more likely to be poor than an urban household. The rest of the countries, except for Colombia, also show a positive trend, but to a lesser extent.

In absolute terms, the income per capita and the poverty gap between households in urban and rural territories have increased significantly in the four countries. At the income level, urban households now have almost 100 USD more per capita income than rural households. The poverty gap has also increased. Poverty is 10 percentage points higher among rural households. This increase is greater in the case of Colombia. However, extreme poverty gaps between households in urban and rural territories have been reduced considerably in all countries except Colombia. This would indicate that inequality between groups has increased in the highest welfare dimensions but diminished in the most elemental, extreme poverty. This can also be understood given that before the boom, almost all extreme poverty was concentrated in rural areas.

Another relevant fact to highlight with respect to poverty gaps for urban and rural territories is that there are no significant differences between extractive and non-extractive areas in any of the countries analyzed. These results are consistent with other studies. Orihuela et al. (2014), based on data from the Agricultural Census, indicates that mining, for instance, does not generate tangible benefits for agricultural activity, while it is strongly associated with a negative perception of the quantity and quality of water. Other studies have shown that impacts of mining on household income gradually disappear as they move away from the urban areas (Aragón and Rud 2013).

In addition to monetary income, this analysis reveals that gaps in access to education, drinking water, and sanitation by the public networks have remained almost unchanged between urban and rural households. In the case of Peru, the study reveals only a small reduction in the case of access to water. The exception is access to electricity: in all four countries it has fallen by around 20 percentage points. In addition, results indicate that urban–rural gaps in access to services such as education, drinking water, and sanitation have increased more in extractive industries areas than in non-extractive areas.

These exploratory results indicate that rural households, in absolute terms, have benefited from higher state revenues and income transfer programs. However, in relative terms the gaps between rural and urban territories are far from closing, despite the extractive bonanza. Moreover, this bonanza may be fueling greater inequality, as this essay attempts to explain in the next section.

Direct impacts of extractive industries on rural communities

Many studies point to the importance of linkages between modern mining and local economies and their sustainability (Sachs & Warner 1995, Ross 1999, Humphreys et al. 2007, Lederman & Maloney 2006, Larsen 2005, Hajkowicz et al. 2011, Gilberthorpe et al. 2015). In Peru, several of these studies have been carried out with mixed results. Moreover, these investigations use heterogeneous definitions that are not easily comparable (Orihuela et al. 2014). Overall, the studies arrive at different conclusions about the impact of mining on local development.

When explaining the differentiated impacts on variables such as household income and expenditures only for urban households, Arellano (2012), Barrantes et al. (2005) and Zegarra et al. (2007) find mining to have no significant impact. At the same time, Loayza and Rigolini (2016), Agüero et al. (2016), Zambrano et al. (2014), Aragón and Rud (2013), Macroconsult (2012), Del Pozo et al. (2013), Loayza et al. (2013), and Ticci and Escobal (2014) do find impacts. However, these impacts are mainly concentrated in urban areas. In other words, the direct local socio-economic positive impact on family income generated by mining decreases with increasing distance from urban centers. Orihuela, Huaroto and Paredes (2014) point out that a problem with this literature is that these studies do not analyze the impacts on different types of populations or territories – urban and rural, for example – which is key to evaluating inclusive development. Based on census data, they come to the conclusion that the impacts do not reach rural areas and places that depend on agriculture.

Rural communities' linkages with mining have never been strong. Extractive industries have always operated as enclaves (Thorp and Bertram 1978) and had direct impacts on the environment. Today, however, mining arrangements with rural communities have loss legitimacy, as mining and oil operations cannot offer rural communities direct positive effects through employment. In the past, mining and oil towns were highly contaminated, but partly in the eyes of communities they offered "modern lives" with basic schooling, water, and sanitation (Li 2017). Today, distributional arrangements of labor and natural resources between companies and their rural neighborhoods have changed dramatically due to technological transformations in the extractive industry on a global scale, and relations have become highly conflictive.[6]

These changes have been triggered by technological transformations. Open-pit technology has led to an increasing geographical extension of operations, facilitating the expansion of mines and oil operations into local rural communities and territories where the industry had yet to venture. Mining activity, for instance, was formerly concentrated in a few big mining towns. However, towards the end of the 1960s underground mining became a relic of the past (Dore 2000, 16). Economical for exploiting high-grade subterranean veins, it gave way to open-pit mining, which along with the development of new machinery and chemical processes, such as lixiviation, allowed the exploitation of low-grade ores scattered along extensive areas (Dore 2000, 16). In Peru, for instance, there has been impressive growth in the number of land and water concessions for mining.[7]

With technological transformations, the newly expanded mining industry has a reduced demand for a highly qualified workforce. Likewise, direct services required by these companies have high levels of complexity and specialization. Small rural firms from localities close to the operations cannot offer these services. In sum, the highly sophisticated needs of the companies differ from the expectations of the rural town where mining takes place. Towns in Peru, where mining has arrived tend to have high levels of poverty, low productivity, and little state presence (Barrantes et al. 2005; Zegarra et al. 2007; Orihuela et al. 2014). The relationship becomes even more complicated when operations overlap with the territories of indigenous communities and other localities traditionally dedicated to agriculture, both for small markets and for self-consumption.

In addition to reduced demands for employment and services from communities, mining continues to have direct effects on the agricultural activities and the social lives of rural communities. The increases in prices of non-agricultural products affect the cost of living for rural families. Alongside the increasing cost of living, these communities suffer drastic losses in production due to the migration of young labor.

A recent case study of the Tintaya mine in the highlands of Cusco (Peru) shows how mining has affected production. Respondents reported negative changes in agriculture and livestock activity. Fewer young people are available for collective labor to work the land, clean the irrigation systems, or build agricultural and livestock facilities. The younger and stronger members of the community have migrated to the city of Yauri to look for jobs related to the mine. As one peasant farmer put it, "We rarely see each other nowadays. In the past we used to work together, as a community, today it is different."[8] These reports were confirmed with data from the national agricultural censuses. We compared agricultural and livestock production between 1994 and 2012, and the result is a clear decline in both agricultural and livestock activity. The decline is particularly drastic in the case of sheep (50%), historically the most important and extended form of livestock production for peasant families in the province of Espinar.

Why institutions are not the solution, but the problem

As the direct impact of extractives in rural territories is causing problems, the focus of policies in this new cycle has been on fiscal redistribution of extractives and the indirect impact of these rents through the work of local governments. Looking at the results in Peru, the governments had little capacity to reinvest the income from the extraction of natural capital in other types of capital – human, infrastructure, and political – that promote inclusive and sustainable development (Dasgupta and Heal 1974, 1983).

The government in Peru created a new rent redistribution scheme for producing regions, called Canon. According to this scheme, fifty percent of the tax on profits from extractive companies is redistributed to the producing regions. The larger share goes to the regional government and significant sums also go to municipal governments at the provincial and district level. The money must be spent on approved investment projects. Such payments have been an important element in the political economy of extractives to persuade local governments and the constituencies behind them that they should welcome large-scale mining. However, the result has been that relatively inexperienced local governments have received sudden increases in investment budgets with little or no capacity for feasibility studies or monitoring and evaluation (Ponce and McClintock 2014). In addition, these new governments face the high expectations of communities on mining. Communities demand rapid and visible public works, while the political opposition is interested in seizing the resources by overthrowing the government. Finally, they face rigid bureaucratic control from central government (See Dargent et al. 2017).

Considering the literature on state capacity and extractive industries, these results are not surprising. There are a vast number of studies explaining the political paradox of abundance, which also applies to bad state performance at the local level. The simple message of this literature is the "paradox of plenty." Windfall money is a problem for building state capacities. Such rents generate exclusive political systems and governments with clientelistic, authoritarian, and corrupt inclinations (Caselli and Michaels 2013, Ross 2001, 1989, Karl 1997). Thus, at the same time that extractives have a direct impact on local communities (increasing inequalities and damaging the environment), the political economy of rents from these industries has paradoxical effects on the construction of local government capabilities, capacities that are *needed* to reduce these impacts.

In countries such as Peru, where state presence in rural areas has previously been poor (Thorp and Paredes 2010), the situation is even more demanding. Over the historical absence of the state, new extractive operations add a new layer of effects on the capabilities of central and local state organizations to manage the local direct impact of these industries on rural communities. Where capabilities are needed most to reduce inequalities produced by extractive industries, capabilities are not only poor for historical reasons, they have also deteriorated under the effects of extractive activities. This deterioration is caused by politicians and governments that administer these rents and by the constituents who want to use them for their own interest instead of the public good.

The association between extractives' windfall rents and the formation of weak state capacities is through the lack of accountability (Karl 1997). This applies when governments do not respond economically to their constituents but only to a few extractive companies. Thus, governments do not have the incentives to extract income from their constituents, or to promote alternative profitable economic activities for them. The constituents in turn have no interest in negotiating arrangements to hold governments accountable for their expenditures in favor of the public. Without this accountability, studies show that governments in extractive economies are more inclined towards ineffective intervention, clientelistic practices, and corruption (Ascher 1999, Ross 1999, 2001, Rosser 2006, Leite and Weidman 1999, Luciani and Beblawi 1987, and Gunn 1993).

Likewise, local leaders or elites could become rent-seekers and demand short-term jobs or gains (Levi 1988, Robinson et al. 2006, and Trovik 2002), abandoning requests for long-term investments in human capital, infrastructure, and productive activities to support the competitiveness of alternative economic activities. When elites are able to demand coherent public policies from the national state, these actors can counterbalance the rent-seeking actions of local governments and politicians, and help to build state capacities (Paredes 2013, Saylor 2014).

Examples of these problems are the large number of "white elephant" projects carried out by municipalities that receive Canon. The main form of rapid and profitable spending is the construction of buildings, monuments, and other public works. With these buildings, local authorities can offer a large number of jobs in a relatively short space of time to seek political support for re-election. A striking case study is that of Terata, a mine being developed by Southern Peru Copper Corporation an hour and a half by truck from the city of Moquegua in southern Peru. Perla (2008) describes how very large sums were received through Canon ($20,000 per inhabitant), which resulted in short-term employment creation but to little or no productive effect. The municipality had built a market, but there was nothing to trade, so it had been taken over for municipal offices to the extent that public sector officials had three secretaries each, *que no saben ni donde sentarse* – who did not know where to sit themselves.

