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NOTE FROM THE EDITORS

With the current issue, *Economic Sociology* enters its third year. Following the lead of Richard Swedberg and Johan Heilbron as editors of the first and the second volume, respectively, it is my distinct pleasure to take over as the editor for the next three issues. Dirk Zorn from Princeton University will serve as managing editor.

This issue concentrates on the sociology of money. With the launch of the Euro currency rapidly approaching, money also looms large in public debate in Europe. Axel Paul from the University of Freiburg writes about money in the sociological tradition and argues for a theory of speculation to stand at the core of the sociological approach to money. Nigel Dodd from the London School of Economics contributes an article that speculates on the social impact of the introduction of the Euro on January 1st, 2002. To investigate features of the launch as a passage of transition and questions about diversity in the temporal framing of the transition, Dodd refers to van Gennep's concept of liminality.

As of now, *Economic Sociology* has roughly 600 subscribers. If you know of colleagues who might also be interested in receiving a notification by email when a new issue of *Economic Sociology* is published, please let them know about the possibility to subscribe. We have facilitated the subscription procedure by adding a feature to the Newsletter's homepage at SISWO (http://www.siswo.uva.nl/ES/). Alternatively, you may subscribe by sending a blank email to es@pscw.uva.nl with the word "subscribe" in the subject line.

The structure and the design of the newsletter remain unchanged. We will feature research articles, country reports, book reviews, conference reports, information on ongoing PhD projects and announcements of upcoming events and publications. Regarding announcements and synopses of PhD projects, we depend on information from our readers. To be as comprehensive and up to date as possible, please email us any such information for publication in the subsequent issue.

Jens Beckert
Dirk Zorn

MONEY AND CRISES. A REVIEW

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I.

One need not go as far as Polanyi (1977) and hold the unrestrained market economy to be at fault for the two world wars, but there can be no doubt that economic crises have had a decisive influence on the history of the 20th century; that they have led to social setbacks and mass suffering even when they did not result in political or military catastrophes. Politics today is more than ever confronted with the task of taming the impact and dynamics of a globalized economy and direct them into channels in which it could be of benefit to society. Economic crises, it goes without saying, have not been convulsing society only since the 20th century or even since the beginning of the modern age, but run through the entire history of mankind. What distinguishes the economic crises of our times from all earlier ones, however, is their 'homemade' character, so to speak: not injuries caused by natural events, but problems in the economic system itself are responsible for the breakdown or slackening of trade and production and the concomitant poverty, unemployment and hunger.

While economics was in its infancy, physiocrats up to and including Marx were concerned with answering questions regarding this new and sensational growth of wealth (Dumont 1977), whereas economists in the 20th century see themselves confronted with the problem of understanding how it is possible that economic activity can come to a standstill, that the entire world economy can be plunged into a crisis, even though mines and factories are still standing, trains and fleets are still available and stores are in many cases still abundant (Keynes 1973a). More precisely, the economic crises of the 20th century are questioning the non-monetary models of economics. In turn, money, credit and finance are becoming, or at least should become, the focus of attention.

II.

Economic sociology has not kept up with this development or turnaround—despite its undeniable and ongoing efforts at explaining the relation between economy and society. Now as ever, it concentrates on questions of cultural conditions, social consequences and structural limits of economic behavior, rather than on those concerning the mechanisms of the economic system itself (Smelser/Swedberg 1994; Beckert 1997). The same applies to institutional economics, whose history and methods bring it close to sociology (Williamson 1990; Richter/Furubotn 1999). Institutional economics mainly studies the underlying legal and political conditions or the functional imperatives of the economy, which are difficult, if not impossible to incorporate in a theory of action. Consequently, many studies in economic sociology and institutional economics show that economic activity does not take place in a vacuum and why this is so; indeed, that it cannot be otherwise. It is important to continue with such studies. However, recent developments, such as the ever lasting crisis in Japan or the debacle of the Asian Tigers give rise to the question as to whether conventional interpretations—in this case, of the 'Asian Miracle' (Fallows 1995)—do not fall short of the mark and whether sociology would thus do well to put more effort than hitherto into explaining economic processes proper. It seems sensible to put culture and politics aside for a while and look for economic or, as the Asian example suggests, more painstakingly, for the financial reasons behind crises.

Monetary or financial crises, i.e., inflation, deflation, disequilibrium in the balance of payments, mountains of debt or too much pressure of capital evidently have consequences for the non-monetary economy. Not only the Asian crisis, flanked by events in Russia and Brazil, but also the inflation of the Reichsmark during the 1920's, the Great Depression, the post-1945 financial policy of the USA or the debt crisis of the 1980's yield good examples of the power of financial markets to aggravate or even set off crises. The responsible factors, whether they be inherent necessities, real or imaginary, lack of information, political interests or inadequate understanding of economic theory, are still, however, a matter of dispute. Although it is true that the competing explanations of these crises are not necessarily mutually exclusive, it is also clear that the great majority of them identify external factors as triggers or catalysts for the respective problem.

Surprisingly, Keynesians and monetarists agree that economic policy causes disasters like the ones above—the first group attributes it to too little state intervention while the second sees it caused by too much (see, e.g., the interpretations of the Great Depression in Friedman/Schwarz 1963 and Temin 1976). And the straggling remains of Marxist economic theorists diagnose a further accumulation crisis based on some variation of the notion that rates of profit tend to decline (Kurz 1991). Common to all of them is the attempt to explain these crises not based on structural characteristics of money markets, but by referring to underlying political conditions, or at least imbalances in the non-monetary economy. The deeper reason for this attribution is found in the theorists' belief in the neutrality of money. If money is considered to be merely a veil over trade in goods and services, then restrictions on competition, lack of information, and most certainly a faulty control of the money supply, can all be responsible for economic crises, not, however, money itself as a special object of desire. Mainstream economists as well as mainstream sociologists—insofar as both of them deal with money at all—have mainly either failed to perceive or to elaborate theoretically the contradictions between the various functions of money (Aglietta/Orléan 1984).

Although there is no doubt that every modern economy requires a means of exchange which has a stable value—and even monetarism admits that policy is necessary to provide this stability—only a few have considered the option that a characteristic uncertainty which makes both profits and crises possible could be inherent in money itself (Schumpeter 1964; 1971), even when the money supply is kept constant or adapted to growth. Although numerous attempts have been made to account for the economic function of speculation (for an overview see Aschinger 1995), until recently no one has seriously taken up and pursued the idea to the end that a monetary economy could well stimulate and even require a kind of gambling instinct. So far, speculation has rarely been brought into connection with the characteristics of money itself. I shall argue here that a theory of speculation should stand at the core of a macrosociological theory of the economy.