Fearful of low levels of competence and the possibility of corruption, the Ministry of Economy and Finance (MEF) retained the money as a central fund and disbursed it monthly. This created delays and reduced the autonomy of local governments. In addition, up to 2010, instead of building capacities from the center and responsibility at the local level, the MEF launched "restraints" in local budget spending. The result was limited "trickle down" of institutional capacities (Dargent et al. 2017)

Because most governments lack the vision and capabilities, mining companies have begun to play an increasingly important role in social development activities for surrounding communities. This is largely because most conflicts are still caused by community complaints about benefits, jobs, and opportunities that do not materialize. The concept of a "social license to operate" emerged as an industry response to the local opposition and a mechanism to guarantee the viability of the sector (De Sa 2018). According to a World Bank study, many companies have considered the use of foundations, trusts and funds (FTF) as vehicles to share the benefits of mining operations with the surrounding communities (Wall and Pelon 2011).

This incursion of companies into fostering the development of communities represents another problem regarding the construction of local government capacities. Companies take on roles and responsibilities that are of the local governments or the central state. Communities thus begin to see the companies as providers of the main services for the communities, instead of demanding them from local governments. Local governments are seen as weak, without power or resources to meet community demands. In Peru, companies have formalized a "voluntary tax" agreed to in 2006 with the García government. This tax goes into a special fund under the control of the companies and raised 518 million soles in 2006 and 485 million in 2007 – some six percent of total tax revenue.[9]

Conclusions

Two aspects that we highlight in this analysis are the direct effects of the extractive industries in creating inequalities between groups, where we have focused on the inequities between rural and urban territories, and the institutional weakness of the state at the local level in carrying out inclusive development.

It is not impossible to end the curse. However, this essay indicates the importance of addressing fundamental problems. One is the centralization of the state and the bureaucracy, with limited capacity for subsidiarity. Another is the limited enthusiasm for diversification due to the satisfaction among political and economic elites with activities that are unsustainable and based on exhaustible resources. Finally, the third is the confusion over public and private roles, which makes it difficult to act on the lack of transparency and responsibility. Only a clear recognition of the deep roots of institutional imperfections, but also of the new causes, and strong policies that purposely compensate for these roots and causes can transform the apparent local curse of extractives into some form of blessing.

Endnotes

This essay draws heavily on previous work, in particular on "Comparative and Descriptive Analysis of the Effects of the Extractive Industry Boom on Social Indicators," a policy paper prepared for the Natural Resource Government Institute in 2016.

1 In the same period, the annual average rate of growth in Latin America was 3.5%.

2 Stewart defines horizontal inequalities as those existing between culturally defined groups and not among individuals (see also Costa et al. 2017). The inequalities "between groups" are persistent historical constructions, principally of categorical couples such as female/male, black/white, immigrant/native, or rural/urban (Tilly 1999, 8).

3 This point comes from work coauthored with Thorp et al. (2012).

4 This paragraph draws on work coauthored with Thorp et al. (2012).

5 Maritza Paredes and Cesar Huaroto produced a report on the evolution of social indicators in the last cycle of the commodities boom in the Andean region. A summary of this report was produced and published by NRGI, "Comparative and Descriptive Analysis of the Effects of the Extractive Industry Boom on Social Indicators," 2016.

6 For the development of conflicts related to extractive industries, see Paredes (2016, 2018).

7 The amount of acreage granted each year to mining companies has increased significantly in recent decades, from less than 500,000 in 1990 to more than 4,000,000 in 2011.

8 Interview, Paccpaco. January 2015. Espinar, Cusco.

9 *Vigilancia Perú Perú*, no. 9 pp. 21, 23.

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Bringing development back into (economic) sociology

Andrew Schrank interviewed by Felipe González and Aldo Madariaga

Andrew Schrank (Olive C. Watson Professor of Sociology and International and Public Affairs at Brown University) is one of the few academics with a true interdisciplinary trajectory and an exceptionally wide variety of interests in economic sociology and adjacent fields working on Latin America. Although he defines himself as an organizational sociologist, Andrew has held positions in both sociology and political science departments and has written about issues ranging from supply chains to foreign investment and labor standards, from healthcare to industrial policy and urban studies, and from varieties of capitalism to the role of culture in development, doing both broad comparative work and more focused case studies of small Mesoamerican countries like the Dominican Republic. Andrew co-authored the article that became the manifesto for the re-foundation of Latin America's political economy tradition in what is now the Red Economía Política America Latina (REPAL) and is currently working on a book on economic sociology and development. Andrew agreed to talk about his views on the discipline, the challenges of interdisciplinarity, and his focus on Latin America. This is the result of a deeply engaged discussion over a Skype conversation and several e-mail exchanges where he calls for a return to sociology's early motivation of studying societies through the lens of development and claims that "what we need is an economic sociology that takes Latin America seriously." We thank Andrew for his generosity in sharing his thoughts with us. *andrew_schrank@brown.edu*

Disciplinary thoughts

Economic sociology has acquired a marked micro and meso approach, which contrasts with some of the classics in sociology that study the economy and capitalism from a more macro approach, or to paraphrase Charles Tilly, study "big structures, large processes, huge comparisons." What is your take on this process?

I don't think the *discipline* of sociology as *a whole* was *ever* committed to "big structures, large processes, huge comparisons." That was "comparative historical sociology," (CHS) which was never hegemonic (or close to hegemonic) in US sociology; it is distinct from economic sociology; and probably overlaps more with political sociology than economic sociology. You can get a sense of this from looking at overlapping section memberships in the American Sociological Association.[1] Economic Sociology has far more overlap with Organizations, Occupations and Work than Comparative Historical Sociology or Political Sociology, and they're probably more tightly coupled to each other.

Your question is phrased in such a way that it implies that there was a Time A when economic sociology was focused on "big structures, large processes, huge comparisons," and then a Time B at which it went more micro. But there was no Time A when economic sociology was macro; there was a Time A when CHS was macro, which it still is, but at that time there was (in the US) no economic sociology to speak of, or at least no Economic Sociology section of ASA. In fact, the founding dates for the ASA sections on CHS and economic sociology are 1983 and 2000 respectively.[2] And insofar as the formal sections reflect what's going on in the discipline as a whole, I think it's safe to say there was just less economic sociology in US sociology at that point.

One obvious follow-up question would be, "Why wasn't there as much economic sociology in the US before then?" Another would be, "When economic sociology finally did emerge, why was it more micro than macro? More organizations and networks than macro political economy?" I think the answer would demand a simultaneous internalist and externalist account. Externally, I suspect it has a lot to do with the shape of the US economy in the Fordist and post-Fordist eras. Back when the commanding heights of the economy were dominated by large organizations (e.g., Ford, IBM, GE), it was easier to let organizational sociologists do the work; when Fordism breaks down and networks begin to flourish (e.g., the Third Italy, Silicon Valley, decentralized production networks, etc.), you need an approach that takes things like relationships and culture more seriously. Internally, I think it's more complicated but related in part to the passing of Parsons—who wanted to leave the economy to the economists—and in part to the diminishing returns to macro (and often Marxist) political economy of the sort practiced in CHS and political sociology. If you see wide variation within a single polity/nation-state (e.g., Silicon Valley v. Appalachia, Monterrey v. Chiapas) you probably have to dig deeper than national politics to figure out what's going on. I also think that the end of the Cold War and the rise of organizational studies/economic sociology programs in business schools helped.

As a sociologist, where did the focus on Latin America and development come from? And why the smaller Latin American countries?

When I was in college in the 1980s, the US was spending a lot of time and resources mucking around in Central America. And having grown up in the US, in a left-leaning family that had opposed US intervention in Southeast Asia, I was—like many of my peers at that time—skeptical—to say the least—of US policy in Central America, which felt frighteningly familiar. And that's really where my interest in Latin America and development issues came from.

Now, you also asked why smaller Latin American countries in particular. I think that's a less important issue in US sociology than one may think, or at least a different issue than one may think, and I'll explain why I think so. I spent almost half of my professional life in political science departments—for idiosyncratic reasons. In US political science, it's very hard to study small countries in Latin America, but there's a lot of space to study Latin America more generally. Comparative politics is one of the main subfields, along with American politics, international relations, and perhaps theory and methods, and in the subfield of comparative politics, every major department has a Latin Americanist, almost all of whom study Mexico, Argentina or Brazil—sometimes in comparison—and you might get away with Chile. But Central America's not even part of the conversation, let alone the Dominican Republic.[3] Sociology is different, in part because there's no formal—and very little informal—space for Latin America at all in US sociology. US sociology is about the US and kind of Western Europe. The default assumption is that research occurs in the US; anything else has to be justified; and there's not much space at all for the Global South. So the best way to carve out space for Latin America in the core of US sociology is to show that it's relevant to a theory that US sociology cares about. If you can show that there are lessons to be learned about stratification by studying Mexico or Chile, as Andres Villarreal and Florencia Torche have done, you're fine; if you can show that there are lessons for understanding race by looking at Brazil—as Edward Telles and Mara Loveman have done—you'll be fine. But jobs aren't advertised by region, and departments don't need a Latin Americanist or an Africanist, and many don't have them.

That has a cost as well as a benefit. The cost is that most US sociology departments are, almost by definition, parochial or Eurocentric. Incredibly so. The benefit is that if you can show that your work is relevant to these theories, they don't care whether it's in a smaller developing country, like the Dominican Republic, or a larger one, like Brazil, Nigeria, or South Africa. Your average US-based sociologist is less concerned with the country or location than the theoretical implications. They're not trying to understand places; they're trying to build theories. So, when I was in graduate school and I drifted into studying the Dominican Republic, I got scared that no one could find it on a map. I went to a faculty member and said: "I think I need to shift, and either do Mexico or Brazil or something." And he said: "No! You know a lot about the Dominican Republic, you have spent time there, you understand it, why would you shift?" And I said: "Well, it's so small!", and he said: "Well, nobody cares how small it is! They care if you can find an interesting question there and whether you can answer it in a rigorous way." And you know, when I've been in political science, people look at me funny and say: "Why the Dominican Republic?" No-one has ever asked that question in sociology. It never comes up.