It is obvious that a theory of the monetary economy that is especially interested in crises of financial markets and speculation need not start from scratch. Instead, it can and should take account of a rich research tradition. After all, it had long been questioned whether money should be considered neutral or not.

It is remarkable that theories of money almost always appear in the form of a criticism of money (Weber 1979). Aristotle was the first to analyze the power of money to stimulate greed and undermine reciprocity and redistribution (Finley 1970). Presumably, this criticism, like all criticisms of money, takes its sustenance from the ethics of the gift (Parry/Bloch 1989). The same opposition marks the economic ethics of the early Jews (Sombart 1911; Weber 1988), the ecclesiastical prohibition of usury (Le Goff 1988; Heil 1997) and the money criticism of the Romantics (Achermann 1997). Apparently, money is something that, when it comes into being and takes effect, poses a threat to existing structures or forms of socialization and that, if it cannot be eliminated from the world, needs to be apprehended intellectually at least.

Marx's work (1974; 1982a) provides some of the earliest evidence of this contradiction: on the one hand, he is interested in abolishing or overcoming 'diabolical' money, while on the other hand being one of the first to analyze money in terms of its functions for the economic system. Although he shows that money–being accompanied by a new form of socialization—is more than a mere economic tool, he squanders this insight when he starts analyzing economic processes. Perhaps precociously, Marx also concentrates his analysis of money on its instrumental character, thus overlooking the central importance of banking and financial markets for the dynamics of capitalism. These factors are considered by Marx (1982b), as well as later by Lenin (1982) and Hilferding (1947), to be no more than parasitic superstructures.

Even though Marx, like the entire generation of classical economic and sociological thinkers, acknowledged that money is as much a social 'fact' as it is a means to economic ends he still accepted the then impending split between an economics which subscribes to instrumentally rational behavior and synchronous studies, and a diachronically oriented sociology dealing with more or less irrational 'derivations and residues'. It is this segregation and institutionalization of the two disciplines that has led the majority of sociologists—with the notable exception of Simmel (1989)—to ignore the topic of money until quite recently. Sociologists left the subject of money to economists or did not take up questions related to its social prerequisites and consequences. For this reason, the insights into the ambivalence of money that Marx had gained but failed to incorporate into economic theory, were lost.

III.

Neoclassical economics reduces money to its function as a medium of exchange. Moreover, it ignores money's political aspects due to its opposition to Marxism, whether concealed or conspicuous (Clarke 1981). Money is considered to be an 'invention', a spontaneous product of the market, which primarily facilitates trade. A structural contradiction between the various functions of money is absent from the theory. This conception of money corresponds to the utilitarian fiction of the homo oeconomicus: this is a thoroughly greedy trader who exclusively pursues his own advantage, but who nonetheless is capable of cool calculation and of putting his desires into a hierarchical order. He must be able to calculate, as the fundamental work of Walras (1926) and Pareto (1909) shows, but nevertheless economic activity is conceived by neoclassical economists as taking place without money. In principle, nothing has changed in this connection up to the present.

In contrast to his neoclassical predecessors, Keynes considers money to be anything but neutral (Keynes 1973b, 1973c). In his view, money is the asset with the greatest usefulness on the one hand, and with the lowest maintenance costs on the other. Consequently, money tends to be preferred over other assets; Keynes uses the term 'liquidity premium' to describe this situation. Now, the liquidity premium, or the need of the holder of money for security, is the hollow die of interest, which thus must be considered not as a quasi-natural but as a monetary phenomenon. Insofar as the interest rate provides a measure of the profit expectations of capital owners and is subsequently not calculated from work already performed, it determines investment and saving behavior. Together with and following Keynes, a monetary interpretation of economic crises becomes possible for the first time. In contrast to the criticisms of—presumed or genuine—Keynesian demand-side policies, deaf ears have been turned to monetary Keynesianism (for an overview see Cottrell 1994). This is less the result of its theoretical weakness than of the circumstance that Keynes, strictly speaking, breaks with the mechanistic paradigms of neoclassical economics and their orientation toward states of equilibrium and predictable trends (Attali 1981).

An important advance in monetary or unfortunately so-called 'fundamental' Keynesianism is the property theory of Heinsohn and Steiger (1996).[1] For one thing, they take exception to the fact that Keynes did not understand the connection between money and property, and do indeed provide clarification in this respect. They consider the real reason behind money and interest to lie in the fact that the legal title represented by property ownership can be encumbered and pledged. According to them, credit is the central mechanism of the economy. Not until monetary credit has compelled a nominal increase in value can the actual production of surplus value and trade in goods get under way. Indeed, property theory is more capable than other theories of making normal, i.e., already established and—assuming the value of money remains stable and expectations of profits constant—largely crisis-free economic activity intelligible. On the other hand, however, it still underestimates the inclination to crises perceived by Keynes in all monetary economies. For Heinsohn and Steiger, this is the automatic result, in a manner of speaking, of a sound monetary policy, i.e., the result of 'undervaluing' the assets covering loans (Heinsohn/Steiger 1999). Now although they register the fact that this (under-) valuation is in turn a function of future expectations, they do not give it any further discussion. In other words, their theory of crisis remains blind to the 'psychology' of money.

A second remarkable attempt to renew and elaborate the Keynesian paradigm is Binswanger's book (1999) on the economic function of financial markets. He also subscribes to the idea that capitalist or money economies need to grow to survive and distinguishes three obstacles for growth: the real, the demand and the financial constraint. Whereas neoclassical economics

[1] Property theory is not be confused with property rights theory. I use the former term only to denote the specific approach to explaining the genesis of money and interest as proposed by Heinsohn and Steiger.

concentrate on the first, play down the importance of the second, and know nothing about the third, 'orthodox' Keynesians dwell on the second, 'fundamantalists' stress the third, while both of them underrate the cyclical scarcity (or abundance) of investment opportunities. Especially, fundamentalists on the one hand perfectly see the necessity to relax the financial constraint, i.e., the availability of credit to stimulate growth, but on the other hand they remain at best ambiguous about the speculative self-organization of financial markets (Davidson 1994). 'Money unbound' moving speculatively within seconds from one place to another is considered not only to distort macroeconomic stability but also to prevent presumably profitable investments in the real sector (Eatwell/Taylor 2000). Binswanger completely agrees that liberalized financial markets tend to create and inflate speculative bubbles that do not correspond to technological improvements and/or an increase of profit expectations in the productive and distributive parts of the economy. But he dares to ask the (for Keynesians of all sorts heretical) question why speculative profits should not be preferred to no profits at all. He argues that we are facing and passing through a new 'industrial', i.e., communication technology-driven revolution which forces a fraction of hitherto profitable corporations to downsize or even exit the market. Under this condition a robust speculative bubble, at least in form of soaring equity values, might help to restructure the economy, temper inflationary pressures, and sustain consumer confidence and demand. Even if Binswanger's argument will probably need further empirical support, he convincingly shows that trust in the stability of the financial system is a key variable not only in stimulating growth but also in deflating bubbles smoothly instead of letting them burst.

IV.

To (the history of) sociology applies the same as to economics: namely, that the ambivalence of money has been neglected or forgotten when discovered and only gradually been brought back into account. Both Weber (1980) and Simmel (1989) discuss the rationality of money. The former is more interested in the foundations of the monetary economy laid in religion and social structures, the latter more in the social-psychological and cultural consequences of the same (Turner 1991). Weber, however, did not propose a theory of money. Simmel's work, on the other hand, suffers from the fact that it rather hides than outlines a theory of money. Haesler (1995) and Deutschmann (1999) represent two promising attempts at systematizing Simmel. I will return to them shortly. Simmel, however, had no direct students who would have continued his approach to monetary theory. All in all, money largely disappears from sociology at the beginning of the 20th century.

Parsons was the first to put money back on the agenda in the 1950's with his theory of symbolically generalized media of exchange (Parsons 1980). It has become common practice to accuse Parsons of 'monetarizing' language (Künzler 1986). This accusation, as justified as it may be, appears to miss the heart of the matter, however, since Parsons, following neoclassical economic theory, considered money a harmless means of exchange (Parsons/Smelser 1956). The AGIL scheme introduced by Parsons for reasons of analysis made it necessary to grasp the exchange processes between and within systems with the aid of a media theory. In this context, media are special languages tailored to solving particular problems. Money is needed on the one hand for the processes of exchange between the economic and other subsystems of society, on the other hand money is needed for the control of the economic system itself. In both cases, Parsons reduces money to its function as a means of exchange. Habermas (1981) agrees with Parsons, at least as far as the control function of the medium of money for the economic system itself is concerned. His contribution to media theory consists first of having pointed out the necessity of anchoring of media of whatever kind in the Lebenswelt, which is entirely fitting. Second, Habermas surpassed Parsons in conceptualizing differentiated media, which are in the end relegated to the discursive redemption of claims to recognition and others which must be 'justified' with respect to their function alone. Thus Habermas corrects the 'monetarization' of language which Parsons had tacitly put into his theory, while failing to revise the theory's reduction of money to exchange purposes. The dynamics of money remain hidden to him.

This does not apply to Luhmann (1988). He does not wait to introduce money until the economy has disengaged from the rest of society. In contrast, Luhmann sees the evolution of money, however accidentally this may come to pass, as providing the opportunity for the economic system to become so disengaged. For Luhmann, media serve the function of an evolutionary pacemaker. With regard to economics, this means that it is the ability to quantify scarcity, which is only possible with the aid of money, which makes it possible to 'cultivate' this scarcity. Differing from Parsons and Habermas, Luhmann recognizes that the economic system must reproduce scarcity by means of money in order to keep itself alive, but in doing so is also able to fulfil its true function, which is not to satisfy needs, but to gain time. Luhmann does not see, or at any rate underestimates, the compulsion of the monetary economy to grow and the imaginary dimension of money. It is furthermore questionable whether and to what extent the economy of differentiated societies does not in fact 'take the lead' while conversely remaining dependent on specific forms of integration. Nonetheless, systems theory à la Luhmann affords a sketch whose scope and coherence can definitely stand comparison with property theory.

In recent years, other streams of sociology have also been rediscovering the topic of money (Baker/Jimerson 1992; Mizruchi/Stearns 1994), although there is as yet no common approach or uniform paradigm to speak of. Dodd (1994), for instance, in his rich sociology of money rather pleads for analytic acumen than theoretical stringency. Indeed, he manages to describe quite accurately isolated phenomena associated in some way with money. The advantage of this approach must remain somewhat obscure, however, as long as these phenomena cannot be placed in a larger perspective. Likewise, Zelizer (1994) and Baker (1987) both abstain from writing a unifying theory of money; and they also explain why: Zelizer takes a microsociological view to demonstrate that the essence of money lies in how it happens to be used. Accordingly, she speaks of 'multiple monies'. A similar conclusion is reached by Baker, although from a macrosociological perspective: what constitutes money depends on its being convertible into other assets; which sort of money is closer to true money must therefore be answered empirically.

In terms of abstract theorizing, Deutschmann (1999) is much more advanced, since his ambitions aim at a general sociology of money. Following Simmel's idea of the 'superadditum of wealth', a kind of symbolic surplus value which money first allows to be defined (and conceptually close to Keynes's liquidity premium), he interprets capitalism as being in its core a religious undertaking. The apotheosis of capital takes the place of the search for God. The factors responsible for this development are not so much economic constraints as rather the pursuit of that so coveted superadditum that is expected to do away with all insecurity. In addition, Deutschmann attempts to make both scientific-technological progress as well as the cyclical crises of capitalism plausible through a theory of imagination. Wishes must be conceived in concrete terms before they can be a genuine guide of action. Yet, at the same time, every wish-come-true necessarily misses all that which would otherwise have been possible. Nonetheless, as successfully as he manages to revise the popular treatment of money as a mere means of exchange, he still has a tendency to underestimate the structural compulsion of the monetary economy to grow. Deutschmann's ambitious conception shows, however, that a theory of money that does justice to the multifaceted nature of its subject is perfectly within the realm of possibility.