This explains why you studied Latin America, and the smaller countries in Latin America, but not why you did so in organizational sociology rather than a different field or subfield. In Latin America, we tend not to study the classics of organizational sociology in our undergraduate studies, so the connection between organizations, economic sociology, and development may seem a priori less clear. Do you think the US is different in that respect?

No, I think US sociology has a similar issue in the following sense. I never heard of Meyer and Rowan or Viviana Zelizer or whomever when I was an undergraduate. Actually, I never heard about most of the classics in sociology, let alone recent sociology, when I was an undergraduate. Partly because I wasn't a sociology major. But even in sociology class, I didn't get much of it. Arthur Stinchcombe has a couple of articles where he makes the following point: The gap between the way sociology is taught at the undergraduate and graduate levels in the US is enormous and is much greater than the gap between the way political science and economics are taught. An undergraduate in US political science or economics is essentially doing what the graduate students do but at a more elementary level.[4] And Stinchcombe's point—which to some degree I buy and probably reproduce in my own pedagogy—is that undergraduate sociology in the US is essentially about activism. It's about getting you pissed off about an inequitable and oppressive social system. (One that I happen to believe is *demonstrably* and *increasingly* inequitable and oppressive.) But if you go to graduate school in most major sociology departments you're somehow supposed to become a scientist (or perhaps "scientist") in relatively short order. In undergraduate sociology, you're reading all these polemical works that are documenting the social problems in the US—and to some degree in Latin America, but mostly in the US—and much less sociological theory, especially more recent theory like the works of Meyer and Rowan, Granovetter, Zelizer, or people like that. And, yet, somehow you're supposed to go to graduate school, become a scientist, and know (or quickly learn) all this theoretical (and methodological) stuff. It's hard! And it's especially hard now that we're deliberately trying to limit the time to do a PhD. I'm not saying that's good or bad. There are obviously costs and benefits no matter what you do, and it's not clear that there's a "right" or "wrong" way to teach these things. My point is just that, in general, I don't think undergraduate students in US sociology get a lot of organizational studies either.

And this leads to a clarification in terms of the first part of your question: I didn't enter Latin America through organizational sociology; I entered organizational sociology through Latin America. Given the aforementioned gap between undergraduate and graduate training in the US, I came to graduate school unfamiliar with organization theory, committed to Marxism, and prone toward "huge comparisons." But I set out to write a dissertation on maquiladoras in the Dominican Republic, and those commitments and comparisons weren't helping me make sense of the variation I saw there, where the key actors were organizations like multinational garment firms, local suppliers and subcontractors, and government agencies. So I came to embed that research in organizational and economic sociology.[5] (This is broadly true of related research on network failures that I've been doing with Josh Whitford at Columbia.) By the time I finished the maquila research, however, and started to study labor inspectorates in Latin America, with Michael Piore at MIT, I was more self-consciously thinking of myself as an organizational sociologist. For instance, I'd already started teaching graduate courses on organizations. And labor inspectorates are pretty clearly organizations. So the literature on organizations—where Mike had already made signal contributions—provided a natural home. More recently, I've begun to study health ministries and pharmaceutical firms in Latin America, and once again I'm self-consciously thinking about organizational studies. So I think the common denominator here is organizations, but I got there through the back door: Latin America came first, organizations came later.

The thing that's interesting to me now that I think about it is that in graduate school I also studied demography, and did my exams in demography. And while I never worked as a demographer, a lot of my thinking about these issues is influenced by demography and demographic methods. To take one example, a fair bit of the work that I did on these garment firms in Latin America was essentially organizational ecology, which is a field of organization studies that draws heavily upon demographic concepts and methods to understand the life courses of organizations and population dynamics among organizations. I did a fair bit of that in my studies of these Dominican garment firms. In my study of the Dominican labor inspectorate, moreover, I examined the life courses of these individual labor inspectors—how they entered the labor ministry, stayed with the ministry, exited the ministry, etc.—and again, the concepts and techniques applicable there are very much from demography.[6]

Studying Latin American (political) economies and the challenges of interdisciplinarity

What is it like to study (economic) sociology in Latin America from a US university? How do you make sense of the concepts from different fields of sociology (organizational, economic), which are developed for US or Western European societies, in Latin America? Was this one of your main concerns when you wrote the article with Juan Pablo Luna and Vicky Murillo that became a key reference for the foundation of REPAL?

First, I think US sociology *is* Eurocentric and parochial, at least insofar as: (i) the bulk of what gets studied are European societies and their wealthier (and seemingly more similar) offshoots, including the US; (ii) the discipline's underlying assumptions are broadly modernizationist; and (iii) departments and hiring decisions tend to be structured thematically rather than geographically. Compare US political science and sociology in that regard. As I mentioned above, US political science has a vibrant subfield of comparative politics: large departments tend to have at least one Europeanist, Latin Americanist, Asianist, etc. and to offer courses in their respective areas; and hiring is structured accordingly (e.g., you'll see ads for "Latin Americanists"). Sociology's subfields and courses tend to be thematic—organizations, inequality, family, etc.—and jobs and positions are allocated with that in mind. Occasionally you'll see an ad for a "Latin Americanist" or "China expert," but not often; people frequently study regions where they don't speak the native language; and large departments frequently leave large parts of the world uncovered—note that I'm making no claim as to whether this is good or bad; I'm simply noting the difference.

With regard to the application of concepts that are developed in a North American context to Latin America, I think it's an empirical question. Sometimes they travel really well and sometimes they travel rather badly. I think that they probably travel better in organizational or in economic sociology than they do in political science. The story of that article Juan Pablo [Luna], Vicky [Murillo] and I wrote is illustrative of this. Vicky, Juan Pablo and I wrote that article because we found ourselves frustrated by the fact that Latin America was a net exporter of concepts in the 1950s and 1960s and was by the 1990s–2000s a net importer. And so, for example, the people we always come back to in the article, and in informal discussions, like Guillermo O'Donnell, Albert Hirschman and Fernando Henrique Cardoso, are prominent, represent political science, economics and sociology respectively, and are the tip of the iceberg—insofar as there were many more Latin American social scientists (and/or social scientists who studied Latin America) who were incredibly productive and influential beyond Latin America in the postwar era. But by the early twenty-first century, you have people taking models from North American political science and applying them to the Argentine Congress, for example, publishing articles in the American Journal of Political Science (AJPS) in that way without paying any attention as to whether the Argentine Congress is a meaningful institution in a hyper-presidential system or anything like that. And we were very frustrated by that.

Part of the reason for this, we thought, was that US-based political scientists had a career incentive to get into the top US journals—AJPS, American Political Science Review, Journal of Politics—and those journals were familiar with the study of Congress, and the study of voting behavior, and things like that. They weren't familiar with studying informal politics or weak institutions or things like that. And they weren't familiar with the methods used to study those things. So we thought that the combination of democratization and the globalization of research had been ironically perverse for Latin American political science; democratization was good for Latin America but bad for Latin American political science, as we argued, because up until democratization you couldn't study the Argentine Congress, it didn't exist—at least not in a meaningful way. But with democratization you could bring this North American political science into Latin America and you had a career incentive to do so. I don't have a problem with that per se, but as far as it crowds out a type of political science that I thought was potentially more meaningful for Latin America, I thought it was upsetting.

Sociology is very different in part because many of the organizations and the institutions that are being studied in the US context are present in Latin America and have always been present in Latin America. It's not like there was a pre-democratic era when you didn't have firms and bureaucracies and social movements and all of these things. They existed in 1965, in 1970, in 1975; they might have been different, but they existed. And so a concept that is developed to understand a firm or the diffusion of a management strategy or a social movement strategy or something like that is, at least broadly, potentially applicable to Latin America. Now, whether it actually applies in a given context is an empirical question that merits investigation. But I don't think the institutional break is as sharp.

To be clear, I don't want to say that sociology or political science are better or worse, but they're different. In political science, comparative politics (CP) is an encompassing subfield. So, someone like Vicky [Murillo] or Steven Levitsky, or going back a generation, David Collier, might be at the top of the field, but CP might still be second to American politics in the status ordering of the subfields. Still, being at the top of a subfield like CP is a big deal. Consider, by way of contrast, sociology, where developing countries are relegated to the sociology of development section of ASA, or the world-system section. Those aren't likely to be the largest or highest-status subfields, because there are 50 different sections in ASA. So winning that battle is just not going to get a foot in the door of US sociology for Latin America or the Global South. Which is one reason why I think people who really want to get US sociology to take the Global South seriously should think about whether, in spending that much time building sections like development or world-systems, they're mainstreaming the Global South or marginalizing it. I think the real way to get Latin America or the developing world taken seriously in US sociology is precisely by penetrating the organizations section, the inequality section, the gender section, the family section; these are the sections that more people care about. And if these sections do not have anyone working on the Global South, US sociology will stay parochial.

There is an irony here, and it is the following: I think US political science is much less parochial than US sociology; it has a very large section, comparative politics, that is explicitly dedicated to studying other parts of the world. Within it, the Global South is prominent. And, like I said, every major department has a Latin Americanist, an Africanist, etc. In that sense, it's a much more globalized, much less parochial field. Whereas in sociology, the vast majority of people in US departments work on the US. The irony is that I actually think that US sociological concepts travel to the Global South much better than US political science concepts. Like I said, developing countries have organizations and social movements whether or not they have elections or bicameral legislatures. So there is a huge opportunity for two-way interchange between the Global South and the Global North that is not being fully exploited.

In the first number of our three-issue editorship of this Newsletter, we asked ourselves whether there is something like a "Latin American economic sociology"? What do you think about this?