A second coherent update of Simmel's Philosophy of Money is Haesler's book on the fate of interaction in an age of electronic money (1995). In an earlier work on the concept of interaction and its scope (1983) Haesler had defined and defended this Simmelian notion against the dominant and simplified idea of human action as exchange (Blau 1964) but also against the structuralists' reification of reciprocity . Whereas the rational choice theorist wrongly depicts human action as being always consciously selected, purposeful, and benefit-seeking, structuralism misinterprets the patterns of human behavior as being governed by an anonymous principle of reciprocation (Lévi-Strauss 1989). In Granovetter's (1985) terms, action and behavior are conceived either as under- or as oversocialized. In contrast, Haesler, drawing on Simmel and Mauss (1989), proposes to base sociological theory on the concept of interaction as a kind of supererogative performance, which creates and reinforces its multiple motives only through the recognition or acceptance of another human being. Now, in his book on money, Haesler covers and confirms Simmel's observation of the civilizing power of money, according to which money transforms potentially violent conflicts up to a certain point into economic compromise. However, he points out that full-blown money, especially its postmodern 'insubstantial' electronic forms, tend not just to veil but actually to destroy the symmetry of interaction. In other words, the ongoing monetarization of social relations, exemplified by the widespread and still proliferating use of cards of any kind, is about to radically change the nature of society itself. Even if one wants to abstain from such far reaching conclusions or just from turning sociological analysis into social critique; even if one does not consider the substitution of electronic cash for 'material' money a great divide and does not share Haesler's pessimistic views of money's corrupting effects, there is no doubt that his social philosophy of monetary forms of interaction belongs to a type of ever rarer studies that combine theoretical versality, precise observation and speculative thought in a challenging manner.

V.

Generally speaking, the task is now to formulate a theory of money that on the one hand is abstract and complex enough to integrate what has been achieved so far, but on the other hand is kept sufficiently concrete to account for the specific forms that money has taken in different social settings. It is important to formalize the concept of money without confounding it, once again, with a tool for exchange, but also without blurring its specificity against other media of communication such as power, love, or truth. One promising approach in this context could be the attempt to integrate property theory into systems theory, or, conversely, to reshape systems theory in terms of property theory. Notwithstanding its claim to universal validity, systems theory is implicitly oriented, or at least amenable, toward problems related to economic and monetary theory. Property theory, however, is obviously lacking concepts and terms that would allow it to deal with the significance of the economy and with its function in relation to other subsystems of society.

Accordingly, it will be necessary to raise the old question anew, why there is and what explains the weight or even the dominance of the economic system and how it is linked or integrated into society. The answer proposed by systems theory, that the differentiation of the subsystems and their orientation toward single functions make problems of legitimation superfluous, seems inadequate. It will hardly suffice, however, to play 'ethics' off against economics in an abstract manner. Approaches at clarifying the conception of today's economy and society would appear more promising if they attempted to deal with the problem of 'integration' historically and tried to discover concrete mechanisms and forms of mediation between the two (Zukin/DiMaggio 1990). Abolafia (1996) in his outstanding ethnography of Wall Street has already demonstrated that integration is a necessary factor even for the financial markets and how it is socially constructed in an interplay between individual actors, their latent professional traditions and standards, and the legal and institutional setting.

The true deficiency of theories of money so far, however, is less to be found in the fact that the relation between economy and society is still unclear, but instead that money is considered to be an innocent medium that can never be the cause of economic instability or crises. The challenge thus consists in sketching a theory of money, which, by placing the dialectics of money—to represent but also to be value—at the center of its analyses. This would allow explaining economic crises more coherently and comprehensively than proposals which base their arguments on the 'real' economy. The 20th century giants of monetary theory, Simmel and Keynes, but also their followers and interpreters like Shackle (1992), Luhmann, Deutschmann and Haesler, all define money as a social relation that appears as a constantly vanishing object, as substantialized and substantializing desire that eschews all but purely quantitative designations, or, borrowing a Luhmannian term, as 'dertermined indeterminacy'. A theory of money of this kind would thus also have to comprise a theory of speculation.

VI.

Speculative behavior is, of course, also possible on foundations other than those provided by the monetary economy. Accordingly, it has to be examined what speculation means in itself, as well as how money encourages speculative behavior and perhaps also changes its very nature.

Since a few years, financial markets or, more generally, finance has become an object of sociological investigation (Adler/Adler 1984; Cardon et al. 2000; Godechot 2001; for an overview see MacKenzie 2001). Yet, with the notable exception of Orléan (1999), the bulk of these studies of finance concentrate on how financial markets actually work, on who the actors are behind the markets' anonymous and mysterious moves, on how speculation is done and on how bubbles are enacted. What is still missing despite this recent awakening of sociologists to the study of finance, is a macrosociological theory of speculation that tries to link the recurrence of 'manias, panics, and crashes' (Kindleberger 1996) to the characteristics, or the dialectics, of money itself.

It remains to be examined whether the microsociological insights that have been achieved so far can be reconciled with a liquidity theory of money that has already been outlined in the works of Simmel, Keynes, and others. If the theoretical program sketched here holds up, then we should have at our disposal the instruments necessary to unravel the dynamics and crises of financial markets without resorting to external or presumably more fundamental factors than just monetary factors.

If it became apparent that money (and not exchange) was the central category of modern economics and also and foremost that speculation was more than a tangential part of the monetary economy, then it would no longer be justified to speak of financial markets as disengaging from the rest of society. , By the same token, the distinction between 'casino' or 'turbo capitalism' (Strange 1986; Luttwak 1999) and the true, original, or proper variety (Guttmann 1996; Huffschmid 1999) would become obsolete. This is why the assertion that the development of the financial markets in the past twenty years has pulled certain national economies (which, strictly speaking, have long disappeared, if indeed they ever existed) into the abyss and adversely affected the stability of the world economy, is as legitimate as it is imprecise. The real question is rather under what circumstances the instability so essential to the monetary economy turns into an instability of the monetary economy itself.

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THE LAUNCH OF EURO NOTES AND COINS

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On 1 January 2002, euro notes and coins become legal-tender within the eleven member-states of the euro zone. Existing national currencies will cease being legal-tender by 28 February 2002 at the latest. Many newspapers in Europe are calling it E-Day: the day on which, according to *The Times* (30 August 2001), '14.5 billion banknotes and 50 billion coins will pour into the streets of Europe from Lisbon to Leipzig and from Athens to Amsterdam'; and on which, according to *The Guardian* (31 August 2001), '306 million Europeans will wake up to an extraordinary new reality'. In practice, it is likely to be somewhat different. There will be no great simultaneous emission of new money across the euro zone, no pouring of cash into streets, no midnight queues at the ATMs, and no great awakening the morning after. On 1 January 1999, virtual euros leapt out at us in quantum time. Real euros will creep up on us in real time. During the months leading up to January 2002, they will be carted around the euro zone in money trucks and trains guarded by national armies and packaged into 'starter kits' given or sold to retailers and consumers—more of a relentless flow than a flash flood.