I think your question leads to other questions. What do you mean by Latin America? Do you mean "based in Latin America"? Do you mean "practiced by Latin Americans"? Do you mean "about Latin America"? Depending on your answers to those questions I might have different answers myself. I also think it depends on what you mean by "economic sociology." But I think my gut answer to your question is that if sociology in general—definitely in the US but I think not just in the US—is not regionally defined—in the way political science is—then, there can't be a Latin American economic sociology. There is *an* economic sociology and it addresses similar questions in different parts of the world. I think there may be a "Latin American politics", because US political science is regionally defined and politics in Latin America are in myriad ways different from politics in North America. The concepts don't travel in the same way, and the discipline is organized differently. But as far as I believe that the concepts travel better in sociology, which isn't organized by region anyway, I think that walling off a Latin American economic sociology could well do more harm than good. *What we need is an economic sociology that takes Latin America seriously and learns from (and with and in) Latin America*, which is a different thing. I can explain this further.

In sociology, one finds thematically and at times methodologically similar work on different regions being carried out under different labels in different institutions, e.g., when a US-based sociologist publishes an article on deindustrialization in the US it's "economic sociology" and in all likelihood published under that banner; however, when she publishes an article on deindustrialization in Argentina, it's "sociology of development" and placed accordingly.

But this is to some degree a *choice*. If she wanted to cast her article on deindustrialization in Argentina as "economic sociology," and try to publish it under that banner, she could. She could frame and pitch it either way: as "development sociology" or "economic sociology." The choice is largely hers, and the question is therefore, "Why does she make the choice she makes?" And the answer, I think, is that US-based sociologists who study non-US (and all the more so non-OECD) countries are trapped in a dilemma by the very parochialism of US sociology. They can either carve out their own thematic or regional space in the ASA, create their own journals, hold their own conferences, etc., or try to force their way into the "mainstream" institutions. It's easier to do the former: call it "development sociology," present it on a "development sociology" (or "world systems") panel at ASA, and publish it in a specialist journal focused on the Global South. But the returns to doing so are lower, because in making that choice they're almost guaranteeing that most US-based sociologists will ignore their work. Of course, the alternative—labeling it "economic sociology" and trying to publish it in the mainstream US journals—is much harder: There's more competition for a finite amount of space, and the reviewer pool is unfamiliar with (and potentially uninterested in) the regional context; their default response will be, "Why are you studying this in Argentina if there's plenty of deindustrialization to study in the US?" (Often this is followed by, "where the data are better.") So the hypothetical student of deindustrialization has to make the case for studying it in Argentina, and that case will have to begin with the unique theoretical (or perhaps methodological) insights brought by the (empirical) case. Most editors and reviewers won't find the fact that 45 million people live in Argentina, or that Argentina might lend insights into deindustrialization in the rest of Latin America, good enough. They're interested in the theory, and the case is only interesting insofar as it pushes the theoretical framework further.[7] Again, note the contrast with political science where you might have to justify your choice of cases within the subfield of comparative politics, but you're less likely to be asked what that case teaches students of American politics or political theory.

There's an irony here, which is that the dilemma faced by students of Latin America (or developing countries more generally) in US sociology is a lot like the dilemma faced by Latin American producers more generally: to protect and compete for potentially smaller returns in a smaller market or open and compete for potentially larger returns in a larger (and thus more difficult) market? This contrast is obviously overdrawn. The nature and level of the returns depends largely on your goals (or target audience). Hybrid strategies are available. And I think there are costs as well as benefits to both approaches. The piece that

Juan Pablo [Luna], Vicky [Murillo], and I wrote outlined some of the costs to "opening" in political science, but I think there are real benefits as well and that they extend to the North and the South. Now, in thinking about which strategy to choose, I think we'd do well to remember the large and growing number of (economic and non-economic) sociologists studying Latin America in the *core* of US sociology today: Javier Auyero and Gianpaolo Baiocchi in urban, Florencia Torche and Andres Villarreal in inequality, Laura Doering, Daniel Fridman, and Steve Samford in economic, Edward Telles and Mara Loveman in race and ethnicity, Miguel Centeno, Rob Jansen, and Jocelyn Viterna in political, etc. And these are just the names that come to mind off the top of my head, not the product of a systematic review. They're people who are working in Latin America but aren't necessarily or primarily (let alone exclusively) identified with "development sociology" or "world systems," in thematic terms, which if nothing else suggests to me that there's space for Latin America in US sociology. Whether people want to occupy that space, which people, how to do so, what they'll get out of it, etc.: these are all questions that need answers. I don't claim to have them. But I think the mere existence of the aforementioned people suggests that the space for Latin America in US sociology may be broader than we've been led to believe.

There is a tradition of studying the economy in Latin America that has been lost in the current research of Latin American economic sociologists: the old structuralism, dependency theory, etc. What happened with it?

Insofar as that tradition has been eclipsed or has not flourished as much recently as it did once upon a time, I think there are at least three questions that one may have to ask: First, is that because of the growth of a US-style economic sociology? It might be that this tradition was going to decline on its own and it didn't need any help. The second is whether the real blow to Latin American economic sociology of that sort was less US-style economic sociology than US-based structuralism in the following sense: I think that the Latin American structuralists were doing much more interesting and productive work than most of the people in North America who picked up that label, those ideas and concepts—in general, there are probably exceptions. And in some ways, those Latin American ideas and approaches were discredited by their adoption in vulgar form by people in North America. I think this is the point Cardoso made thirty or forty years ago.[8] And I think he was absolutely right. And, third, insofar as Latin American structuralism and the like have faded, whether due to their eclipse by US-based economic sociology, their corruption by US-based structuralists, the arrival of their "past due" date, or whatever, should we care? What, if anything, has been lost?

So, insofar as Latin American structuralism has faded, three questions: Was that a good or a bad thing? Maybe it just ran its course. Insofar as it was a bad thing, was it because of the new economic sociology or not? And, finally, might it actually have been due to the failings of North-American structuralism? And I think that if I were a Latin American structuralist, and I was annoyed that my ideas weren't taken as seriously as my uncle's ideas, I wouldn't be pointing my finger at the new economic sociology, which I think is just a fundamentally different project. I'd be more pissed at the people in US universities who took these ideas and made them vulnerable.

The foundation of REPAL was partly—as you yourself recognized—a reaction to the need to go back to that tradition of interdisciplinary Latin American political economy where sociologists had an important role. However, today REPAL is mostly attended by political scientists. Why do you think this is the case?

I think that sociologists can find a home in REPAL, but I think that it partly depends on what they want from their careers. Most of what happens in REPAL is not particularly sociological. So, if you're a sociologist based in the US or even based in Latin America, I think that you're most likely to find a home at REPAL if you're not particularly at home in your sociology department. And I think the reason for that is that REPAL, deep down—and I don't think people would acknowledge this—repalistas are implicitly rational choice in orientation—much as I think most US political science has become implicitly rational choice in orientation. You find almost entirely materialist analyses in REPAL; they might not be rational choice in the most narrow sense—self-interested utility maximization, methodological individualism—but you don't hear words like "culture" or "ideology" or "nationalism" or "values" very often. And I think, getting back to Stinchcombe, the big difference between sociology and economics is that economics tends to treat rationality as an assumption and sociology tends to treat it as a variable. That's not to say that sociologists doubt people are *ever* self-interested utility maximizers, or think everyone's an altruist, but they think this is a variable that needs to be investigated and not readily assumed. In economics, rationality is the baseline assumption, and departures from rationality are surprising. Insofar as political science in the US has moved closer and closer to economics, moreover, I think it has moved closer and closer to the rationality assumption.

To be frank, I think REPAL and its members face a "legitimacy-loyalty" dilemma—for lack of a better term. The way to legitimate what you're doing in the American Political Science Association, or in the very high-status political science departments, is to look like US political science: it's to be studying formal institutions and electoral behavior, adopting mainstream assumptions, using quantitative methods and increasingly experimental and quasi-experimental methods, etc. REPAL started in an effort to push back against that and be loyal to a tradition in Latin America that's quite distinct from that. Not so much opposed to these things but eclectic in orientation. But the sweet spot is hard to find. If you're too far down the road of loyalty to that tradition, you're so isolated from US political science that you're completely marginal. If you go too far down the road of legitimating yourself in US political science, then you're abandoning the goals that led you to create REPAL in the first place—which was loyalty to a prior tradition of Latin American politics. I think that's a real dilemma and has been a dilemma since REPAL's very formation. I don't go to REPAL anymore for a variety of reasons, so I don't know for sure, but I think the legitimacy side has been winning.[9]

Has the institutionalization of these fields prevented the interdisciplinarity of today's efforts to rethinking a sociology of the economy as in the past?

I think it's true. I myself have been very ambivalent about the two disciplines [political science and sociology]. When I'm in political science, I wish I was in sociology; when I'm in sociology, I wish I was in political science. When we wrote that manifesto, and helped found REPAL, I was in political science. In political science, there's a vibrant field of Latin American politics, and when we wrote that we wanted to contribute to that field, and that led to interdisciplinarity. You can't understand Latin America *as a region* without economists, sociologists, or anthropologists who also study Latin America. Insofar as the other social sciences turn inward, however, it doesn't matter what comparative political scientists do; they're going to have fewer and fewer non-political scientists to play with.[10] It takes two to tango. Now that I'm back in sociology, where my goal is less to understand Latin America as a region than to understand firms and bureaucracies in general, I see it from the other side. I still love Latin America, and care deeply about what happens there, but my job is defined thematically rather than regionally. So Latin America is a place from which to draw ideas, from which to draw data, from and toward which to contribute and collaborate, hopefully, but not a field of study in and of itself. And what that means for me personally is that—like it or not—I feel less of an incentive to be interdisciplinary, or to interact with Latin Americanists beyond sociology; on the contrary, my interdisciplinary ventures will most likely be thematic rather than geographic in orientation.[11] In short, I'm much more influenced by disciplinary themes when I'm in sociology, which isn't organized by region, and by geography and region when I'm in political science, which is organized by region—and I don't think this is coincidental.

Economic sociology and development

For a couple of years, there has been a trend for incorporating insights and concepts from the varieties of capitalism literature (VoC) to understand Latin America, particularly its development challenges. What do you think of this?

There is a quote from Weber that the social sciences have advanced not through debates over findings but through debates over concepts. The point I've always taken from this quote is that the real contributions of the social sciences are the concepts not the findings; the findings come and go. People don't believe in the Protestant Ethic the way Weber talked about it, but we still talk about the Protestant Ethic; most people don't talk about charisma the way Weber talked about charisma, but they still talk about it. Exploitation, etc. Various concepts that we know. You don't have to go back to Marx and Weber: VoC is an example. I don't know too many people who are true believers in VoC; but I know tons of people who talk about liberal market economies or semi-specific skills or concepts that we got from VoC.

VoC itself gets some of these ideas from other places—John Zysman, Andrew Shonfield, Ronald Dore, etc. These ideas were percolating long before Hall and Soskice refined, revolutionized, and packaged them in the VoC volume. And I think that in doing so they did us a great favor. You know, when I teach it to my students, I tell them: if you plug VoC into Google Scholar you find thousands of references—almost all of them critical—but the fact is that you have to engage it. And by engaging with it, our knowledge grows. Another way to think about it is: If you want an incredibly blunt account of differences across the OECD, it's probably as good as you're going to do. The question is whether you want that blunt an account. Some people want a really blunt account, and that's fine. I just see room for a little more subtlety. I think in terms of the original varieties of capitalism framework, one of my concerns is that the ideal types of the US, UK, Japan, and Germany are reasonably described by these concepts—again there are big differences between these countries, so it depends on what you mean by "reasonably." (It might also depend on what you mean by "ideal type.") But once you start going to country number 5 in the pool of liberal market economies; country number 8 in the pool of coordinated market economies, it doesn't really look like it's doing a lot of work for you. Another way to put it is: I think that the variation within these categories is as great as the variation between, and that could easily be obscured.

I think the same thing applies to Latin America. You can come up with a Latin American VoC—and it's interesting that more than one person has tried and they don't seem to produce the same typology. But if you spend time in Chile and you spend time in Honduras, the idea that these countries are part of the same VoC starts to feel a little bit sketchy. So I think it is an interesting approach to be in dialogue with, but I think most of what we learn is going to come from the critiques and not from the approach itself—but I say that incredibly respectfully, and I have all the respect in the world for this. It's a very friendly debate and I think it derives in part from how much you want a single package to put the region in. But I'm probably not a regionalist, instinctively or institutionally; I'm a sociologist, so I want to learn this from the Dominican Republic, and that from Chile, and this from Mexico, etc. And if you think of it not as a region but as somewhere you're going to get concepts to understand family, organizations, or inequality, you're less worried about having a type of package like this in the first place.

In some of your recent works you advocate for a new economic sociology of development. What does that look like?

I'm finishing a book that elaborates on the article where I develop these ideas.[12] One of the points that I make is that the two big assumptions behind neoclassical economics—the hegemonic field—are diminishing returns and rationality. If you've got both these things, you should get convergence of incomes around the world, and given that income is everything in economics, everything else will converge and you suddenly have international equality. And the obvious problem is that this hasn't happened, at least not yet, despite the fact that neoclassical economics assumes rationality and diminishing returns. So, what's wrong?

What I say in that article and the book is: There are two different answers to that question, each of which has given up one—but not both—of these assumptions. World-systems analysts believe in rationality—they're not worried about culture, ideology, etc. —but they think there are no diminishing returns; they think there are increasing returns, and that's why the rich get richer and the poor get poorer. On the other hand, you've got modernization theorists and traditional development economists. They think that in traditional societies—pre-capitalist, pre-modern, etc.—people aren't self-interested actors; they're driven by family norms, community values, etc., but they become rational once they adopt western culture and embrace these ideas, at which point they'll act like self-interested utility maximizers, and because there are diminishing returns, then the neoclassical predictions will come true: you'll get convergence. So for the world-systems analysts, the problem is that the whole system is stacked against poor countries, and that has nothing to do with culture and values; and for the modernization theorists and traditional development economists, the problem is a cultural one: if the culture changes, everything is going to be OK. But what's missing from that two-by-two table is the fourth cell: where you can't assume that people are rational and you can't assume diminishing returns. Both of these are variables, they're not (or shouldn't be) assumptions, and that's sociology's natural habitat.

I think that the new economic sociology should occupy that cell and say: We need to study under what conditions there are diminishing returns, and under what conditions there aren't, which is a traditional concern of urban sociology, a traditional concern of a variety of subfields in mainstream sociology that have tried to understand why rents keep going up in New York when you'd think they'd diminish, why people and firms keep moving to Silicon Valley even though costs are high there, etc. That's urban sociology 101 going back to Park and Burgess and the concentric zone model. Perhaps earlier (e.g., Von Thünen in geography). And the other part of that cell is under what conditions are people self-interested utility maximizers and under what conditions are they more prone to cooperation. And that's cultural sociology 101, family sociology 101, etc. All of these things have a bad name in development sociology because they're associated with modernization theory. And I think part of what the economic sociology of development needs to do is to recognize that there were all sorts of horrible things associated with modernization theory, but not all of it was horrible. There are actually some things that we can learn from modernization theory, and I'll give you one example: No one doubts the demographic transition, at least in broad outline. No one doubts that fertility rates start out very high, mortality rates start out very high, and that over time, everywhere we've observed, they've declined. There are debates about which comes down first, fertility or mortality, etc. But when I was a kid, I'd read articles with titles like "World Population: 50 Billion!" It didn't come true! And it didn't come true because something like the demographic transition occurred even in places where people thought it wouldn't occur. That is consistent with modernization theory, and it's not really consistent with world-systems theory or dependency theory, and it's interesting to me that people affiliated with world-systems theory don't really talk to demographers that much. Why? I don't know, but I suspect one of the reasons is that they don't want to acknowledge that, in this place, modernization theory was right—and that gets us to other issues like: education, and shifting resource transfers, what does fertility (or for that matter morality) decline do to human capital and labor markets, where and how do gender relations fit into all this, and things like that. And at the same time, the world-systems theorists have a lot of valuable contributions as well, but if people don't talk to each other across these divides, we're foregoing a huge opportunity for sociology to make really valuable contributions in a cell—can't assume rationality, can't assume diminishing returns—that is currently completely unoccupied. So why should economic sociology not occupy that cell, and people begin to talk to people they don't currently talk to within their own discipline? This is one of the reasons I studied demography. And, unlike a lot of my colleagues in development sociology, I like demography, and believe there are many things that can be learned from intra-disciplinary dialogues of this sort. The modernization debate is more than fifty years old. It's 2019. We have bigger problems to take care of: Bolsonaro, Trump, Le Pen… I'm not going to waste my time fighting some fight about modernization theory; instead I'll take what's useful and leave the rest behind.

More generally: I never cease to be amazed by how much time we spend in the US forcing our students to read Marx, Weber, and Durkheim without mentioning that they were sociologists of development. In every major sociology department, you have to take at least one or perhaps two theory courses to get your PhD. The first of these is typically Marx, Weber and Durkheim. And they were basically studying development, right? That is what they did! The roots of sociology lie in understanding development. Whether it is bureaucratization for Weber, industry and the growth of the factory for Marx, or the division of labor for Durkheim, this is development! So somehow development has become a marginal subfield in the discipline, as practiced in the US, when the only thing that everyone reads and has in common is in large part about development.[13] It's incumbent upon sociologists interested in the Global South to force that back into the mainstream of US sociology; as I said before, I don't think that carving out space in the margins of US sociology would be the solution. We need to bring it back into the mainstream.

I'd like to conclude by discussing the way these artificial or ill-considered boundaries manifest themselves from the southern side of things: I was visiting a Latin American university recently and a former student who was back on the faculty there said to me: "The problem is that no one here studies development. I'm all alone because no one studies development." And I said: "Wait, what do you mean? You're in a sociology department in a Latin American country. What do you mean no one studies development? Is there anyone in your department studying healthcare? Is there anyone in your country studying professions? Is there someone in this department studying inequality?" And he said "Yes." But this leads to the obvious follow-ups: If you study healthcare in Latin America in a US sociology department, what would you be considered? A sociologist of development. If you study inequality, professions, etc.? Same thing. So why are these people in Latin America not sociologists of development? Because they don't cite Wallerstein or Peter Evans, etc.? No, they study development even though they don't think of themselves as sociologists of development. So I think those of you in Chile or Argentina or Mexico, whether the people in your department think of themselves as development sociologists or not, many of them are by US standards development sociologists! We need to learn more from each other, and I think we should care less about the label and be more concerned about countries undergoing these changes.

Last related point: One consequence of this mislabeling, or perhaps different labeling, is that I frequently learn much more about "development" from talking to people who don't think of themselves as development sociologists in Chile, Mexico and Argentina, than I do from talking to people who do think of themselves as development sociologists in the US. Give me 24 hours with someone who studies healthcare in Chile in Santiago, versus someone who studies healthcare in Chile in New York, and I'll take Santiago everyday whether they're citing Wallerstein, Evans, etc. or not. I don't care who they cite, I care what they know. And Latin Americans know way more about their societies than I ever will, however they label it.

Endnotes

1 See: http://www.asanet.org/sites/default/files/section_membership_overlap_matrix_2018_0.pdf

2 See http://www.asanet.org/asa-communities/asa-sections/history-sections

3 Marcus Kurtz, a political scientist at Ohio State University, tells me this has changed a bit in light of the "credibility revolution" that has overtaken political science in recent years and, in so doing, shifted the discipline's focus from external to internal validity.

4 See the recent piece by Dylan Matthews, "The Radical Plan to Change How Harvard Teaches Economics," Vox, May 22, 2019, on the evolution of undergraduate economics training. https://www.vox.com/the-highlight/2019/5/14/18520783/harvard-economics-chetty

5 In this respect I owe an enormous debt of gratitude to John Padgett, Gary Herrigel, and the late Roger Gould at Chicago, who let me participate in their Organizations and State Formation workshop when I was finishing my PhD at Wisconsin. Until that point I didn't know the first thing about organizations.

6 Like many others, I've been heavily influenced in this regard by Arthur Stinchcombe's classic work on "social structure and organizations," which also goes a long way toward bridging the aforementioned micro–macro divide. See Michael Lounsbury and Marc Ventresca, "Social Structure and Organizations Revisited," in M. Lounsbury and M. Ventresca, eds., *Social Structure and Organizations Revisited*, Research in the Sociology of Organizations (vol. 19), New York: JAI/Elsevier Science, 2002, 3–36, for a review and references.