If the 'new reality' of the euro will not be quite the shock to people within the euro zone that has been envisaged by the English newspapers, the emergence of the euro as real cash will be dramatic enough. In this article, I will try to frame this process for sociological purposes. If the notion of awakening is an appropriate metaphor for our experience of the launch of euro notes and coins, it is something more akin to an awakened state than to a single moment of awakening. To extend the metaphor a little further, in many European countries—especially Portugal and Greece—public awareness of the euro has been so low that many people are only now 'waking up' to its imminent presence in their pockets and wallets. Newspapers and television are helping those who have thus far remained indifferent to or ignorant of it to catch up with stories on a range of issues which, degrees of local emphasis and colour permitting, are quite consistent across Europe: the appearance of the new notes and coins (most, such as *The Times* in London, regard them as 'dull' and 'soulless'); their implications for wallet size (a favourite in Italy); the complexity of handling two currencies while inebriated during New Year celebrations (this appears to concern the Irish most of all); the dangers of forged notes early on as people familiarise themselves with having to 'feel, look and tilt' (as the ECB instructs) in order to gauge their authenticity; the implications of the new denomination for the quiz programme 'Who Wants to be a Millionaire?' (Irish winners benefit, as do Italians); as the money trucks drive across the euro zone, the prospects of smuggling and mafia heists (on this, the Germans seem most wary); and the potential chaos of handling new money during the January sales (a concern of retailers everywhere, it appears).

Some of these issues might appear to be trivial, or at least only of fleeting interest. After all, they are largely concerned with the everyday, somewhat mundane contact we have with money. But that is the point. Prudently, the ECB hopes that the transition to euro notes and coins, and the withdrawal from circulation of national currencies, will be as smooth as possible—that 'awakening', 'shock', 'surprise' and so on are not among the words journalists are reaching for on 2 January 2002. During the transition, however, and if the hopes of the ECB are fulfilled, the day-to-day role of money in our lives will feature in our thoughts and conversation, and in the pages of our newspapers, with unusual prominence—perhaps to the extent that the concept of fatigue, rather than awakening, might be more suitable by the time we reach the official launch itself. By so-called E-Day, consumers will be familiar with the appearance of the euro notes and coins, and with the anti-counterfeiting devices included on the notes. They may already have been using their portable currency converters for weeks, just as they have dealt with dual pricing for well over a year. And their children will have enjoyed or endured quizzes and tests at school and kindergarten undertaken in the spirit of the ECB pronouncement that 'for a smooth transition to the euro, it is essential that children and young people be well informed'.

It is indeed as a passage of transition, rather than as a sudden awakening or shock, that the months leading up to and immediately following 1 January are likely to be significant from a sociological point of view. The euro—a 'virtual' or 'partial' currency since 1999—is becoming 'real' or 'complete' throughout these months. One might therefore say that money is entering a liminal phase: of being 'betwixt-and-between' (Turner, 1967: 232) renewal and decay as new money drives out old. This does not simply amount to a change of currency but, during the actual transition, in a change in the status of money itself.

Liminality

The concept of liminality was first employed by the anthropologist, van Gennep in *The Rites of Passage* (1909). In the anthropological literature, the concept is part of the study of ritual, and is intended to interrogate notions of transition in rites of passage. (Elsewhere, the concept of liminality has arisen in studies of transition in popular culture, international politics, social movements, a Council Tenants' Forum, and migration; see respectively, Martin, 1981; Higgott & Nossal, 1997; Yang, 2000; Jackson, 1999; Cwerner, 2001). Liminality might be said to apply to the launch of euro notes and coins in two respects. First, the concept enables one to investigate features of the launch as a passage of transition—analogous to a pilgrimage. Second, the notion of liminality throws up some intriguing questions about diversity in the temporal framing of the transition: both towards the euro itself as a unit of denomination, and towards the introduction of euro notes and coins as against the withdrawal of national currencies.

Van Gennep argues that all rites of passage—or periods of transition—go through three phases: separation, margin (or transition) and aggregation (or incorporation). Another expression for margin or transition in this context is *limen*, or threshold. Van Gennep's analysis refers to a ritual subject, i.e. the person undergoing transition. As Turner describes it, the liminal person 'passes through a cultural realm that has few or none of the attributes of the past or coming state' (1969: 94). Crucially, it is this 'passing through' which characterizes the liminal phase: it is a dynamic phase *between* the states of separation and aggregation, 'a movement between fixed points' (Herzog, 1987: 568). As such, the liminal phase is necessarily ambiguous, uncertain and unsettling. In Leach's work (1961), liminality is characterized by a symbolic reversal that marks the passage of time. One example of such reversal is carnival (Ladurie, 1979). But the movement of the money trucks might be described not as carnival but as a pilgrimage. The euro, as a ritual subject, has an essentially ambiguous status—somewhere between 'virtual' and 'real', or 'partial' and 'complete'. The pilgrimage is not only movement through space, but can also be a spiritual movement: the creation of new boundaries or a different sense of 'home. The pilgrimage can in this sense be regarded as a stage of heightened awareness in which contact with a spiritual centre is reaffirmed (Turner, 1987).

At first blush, the ritual subject or pilgrim might appear suspect as a comparator for the euro. Economists, among others, might object to the implication that money is a 'subject'. Yet sociologists such as Weber, Parsons, Habermas, Luhmann and Giddens have all argued to some extent that money's value derives from features of the society in which it circulates, including the state and legal system. This argument tends to hinge on the concept of trust: in so far as we place trust in money—that it will retain its value, for example—we place trust in a broader concept of society, or at a bare minimum, the state. Simmel goes further, suggesting that, as a medium, money expresses characteristic features of society and culture in an abstract sense, as well as more specific and concrete aspects of the exchanges in which it is used. For Simmel, money is in this sense the medium *par excellence*, an 'empty vessel' which is able to stand for an abstract notion of potential as well as actual goods and services. To this extent, not only monetary transactors (writ large and small), but also money itself as a medium of exchange, might be said to bear a closer resemblance to what Hacking calls an interactive as opposed to an indifferent kind (Hacking, 1999: 103-6).