7 A plausible response would be that the mainstream US journals and associations *should* treat the US as the default precisely because they're in the US, just as the mainstream Latin American journals and associations can treat Latin America as the default because they're in Latin America. But insofar as the mainstream US journals and associations are located in a hegemonic power, and purport to arbiter the quality and importance of work in the discipline as a whole, this rings hollow (and parochial) to me.

8 Cardoso, F. (1977). The Consumption of Dependency Theory in the United States. *Latin American Research Review* 12 (3), 7–24.

9 I should add that I've been challenged on this score by a number of trusted friends and colleagues who've continued to attend the meetings—up to and including those held in May of 2019, which occurred after the interview—and thus have better information than I do. In that light I'll reconsider.

10 Steve Samford reminds me that US political scientists have traditionally been far more supportive of area studies and language programs than sociologists and economists, and I'm grateful for their efforts in this regard.

11 One clear exception is the Cambridge Elements series on "Politics and Society in Latin America," which I'm co-editing with Tulia Falleti, Juan Pablo Luna, and Vicky Murillo, which is very much designed to animate and propagate interdisciplinary scholarship from across the North-South divide.

12 Andrew Schrank, "Toward a New Economic Sociology of Development," *Sociology of Development* 1 (2) 2015, 233–58.

13 This is no less true of more recent additions to the canon. See, e.g., Lawrence J. Oliver, "W. E. B. Du Bois and the Dismal Science: Economic Theory and Social Justice," *American Studies* 53 (2) 2014, 49–70 on DuBois and the question of development.

Conference report

The Public Vocation of the Social Studies of the Economy – La Vocación Pública de los Estudios Sociales de la Economía

At the end of May 2019, Gustavo Onto, Fernando Rabossi, José Ossandón, and Federico Neiburg organized a conference at the Institute of Philosophy and Social Sciences (Instituto de Filosofia e Ciencias Sociais) of the Universidade Federal do Río de Janeiro. Its purpose was to gather together Latin American economic sociologists/anthropologists to discuss a particular question: What is the public vocation of economic sociology/anthropology in Latin America? As a scholarly community, we have been meeting for around 15 years at workshops and conferences, such as LASA or SASE, as well as through other forums, such as the "estudiosdelaeconomía" blog, special issues, or edited books. This time, however, it was different. We were not asked to present research reports or discuss methods, approaches, and findings. We were asked to share our experience as "public intellectuals," producers of cultural goods, social movement activists, critical commentators, or policy advisors, to name a few. In the words of the organizers: "How do we relate to those outside academia who share our interest in the economy? How do we talk to journalists, students, economists, experts, regulators, entrepreneurs, workers, traders, or activists?"

Three ideas inspired the conference.[1] Firstly, even though we came from different countries, universities, and academic traditions, through the years we came to share a common way of approaching economic phenomena that is best captured by the notion of "social studies of the economy." Such a label, as Ossandón put it, emphasizes – among other things – a marked ethnographical approach that gives symmetrical attention to experts (economists, regulators, economic journalists, traders, etc.) and non-experts (households, the poor, consumers, etc.). Secondly, as the community grows and occupies different institutional positions, it is worth asking whether the social studies of the economy network produces a particular type of "public intellectual." Finally, this is an empirical question, which is the reason that brought us together in the first place.

Eighteen scholars presented and discussed, in Spanish and Portuguese, with students and other attendees for two full days. The initial questions turned into new ones, produced new angles, and triggered an ongoing attempt to come to grips with the identity of the group. In the remainder of this brief report, I would like to sketch some of the main questions and discussions during the encounter. Although it would be impossible to do justice to the multiple perspectives, tensions, and concerns expressed by the group, I think there are a few key issues that are worth stressing.

Becoming public. A first dividing question related to the way we present ourselves in the public arena and to what extent this implies some type of political engagement. As Heredia pointed out, "becoming public" had something to do with being tangible, visible, related to the "common good," or all of them at once. The answer to this question unraveled through the presentations: there are as many ways of becoming public as there are publics to engage with. Working with regulators (Onto and Fernandes), NGOs (Breton), economists (Loureiro), trade unions (Monteiro), entrepreneurs (Santos), editors (Luzzi and Wilkis), journalists (Undurraga; Fridman), students or activists (González), to mention some, all implied a way of "going out" of academia. But the means to do so, the challenges, and the implications for our scholarly work change with the interlocutors. Publics differ according to their languages, ways of political engagement, goals, demands, and expectations. Some of them, such as experts or regulators, may be reluctant about working with social scientists or suspicious about the potential contribution of alternative views. Others, such as trade unions, editors, or social movements, may be eager to receive technical advice or demand the translation of research outputs to broader publics. Interestingly, the public role of the social studies of the economy may switch across two sides of the same coin. One may be public by contributing to the public agenda, especially by working alongside other experts to design, modify, or implement public policies. But one may also work alongside activists to protect people from the consequences of such policies, or debate alternative interpretations of public numbers with technocrats. Finally, it is important to take into account that our trajectories may also differ, as some of us moved from academia to public spaces, while others moved from intensive work in the field to academia.

As some pointed out, the metaphors we use to refer to the public role of the social studies of the economy provide an indirect answer to the issue of political engagement. Those conceiving the public sphere as a space for the exercise of power would frame the notion of public vocation as a "struggle" deploying intellectual "arms" in the service of the common good or certain communities. This, of course, makes much more sense to those working or dialoguing with publics that need to have their voice and demands heard in the public sphere, such as social movement organizations or trade unions that require the mobilization of collective action frames. But as a metaphor it is less illuminating for scholars trying to "represent" or "inform" the way actors conduct their everyday economic lives. Such a way of making our voice public, for example, was described as a sort of "diplomacy" that mediates between the life-worlds of ordinary people and experts, as a way of informing about specific publics and keeping open the boundaries of these separate worlds.

To the extent that we define the social studies of the economy as a symmetrical way of describing the worlds of experts and ordinary citizens in the making of the economy, it was worth asking what type of "publicity" this encourages. One way the conference participants collectively tackled this question was by asking about the kind of "product" that the social studies of the economy can offer to different publics. These ranged from technical knowledge to the "stories" or "dramas" that other people may not be able to tell. The latter may be understood as a particular type of expertise that, for instance, accounts for the actions of those who do not control the conditions under which they live. This type of intellectual product is different from both common sense and the expert knowledge of technocrats.

An underlying topic this discussion touched upon was the way the community opens new avenues to conceive its public role. If political engagement through critical thought, advocacy, and militancy was the main way of conceiving the public role of intellectuals among previous generations, the social studies of the economy adds new ways to establish dialogues with its publics. This issue brings us to a second critical point, which is the role of the historical context in mediating the public voice of scholars.

Public vocation and historical context. The historical context is crucial to make sense of the way scholars become public. Political context is the first factor recalled by scholars. In Brazil, for instance, the post-neoliberal turn gave fresh impetus to public intellectuals that were motivated by the desire to overcome neoliberalism (Monteiro). This is now over, as the continent turned to the right and the conference host country Brazil was itself in the middle of a direct attack on the social sciences that will cut funding to public universities outright. This of course threatens – and at the same time encourages – the attempt to gather and discuss the public role of economic sociology/anthropology. In such a context, it is not even clear whether some "publics" such as students or the free press will still exist in the coming years.

A second factor is the shape of the public sphere. Parallel to historical trends, the shape of public forums and the way scholars come to participate in the public sphere vary across national settings. For instance, while Argentinians have had a strong tradition of public intellectuals, universities in Chile encourage scholars to appear in media as a way of complying with standards set by regulatory agencies. This issue was not treated in a systematic way, although it was to me – and others – very clear that we were speaking from different settings, marked by distinctive relationships with journalists, experts, and civil society, as well as of different ways of making academic careers.

A third factor relates to the socialization of scholars in a changing academic field. As several attendees commented, there seem to be new ways of intervening in the public space in Latin America, which relate to the professionalization of the field and growing demand for cultural products among a broader public. In this way, for instance, as more publishing houses are willing to publish research output, public intellectuals may be also understood as producers of "cultural goods." This would contrast with the interventions of the old developmentalists in public discussions, which took on two dominant forms: participation in policy design, and party affiliation (Luzzi and Wilkis). The production of cultural goods such as books, magazines, or blogs for a general public, for instance, is not policy or advocacy, though it is no less "public." This comes down to the images that we have when we think of what public intellectuals are. On the one hand, there was a shared understanding of intellectuals as having a critical component, in search of truth with autonomy and commitment to universal values. On the other, in contrast to the universalistic type of intellectual, others put forward the idea that interventions from the social studies of the economy come from more particularistic places and subjects, such as the study of money, credit, insurances, traders, regulators, or any other economic subject. Whether these two modes of intervening in public discourse are substantially different, desirable, and exclusive remained a disputed issue during the conference.

Finally, another way of participating in the public sphere related to both conventional and new means of reaching broader audiences. Writing to newspapers, for example, counted as a way of providing alternative perspectives, especially when economic journalists seem to be predilect translators of both neoclassical economics and market ideology. By the same token, social media emerged as a new way of becoming public intellectuals and reaching broader audiences. For many, this was an opaque way of becoming public, though no less important. Considering that both blogging and micro-blogging (Twitter) have become critical ways for economists to engage in public discussions, exploring this means of participating in public forums is still pending among those dedicated to the social studies of the economy.

Common challenges. A third issue that emerged concerned the challenges posed to the exercise of public vocation. Relating to different types of public implied a significant effort to "translate" our concepts, strategies, and findings to other audiences. The most important challenge for most of the attendees, I would maintain, was the issue of communicating knowledge, discourses, concepts, and findings to others outside academia. What language should we use with them? And what is it about our way of doing economic sociology that may interest or be useful to other audiences?

To become public demands the acquisition of new skills that in many ways differ from those required by the scientific community. Writing for newspapers demands of us a set of skills such as training our writing, managing the time of events in more contingent ways (news and public concerns die quickly), or learning how to come up with catchy titles. Public discussions reduce complexity in ways that tend to polarize debate. This, in turn, demands from us an effort to frame sociological discourses without turning them into normative perspectives. By the same token, the idea of becoming public entails a sense of "fear" that relates to the over-simplification of our arguments in the public sphere and the potential censorship we may encounter of our critical stands.

How do we make our public interventions more effective? As Fridman added to the discussion, in order to sustain public debate it seems better not to ridicule the opinions of economists, not to assume that we have a monopoly over public interests, and not to focus only on normative discussions. In a similar way, participating in the media is also a demanding task. Prestige among peers is key to our careers, but prestige among broader publics may become equally important and more demanding. In my view, one of the main points of the social studies of the economy is to translate complex economic subjects into intelligible products for broader audiences. This entails learning how to talk to journalists, being strategic about the way we communicate with them, and learning how to "appear in public" in effective ways. All these skills need developing, and they are usually not part of our professional training.

Finally, the issue of negotiations, personal commitment, and our identity as scholars appeared in different forms. In the words of Luzzi, "How can we go beyond academic frontiers without losing our identities as scholars?". For those working with NGOs and international organizations, for instance, there is the question of the kind of commitments that researchers take on when dealing with a particular demand. For those working with regulators and policy-makers, it is necessary to negotiate and compromise: How is it possible to commit to projects with which one has no affinity at all when investigating experts in the field? (Fernandes). And for those working with social movements and trade unions in a way that is closer to activism, the open question is how such commitment changes the way we do research and how our personal commitment is reflected in the work we conduct within academia. The idea of negotiating – whether identities, book titles, or performances – was a salient feature throughout the discussions of the group.

Finding common ground. Finally, I think that a conversation emerged about our identity as a community, intellectual movement, or group. In terms of the motto of the conference, the question would be something like "To what extent can a clearly defined academic movement now become an intellectual movement?" (Heredia).

This question was posed and tackled in a more disperse way, but it was explicit or implicit in almost every conversation. It prompted us to discuss our identity and take a position "between" or "among" other fields and disciplines. On the one hand, the issue of regional labels produced some discomfort, as talking about a Latin American economic sociology would confine us to the periphery of the international. It also does not do justice to the fact that most of us move in international circles (see also the interview with Andrew Schrank in this volume). But for others, there is something about the region, historical legacies, and intellectual traditions that shapes the way we approach our subjects and become public. This question, in the end, remained open for most of us.

Finally, when it comes to the disciplinary boundaries, the relationship with economics became a critical issue. Are we meant to dispute its territory or to establish a more fruitful dialogue? If our publics differ, what kind of economist do we want (or not) to engage with? For some, the role of the social studies of the economy is to produce counter-hegemonic discourses and compete for a different interpretation. For others, our role is not to dispute economists' ideas or monopoly of economic ideas. This way of thinking compelled us to pose the question about the kind of "allies" that the social studies of the economy may find inside academia. Framing the discussion in these terms implied understanding our ideas and findings not only as "weapons" but as "bridges." Such a perspective would leave aside the attempt to confront economists and rather tackle the same problems, formulate them in different ways, and identify what is new about historical phenomena.

The questions and possible answers sketched in this report may not reflect the complexity of the discussions and the insightful viewpoints shared by the attendees. More importantly, however, they remain open to further investigation. They invited us to think collectively and triggered a necessary conversation about the kind of public intellectual/expert/figure that emerges from our research practices in the field. One of the things that I probably appreciated most was the format of the conference, less academic and more testimonial, which worked as a sort of therapeutic session for those who deal with publics outside academia but do not take the time to reflect on the meaning and consequences this has for our careers and our communities. In my limited experience, this is not a common practice in academia, though it is crucial to reveal the social relevance of our research, especially at a time when the social sciences are undergoing a critical moment. For most of us, the relevance of our work is self-evident. However, the point now is to convince our different publics that this is actually the case.

Endnotes

1 Here you will find the inaugural presentation of the conference, by José Ossandón: https://tinyurl.com/CR-EconsocNL20-3. I also want to thank both José Ossandón for sharing his notes from the conference and the other participants who made further remarks on the document.

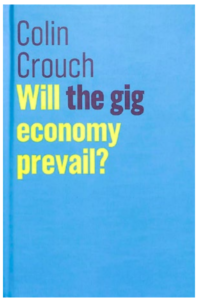
Book reviews

Colin Crouch · 2019

Will the gig economy prevail?

Cambridge: Polity Press

Reviewer Hans J. Pongratz
Ludwig-Maximilians-Universität München
hans.pongratz@lmu.de



The rise of the gig economy, including among others digital platforms for taxi services (e.g., Uber, Lyft), food delivery (Foodora, Deliveroo, etc.) or online labour (e.g., Upwork, Freelancer), has attracted a great deal of attention in both scientific research and public debate. While the economic prospects of these internet start-ups are still uncertain, despite the hype about them, the precarious working conditions and the ambiguous employment status they offer workers have provoked considerable criticisms in recent research. In his new book, Colin Crouch, a leading economic sociologist and political economist, interprets the gig economy as an extreme form of weakening workers' rights in contemporary capitalism as it promises employers "workers who are completely subordinate to a firm's authority but for whom it has no responsibility" (p. 6). Crouch uses this initial diagnosis to start off a discussion of the general erosion of standard employment and of the changing forms of precariousness over the past decades. He aims to explore the extent and range of these changes in employment relationships and to make proposals for future labour market policies.

The theoretical basis of Crouch's analysis is the asymmetrical structure of the employment contract, putting employees in an inferior position (chapter 2). On the one hand, the enrichment of standard employment after 1945 in Western capitalist societies has improved their situation considerably. On the other hand, in the course of the neoliberal turn since the 1970s employment security for most workers has been reduced as a consequence of the financialisation of markets, the growth of the service economy, and advances in information technology. The rise of the platform economy is due to the convergence of these developments, allowing companies to dominate and even surveil workers, who are not their employees, but are treated in legal terms as self-employed, independent contractors.

In the two central chapters of the book Crouch discusses in which respects and to what extent the historical achievements of standard employment have been eroded over the past two decades (chapter 3), and how the forms of precarious employment have changed (chapter 4). Using up-to-date OECD-statistics, he demonstrates the overall decline in the quality of enriched standard employment in a comparative perspective. This decline becomes most obvious in the impairment of job protection laws, and in the decrease in union membership and the coverage of union activities. The various forms of precariousness show different trajectories in the OECD-countries with an increase in involuntary part-time work, temporary employment, and own-account workers in many cases. There is a growing dualism that divides a still quite secure workforce from workers in precarious jobs, and confronts unions and governments with the dilemma of maintaining protection for the former group of workers without excluding the latter one.

In the final chapter Crouch turns to labour market policy and presents a new approach to employment security under conditions of fragmented and precarious work. He seizes on the notion of 'flexicurity' that had been developed during labour market reforms in the 1990s in the Netherlands, and has attracted quite some interest in EU politics ever since. According to Crouch, this idea has been undermined by numerous neoliberal political interventions. To create incentives for employers "to follow the path of strong flexicurity" (p. 113) anew, he makes a sweeping proposal: extending the term employer to include all users of labour services, he suggests making all of them liable for considerable social insurance payments, irrespective of the nature of the contract or relationship between "labour users" and workers. Incentives for "good work" could be created, in Crouch's view, by substantially reducing these taxes for employers who guarantee high employment security in the contracts they offer.

Thus, Crouch takes workers' risks in the gig economy as grounds to make a fundamentally new proposition for a labour market policy that focusses on taxing the use of labour generally, instead of regulating various forms of employment separately. His basic assumption is that – with gig jobs as well as with other forms of precarious employment – companies try to reduce costs and neglect workers' interests. Consequentially, Crouch proposes a regulatory concept that stresses the responsible "use of labour" with respect to both employees and own-account workers, as well as encompassing temporary agencies and internet platforms. The reader should not expect an in-depth analysis of the gig economy in the course of his reasoning. The author does not refer to detailed empirical research on the various forms of gig employment (driving, delivery, online labour, etc.), and rather outlines the general characteristics of labour in the platform economy.

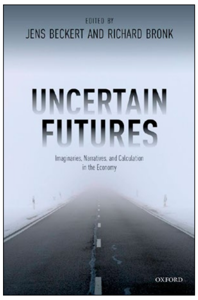
Colin Crouch puts this recent development into the context of a general decline of security in employment relations over the past decades. He does not detect a new paradigm for work relations in the platform economy and thus answers the question in the title of the book, "will the gig economy prevail", quite simply: "no" (p. 9). The growth of this field of employment may be limited, but even so it is an outright challenge to standard employment, "in which the very idea of employment and therefore of any rights at all is dissolved" (p. 42). Therefore, the author stresses the necessity of finding more consistent political solutions building on the notions of flexicurity and "use of labour." He uses the handy book format of the "Future of Capitalism" series from Polity Press for a clearly laid out analysis, which is comprehensible to a wide readership. Of course, this small volume does not leave enough room for thorough considerations of the more concrete details, variations and pitfalls of the proposed approach. It will be exciting to see how Crouch will elaborate this conception in analytical and political terms in future publications. Meanwhile, his urgent appeal to take serious account of the gig economy's risks for workers broadens the perspective and stimulates further debate.

Jens Beckert and Richard Bronk (eds.) · 2018

Uncertain Futures. Imaginaries, Narratives, and Calculation in the Economy

Oxford: Oxford University Press

Reviewer **Waltraud Schelkle**
European Institute, London School of Economics and Political Science
W.Schelkle@lse.ac.uk



An edited volume is usually less than the sum of its parts. It is the other way round in the case of the volume edited by Jens Beckert and Richard Bronk. The intellectual heavyweight of an introduction frames the other, conceptual and empirical, chapters. It gives the reader an elaborate language for describing the phenomena that constitute uncertain futures and distils what the chapters find out about the ways agents deal with fundamental uncertainty. Analytically, the introduction suggests that we need to look for (bounded) plurality and diversity of models rather than for that nirvana of a consensus in the guise of a mainstream model.