The liminal phase hinges on the notion of *communitas.* This concept denotes those features of spontaneity, immediacy and concreteness that characterize the passage of transition and which explain its ambiguous and unsettling quality. According to Turner, liminality places the *communitas* in sharp relief. The notion of *communitas* can therefore be opposed to the 'norm-governed, institutionalised, abstract nature of social structure' (127). The key to this, Turner argues, is that the former qualities can only be accessed or made evident *in opposition to* the latter, i.e. as *anti*-structure. Turner argues further that *communitas* has an 'existential quality' to the extent that 'it involves the whole man in his relation to other whole men' (127). This is highly suggestive for the euro. The passage of transition towards the introduction of notes and coins arguably provides sociologists and anthropologists with an 'extended snapshot' of features of monetary exchange which are usually difficult to discern because they pass by not so much unnoticed by us as *unsaid by others*—just as liminality brings out, exaggerates or even reverses what would usually pass by unnoticed or unarticulated.

Over a relatively short span of time in the case of the euro, people may behave perversely with money as it simultaneously decomposes and comes into flower: the hoarders may have to unearth their pile before it needs to be exhumed; the spendthrift may have to linger, pause and think as price becomes—however fleetingly—a problem of cognition rather than sensual gratification; even those most indifferent to the colour and texture of money will be tempted into numismatology as old favourites are discovered just before they disappear; electronic money may seem old hat until the novelty of euro cash wears off; and money itself will be promoted, discussed and advertised in a world which briefly resembles the world as envisaged by Hayek in *Denationalisation of Money* (1976)—a world in which money pushes itself forward and jostles for our attention, selling itself, reassuring us lest we lose our faith—and money loses its value.

The concept of liminality is temptingly suggestive as a means of framing a sociological interpretation of the transition towards euro notes and coins. But the differences between the two senses of transition are just as instructive as the similarities. As the marginal phase sandwiched between separation and aggregation, liminality serves to reconfigure or re-arrange the constituents of social structure. As part of ritual, and for all of its spontaneity, the significance of the liminal phase is habitual and repeated. According to Turner, the ritual process into which liminality is embedded is both creative—other alternatives are possible within the liminal phase itself—and yet pre-determining, in that it leads to the re-emergence of the extant (albeit reconfigured) normative and symbolic structure. Weber calls this second the 'telos of the rite of passage' (1995: 530). Whatever the hopes of Mr Duisenberg and his fellow ECB governors might be, the transition to euro notes and coins is somewhat less predictable and its outcome hardly predetermined. While major changes to national currencies have occurred in the past—decimalization in Britain, unification in Germany—never have several currencies been unified on this scale, all at once. Aggregation, in this sense, will not necessarily add up to a reinstatement of extant structure.

Indeed, the significance of the transition to notes and coins may turn out not to be about 'structure' in such a rigid (and 'macro') sense at all. After all, one of the most intriguing questions raised by the euro concerns the relationship between its central institutions and divergence within the euro zone itself. In debates surrounding the euro, such divergence is mostly couched in terms of cultural outlook, economic idiosyncrasy and political behaviour. Albeit by default, the concept of liminality implies another aspect of divergence within the euro zone, namely temporal divergence. Unlike the liminal phase where stages are strictly demarcated in time, the passage through time of the euro from a virtual or partial currency towards a real or complete one is uneven. Individuals and retailers of the eleven states across the euro zone face timetables for the issue of coins in starter packs, for the withdrawal of their national currencies, and above all for the redemption of those currencies once they cease to be legal-tender: ten years in some case, indefinitely in others. As simultaneous flowering and decomposition, the launch of euro notes and coins is far from being neatly framed: as a passage through time, it is not homogenous but diverse—and, perhaps, all the more ambiguous and unsettling for that.

Diversity

The question of diversity has important theoretical connotations for the sociology of money. While pointing to a broad connection between money's value and broader notions of societal trust appears straightforward, explaining it in theoretical terms is not. As I have suggested elsewhere (Dodd, 1994; others agree, albeit for different reasons, for example Ingham, 1998, 1999), we lack an entirely satisfactory sociological explanation of money. As the newspaper stories referred to earlier on in this article suggest, the more richly we describe our everyday uses of money, the more multifaceted, multidimensional and local our connections with it appear to be. Consequently, the role of money within our societies seems to become more difficult to theorize on an abstract level.

The problems thrown up by the diversity of money were among the debating points in the recent spat between Zelizer and Fine & Lapavitsas *Economy & Society* (August 2000). Consider Zelizer's argument there:

All moneys are actually dual: they serve both general and local circuits … Seen from the top, economic transactions connect with broad national symbolic meanings and institutions. Seen from the bottom, however, economic transactions are highly differentiated, personalized, and local, meaningful to particular relations. No contradiction therefore exists between uniformity and diversity: they are simply two different aspects of the same transaction. (2000: 386)

Another way of making this distinction might be to say seen *up close* as opposed to seen from afar, because it is not clear what is gained by suggesting that economic transactions have a 'top' and a 'bottom' when—as debates about the euro still demonstrate—for some people the national symbolism of their currency seems to be what is most *personal* to them when they contemplate its replacement by the euro. Each of us, after all, can have his own take on national symbols—even central bankers. Up close, 'economic' life *comes* to life more vividly, more richly—but not necessarily on a smaller scale.

Over time, the euro may provide an interesting test of Zelizer's remarks about the uniformity and diversity of money, although I would venture that far more than national symbolism will be at stake (see Dodd, 2001). There is an obvious parallel between this sociological debate and the political arguments (still held in Britain and other wait-and-see countries) against the euro. Just as money may be impossible to theorize in general terms because, 'seen from the bottom' (or 'up close'), its existence is too rich and varied, so many euro-sceptics have argued that to impose a general monetary form onto such a diverse economic and (above all) cultural landscape as Europe is untenable. In this article, however, I am less concerned about whether local richness and diversity pose problems for the single currency than about why they appear to generate difficulties for theory.

According to Zelizer, the diverse and concrete features of monetary exchange which she views 'from below' are too readily glossed over by theories of market money—she singles out Simmel, not altogether fairly in my view—which emphasise its abstract, impersonal and anonymous character. Zelizer's insistence that money's richness makes it impossible to define in a general way leans up against an implicit notion of 'theory' that Fine & Lapavitsas appear to share. It is not, however, the only notion available to us. Zelizer translates her rich descriptions of multiple monies into taxonomies. While there are many different kinds of taxonomy (Hacking, 1993), Zelizer's kind appear to operate in a manner, which is not dissimilar from a heuristic or ideal-type. She insists on the contextuality of monetary exchange, but nevertheless produces categories of money that cut across local boundaries: for example, money for creating or dissolving social ties, or for dealing with risk and uncertainty. Multiple monies, then, are classifiable *to some degree*. Variety is nevertheless key to this approach, which seeks to capture 'the remarkably various ways in which people identify, classify, organize, use, segregate, manufacture, design, store, and even decorate monies' (1994: 1). Instead of a theory of 'market money' she proposes a 'differentiated model of money as shaped and reshaped by particular networks of social relations and varying systems of meanings' (18).