The volume then practices what it preaches, namely pluralism. Robert Boyer, the doyen of the regulationist school, contributes a subversive chapter that can be seen as an antidote to parts of the introduction. In his view, uncertain futures and the need for stabilising narratives are not so much our destiny and an ontological given, but result from financialised capitalism with its trust in self-regulating markets. Financialisation generates uncertainty but then needs narratives to justify profit-seeking investments.

In the same vein, Jenny Andersson takes on Beckert's notion of narratives as strategic stabilising devices in an uncertain world. She is more interested in how narratives may trigger a destabilising dynamic. Her story documents how the environmental threat to the Arctic Circle is narrated inter alia by the Swedish government, which stresses the deep historical ties, conveniently downplaying the fact that they were established by colonialism. If successful, this narrative is likely to jeopardise the environmental viability of the Arctic, which is detrimental to the narrators themselves.

This leads me to the two grand themes of the book, on which it is highly instructive: first, the nature of uncertainty and, second, how social sciences can make progress in understanding how we cope with uncertainty.

Claims of Knightian uncertainty can be trivial: sure, the weather on a particular day next year is unknowable. Or they may be simplistic: uncertainty is not a salient social fact and, absent personal tragedies, we do not experience the world as uncertain on a daily basis. For instance, we plan open-air events for certain months of the year because the temperature in those months is predictably not around freezing.

The real point about uncertain futures is that what generates uncertainty is not 'out there' but generated inside the system to which it refers. Even the weather is no longer 'out there' – earth system researchers can tell us that climate change is an endogenous process of our use of the planet. By registering certain risks but not others, accounting rules inadvertently create incentives to invest in the not-accounted-for risks; credit rating agencies produce particular perceptions of risks and leave out others (Chapter 11 by Natalia Besedovsky). This, in turn, feeds back on business investments in forest management (Chapter 13 by Liliana Doganova), and policies to foster energy technology (Chapter 14 by Timur Ergen). Uncertainty is not like Knut Wicksell's rocking horse but more like 'taking a stick' to one horse in a herd of wild horses, as the Bank of England's chief economist, Andy Haldane, puts it. This may trigger utterly unpredictable moves because the behaviour of each is dependent on the other, but in unknowable ways.

What happens if we take this systemic endogeneity of uncertainty on board? The good news first: we can throw out practically all mainstream economic models and replace them with agency-based models, ecological rationality models (diverse rationalities depending on the environment of the agent), and much more. They are all real brain teasers that will engage bright young minds for years to come.

But there is also not so good news for those of us interested in certain deterministic relationships that improve our lives: What remains of policymaking if its signals are like hitting a wild horse's back? The book provides us with several empirical examples of how policymaking responds. The 'macroprudential turn' in financial stabilisation means to supervise and regulate single banks with a view to their contribution to systemic (in-) stability. This can narrow down the distribution of outcomes by making its fat tails leaner (Haldane). Since even the distribution may be unknown, macroprudential mandates for central banks ensure that their prudential interventions are backed up by the ability to produce liquidity in unknown quantities should the systemic uncertainty materialise. In a brilliant chapter, Benjamin Braun analyses how central bankers have become ready to be the pump-primers of the economy, replacing the fiscal authorities of the olden Keynesian days. This is in direct opposition to their paradoxical role as executors of the rational expectations equilibrium of recent decades. Hence policy solutions in a fundamentally uncertain world become apparent, and the book presents the reader with cutting-edge research on the various directions we can go in, theoretically and practically.

This brings me to the second grand theme. The book points in two directions to how social sciences can make progress in understanding how we cope with uncertainty: we can seek better microfoundations than the rational expectations school (Chapter 3 by David Tuckett on advising the BoE), or we can try to understand better how institutions can reduce, absorb, and divert uncertainty.

The first, microfoundations, is arguably a continuation of mainstream economics as social physics: an attempt to find out how agents 'really' make decisions that invoke certain responses. I fear that all we will find is that there are so many ways in which people can be rational and irrational, and even if we can narrow it down, we still do not know how they interact. As Haldane puts it on page 152: 'Aggregating from the microscopic to the macroscopic is very unlikely to give sensible insights into real-world behaviour, for the same reason that the behaviour of a single neutron is uninformative about the threat of nuclear winter'.

The second approach seems to be much more promising: institutions provide the heuristics that people regularly apply in dealing with uncertainty. For instance, Werner Reichmann describes how forecasts are a series of conversations among forecasters that use models as a consistency constraint. Olivier Pilmis analyses how professional standards for generating forecasts replace outcome-based standards in light of the predictable fact that even the best forecast is error-prone. This professional standardisation has striking analogies with magic practices.

Douglas Holmes describes in his chapter what central bankers apparently do most of the time: talk. Instead of studying numbers, they talk to each other so as to assure themselves of the uncertain economy; instead of simply issuing their interest rate decisions, they talk to market actors and the public. This is more like trying to be a horse whisperer and preparing the horse for the stick (if still necessary after the soothing talk). Central bank communication, to which most of us do not listen with bated breath, can be seen as an institution that deals with uncertainty and one that is self-conscious about doing so.

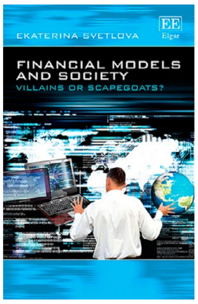
This research programme – to explain the enshrined wisdom of institutions that, by design and by default, give us more or less constructive guidance as we feel our ways into alternative futures – encourages social scientists to take a more humble approach to the world. Instead of self-righteously telling the world that it should behave according to our models, we try to learn from the world how it deals with the uncertainty that it creates for itself.

Ekaterina Svetlova · 2018

Financial Models and Society: Villains or Scapegoats?

Cheltenham, UK: Edward Elgar Publishing

Reviewer Marius Birk
University of Edinburgh
M.Birk@sms.ed.ac.uk



Financial models have altered today's financial market landscape tremendously. Since the 1960s, business finance has moved away from its once descriptive approach to become a highly mathematical and formal field and market participants can no longer imagine a world without sophisticated financial models. However, the new landscape comes with risks. At least since the financial crisis of 2007/08, scholars, market participants and regulators have criticised financial models for having contributed to market turmoil and for endangering the proper functioning of financial markets. Despite this accusation, how can it be that we still see 'normal and boring' market days without turmoil?

This question is the starting point of Ekaterina Svetlova's book *Financial Models and Society: Villains or Scapegoats?* To answer it, the author begins with an anecdote of her own experience as a portfolio manager in an investment bank in Frankfurt. While she felt well prepared to handle complicated formulas, her new colleagues advised her to "Forget those models. Now you should learn how to invest" (page 4). Her own experience thus taught her that financial models do not dictate how to invest but instead must play a different role within financial markets.

The book presents the findings of ten years of research. A total of nearly 50 semi-structured interviews with financial mathematicians, asset managers, and other financial market professionals were conducted, including a three-month participant observation in a Swiss investment bank. This vast empirical material not only provides the reader with insights into the 'actual' usage of financial market models, it also becomes the driving force behind the author's attempt to advance the social studies of finance.

After the introduction, in which the author lays out her motivation and the contributions of the book in general, the second chapter unfolds a first disagreement with the social studies of finance. While the social studies of finance considers financial models rather as knowledge-production tools, Svetlova stresses that models are decision-making tools. In a radically uncertain world, financial market participants use models to make investment decisions instead of producing formal knowledge. This understanding informs Chapter 3, in which the author critically engages with an essential concept of the social studies of finance: performativity. She claims that the social studies of finance has overemphasised the performative effects of models. While models represent one formal decision-making element when investing, market participants also take other non-formal elements, such as experience, into account. Market participants do not consider calculation and judgement separately; instead, they apply various *cultures of model use* which Svetlova defines as "specific styles of the interplay between formal and non-formal elements of decision-making in the practice of markets" (page 37). Therefore, financial market professionals do not follow models blindly and financial models do not make markets. While Chapter 4 then presents empirical case studies and explores the cultures of model use in the decision-making process further, Chapter 5 describes the models' role in the decision-selling process as a tool to stage objective knowledge. The last chapter summarises the main findings and offers avenues for further research.

While it is beyond the scope of this review to discuss the numerous empirical case studies and the different cultures of model use presented in the book, it is worth describing one example in order to 'answer' the question of whether financial models are villains or scapegoats. Active portfolio managers, for instance, use the discounted cash flow model (DCF) to invest and select undervalued assets. To identify such an undervalued asset, a portfolio manager uses the DCF to identify an arbitrage between an observable market price and a calculated fair value of an asset. To derive the fair value of a company, understood for the sake of simplicity as an estimated market price, the portfolio manager tries to value the company's future cash flows. Future cash flows are in turn determined by market data, such as estimated growth rates, and provide the input to calculate the fair value of a company. In theory, if a market price is lower than the calculated fair value of the company, the portfolio manager will buy the undervalued asset of the company to make a profit.

Since estimated growth rates are only predictions and far from certain, portfolio managers compare the model output with their qualitative judgement of the asset. The author describes this phenomenon as a *qualitative overlay* because portfolio managers assess their calculation and, if their judgement differs from the calculation, overlay the calculative value with their qualitative judgement. Financial models may thus be scapegoats rather than villains in the case of bad investments (or market turmoil) because the decision-making process is not fully determined by models. It also involves informal elements of qualitative judgement.

This book is a must-read for anyone interested in the role of models in financial markets. While scholars might value that the book consolidates the somewhat fragmented empirical cases and insights of the social studies of finance in one well-crafted volume, market practitioners or even regulators might appreciate it as a tool to raise awareness of the role of 'human' judgements in financial markets. Since the author designed the book to attract various readerships, it might itself trigger a debate between scholars and market professionals, pointing to a new role for the social studies of finance beyond academia.

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Editors

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Editors Aldo Madariaga · Centro de Economía y Políticas Públicas (CEAS), Universidad Mayor, Santiago de Chile
Felipe González · Facultad de Gobierno of the Universidad Central de Chile, Santiago · felipe.gonzalez@ucentral.cl
Book reviews editor Lisa Suckert · Max Planck Institute for the Study of Societies, Cologne · suckert@mpifg.de
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