In her defence against the criticisms of Fine and Lapavitsas, Zelizer rejects the alternative between neo-classical economics and Marxist political economy in favour of what she describes as the most radical approach to economic sociology, i.e. that which views people as 'creating, maintaining, symbolizing, and transforming meaningful social relations' in *all* areas of economic life (2000: 388). The euro zone constitutes a similarly textured terrain, and some sceptics fear that the introduction of a one-fits-all currency and monetary policy amidst such diversity is bound to fail for reasons that are analogous to those given by Zelizer for rejecting utilitarian and Marxist theories of money. Such theories distil multiplicity where the euro would seek to iron out diversity with its powerful centralized institutions and uniform policies; and they are written on so general a level as to lose sight of the creativity of the 'money-marking people', just as the euro threatens to stifle local colour, taste and meaning.

But perhaps this is the most interesting feature of the period of transition towards euro notes and coins: that it will provide a fleeting view of features of monetary exchange—its concrete, diverse and 'real' qualities and meanings—which are usually accessible only from beneath, or up close. Moreover, given that these qualities are being placed in sharp relief throughout the euro zone at the same time, the transition renders them more accessible than they usually are. In this vein the concept of liminality expresses some of the 'anti-structure' that Zelizer appears to be searching for. But the key here, and also what is most problematic about that concept, is that this dynamic phase is the antithesis of the prevailing, static, social order. Analyses such as that of Zelizer suggest otherwise: social life may be ordered, but not rigidly or statically—or from above—in the way the concept of liminality suggests. The transition to euro notes and coins promises to lay this open to view not because chaos may ensue and people will improvise, but rather because the ways in which they routinely behave with, think about, and even 'feel, look and tilt' money will be articulated to a heightened degree: hence the more drawn out, sustained metaphor of 'awakening' I suggested at the beginning of this article.

One potential difficulty with Zelizer's approach, however, is that her 'differentiated model' rests on binary oppositions such as 'top' versus 'bottom', 'singular' versus 'multiple', and 'uniformity' versus 'diversity'. Her arguments against Fine and Lapavitsas, particularly the remark about the duality of monetary circuits cited above, appear implicitly to concede this point. The problem, however, is that by focusing purely on the multiplicity of money she has yet to suggest a conceptual apparatus through which its duality can properly be explored. Indeed, the notion of duality itself is problematic, suggesting as it does the opposition rather than interrelationship of an either/or. The concept thereby tends to foreclose rather than facilitate enquiry into the complex relations that exist between each domain. In the context of the euro debate, such binary thinking has enabled extremism to flourish.

The passage of transition to euro notes and coins is an ideal period in which to begin developing a conceptual framework for exploring the commonality and diversity of monies—in Zelizer's sense rather than as currencies. As I have suggested, it is likely to place in sharp relief all manner of ways in which people use money, and the meanings it has for them—in *both* their local variety *and*, in some instances, similarity. I want to propose that Simmel's distinction between form and content may prove to be a more constructive means of approaching these questions. Zelizer criticizes Simmel for advancing a concept of money which is abstract, singular and universal, and which therefore reproduces the errors of the utilitarians in talking of general features of money at the expense of the local diversity of multiple monies. But Simmel is writing specifically of an *idea* of money in the mature money economy: that it is impersonal, abstract, and destructive in respect of social relations. It is an idea which, he fears, will become the quintessential expression of what he refers to as the ‘tragic’ objectification of culture in modern society. According to this view, money has—or threatens to become—a proto-form, which outgrows and ultimately overwhelms the human purposes that gave rise to it, thereby conflicting with the content of social life itself. This is a normative argument. But it is not a celebration. Quite the contrary—to equate it with utilitarianism requires a gross misreading.

More importantly, Simmel's thesis is rooted within a distinction between content and form that sees them not in binary opposition—as ‘either/or’—but as inextricably intertwined. Forms are not simply imposed onto the contents of life. They are generated out of its ‘incessant energies’ (Oakes, 13). As it stands, this approach still threatens to foreclose the potential for exploring the entwinement of content and form. But in *The Philosophy of Money*, Simmel avoids such foreclosure by virtue of his intellectual methodology. That is to say, he sets out the multiplicity of ways in which money as proto-form *interacts with* the content of modern social life and culture. He presents this not as a taxonomy, however, but through the very feature of that book which has most exercised its critics, both at the time of its publication and more recently: namely, its constant recourse to *analogical reasoning*.

Unlike binary oppositions, analogies enable us to open up rather than foreclose research because they are in the first instance *comparators*. They make it possible to discern both similarities and differences. The euro is beginning to perform exactly such a task in practical terms, not only by allowing differences of price across the euro zone to be made explicit (the ‘Big Mac’ index is just one example) but, during the transition to notes and coins and beyond, by enabling us to investigate diversity and commonality in what Zelizer might call monetary practices throughout the euro zone. This has always been possible in principle, of course. But the withdrawal of separate currencies will have the counterintuitive consequence of encouraging *up close* comparison across vast distances.

As a single currency, the euro spans a multiplicity of local contexts, linking them together—sometimes in tension, sometimes not—and also to a central configuration of institutions and institutional actors. Research by Zelizer and others powerfully suggests that the euro will never be the monolithic, homogenising *Über*-currency that the sceptics fear. But neither is it rendered completely unworkable by local colour. The stresses and strains that emerge during the transition to notes and coins, and indeed beyond, will underline the interrelationship between singularity and multiplicity, not present them to us as a stark choice. We are not on the cusp of witnessing the homogenisation of Europe by monetary fiat. Nor, necessarily, are we about to confront objectification in the sense feared by Simmel. Where the objectification of culture implies rigidity and strength, and the imposition of a tempo so uniformly predominant that the energies of subjective culture are stifled and swamped, the transition towards euro notes and coins seems to be characterised by ambiguity and temporal diversity. The sceptics predict a euro which is cold, impersonal, lacking in historical depth and memory – yet the outcome of the transition, up close, is far from pre-determined. If anything, the euro more closely resembles an *ur*-phenomenon: not quite a primal phenomenon in Goethe’s sense, but something akin to the ‘carrier of analogy’ or ‘instrument of comparison’ that is implied by Simmel’s treatment of money as a philosophical vehicle.

In droves, we are printing money and minting coins, stacking them into money trucks and packing them into starter kits. But none of this will bring the euro into being. Only Zelizer’s money-markers are capable of doing that. The various ways in which they prepare to do so during this 'liminal' phase—some reluctantly, others not—promises to yield sociological insights only if we resist constraining ourselves within the straitjacket of dualistic reasoning. From a sociological perspective, diversity within the euro zone will breathe life into the single currency. Whether this will actually make it a 'success' from the point of view of the policy-makers—whether this does not, after all, turn out to be an instance of bad money driving out good—is not the point. It is beyond the scope of this paper, and indeed its author, to predict whether the euro zone will constitute an organisational structure which functions smoothly, is sufficiently sensitive to external shocks, and judicious in a political sense. But in practice, and I would argue by definition, real euros will not be artificial. The remark of Pedro Solbes (*Wall Street Journal Europe*, 27/8 October 2000) in response to the euro's earlier depreciation on the money markets, that 'a euro is a euro', is about to cease being an empty tautology.

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Economic Sociology in Portugal

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In this article, we look at the constitution of the field of economic sociology in Portugal. First, we consider the institutional framework of the field, reviewing the research that uses, in an explicit way, the economic sociology label or tries to unfold direct links between economics and sociology. Second, we review other themes of study that are closely connected to the field. Due to the dispersed status of the research, the list of authors presented in this paper should be considered provisional.

Institutionalised Economic Sociology

Sociology became entirely institutionalised in Portugal only after 1974, with the political democratisation of the country. Considering educational degrees or the thematic grouping of research, some specialities are very stable, including work and industrial sociology, urban and spatial issues, sociology of education and sociology of the family, for example. In contrast, the field of economic sociology is rarely mentioned. However, some exceptions exist. Taking the formal institutional side, the Institute of Economic and Business Administration (ISEG), from the Technical University of Lisbon, can be considered the stronghold of economic sociology in Portugal. It created PhD and Master degrees in "economic sociology and the sociology of organisations" in 1991 and 1992; and launched the Research Centre on Economic Sociology and the Sociology of Organisations (SOCIUS) in 1991[2]. Other institutions promoting this new field comprise the School of Economics of the University of Coimbra, where the PhD in Sociology includes a speciality in economic sociology; and the Institute of Social Sciences (ICS), from the University of Lisbon, where economic and development sociology is one of the strongest research lines. Outside these institutions, the economic sociology label is rarely used. Furthermore, we should emphasise that the institutionalisation of the field in some of the leading schools of economics and management does not mean that a fruitful dialogue or collaborative research between sociology and economics emerged.

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[1] We would like to thank Sara Falcão Casaca and José Manuel Mendes, as well as other colleagues in SOCIUS, for their suggestions concerning this article. The usual disclaimer applies.

[2] Courses on economic sociology and sociology of financial markets are also taught in ISEG at undergraduate level, for students in economics, management and finance.

While economic sociology is a task undertaken by a small number of researchers today, during the 1960s a more ambitious project was seemingly on its way. The journal in which modern sociology appeared, *Análise Social*, stated in its first issues the aim of linking economics and sociology. In an editorial published in 1964, on the occasion of the celebration of the 50th anniversary of the School of Economics (the current ISEG), the editors declared the intention "[...] to rend a valid contribution to the enlargement of scope of economic development studies in Portugal; to open the set of themes to discuss; to give place, in the analysis of facts and in the determination of problems, to variables not yet considered" (VVAA, 1964: 404). For this reason, an appeal to an "interdisciplinary dialogue" was made[3]. Some of the articles published in *Análise Social* in the 1960s testify to this aim. Two special issues were dedicated to the theme of development: one in 1964, on the social aspects of development; another in 1969, on its social and institutional features. Contributions by Adérito Sedas Nunes—considered the founding father of modern sociology in Portugal—and Alfredo de Sousa, both economists by training, were amongst the more relevant. They wrote papers on the social, cultural and political dimensions of economic development, on social stratification and new knowledge classes, on the methods of modern sociology (the case of Sedas Nunes), and on time conceptions as a cultural factor of economic development (the case of Sousa). Still in the 1960s, *Análise Social* edited a paper from Jean Cuisennier (1965) proposing a "sociology of the economy" which was in line with further papers in the same period. In the latter, social variables and agents' behaviour were identified as crucial for planning design.

After 1974, the specialisation of the social sciences deepened and the efforts for "dialogue" diminished. A brief analysis of the main sociological journals in Portugal yields few references directly linking economics and sociology or explicitly mentioning economic sociology. Among the main exceptions is an article from Ilona Kovács (1985) from ISEG calling for a more fruitful dialogue between economics and sociology due to answer the complexity and uncertainty of current times and the need for integrative thought. Some articles published in a journal from the University of Oporto, *Cadernos de Ciências Sociais* by authors such as José Manuel Moreira (1986), called for a revision of the basic assumptions of mainstream economics, namely the concept of rationality, the positivist methodology and the rupture with social norms and ethics. João Freire (1991) proposed research on sociology of economic life focusing on production, consumption, entrepreneurship and financial systems (his aim was to link these themes with the eventual "democratisation" of the economy). João Arriscado Nunes, from the University of Coimbra, was the more prolific, writing articles about Polanyi's social and economic modes of regulation and the sociology of economics (Nunes, 1994 and 1998, among others). Finally, authors such as Adelino Torres, José Luís Cardoso, Francisco Louçã, António Almodôvar, Fernando Catroga and Maria de Fátima Brandão explored the issue of the relationships between economic and sociological thinking.

Considering more recent research that explicitly uses both the economic sociology label and its theoretical framework, it comes as no surprise that the majority is produced in ISEG and

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[3] However, we must remind the specific context in which this proposal was made. The aim was not so much to reconcile economics and sociology, since the latter hardly existed, but to elude the institutional constraints to the expansion of sociology and to pervade economic studies (and political debates) with the social dimension. The critical stance of these authors and the social catholic doctrine that many shared benefited from a broader social perspective.

particularly in SOCIUS. While part of this work is rooted in traditional streams of research like sociology of work and industrial sociology, other research corresponds more closely to what is currently recognised as new economic sociology. Here, we particularly think of the research conducted by José Maria Carvalho Ferreira on intermediary institutions (third-sector organisations); by João Peixoto on the international mobility of highly skilled workers; by Anabela Carvalho on ethnic entrepreneurs of Indian and Islamic background; by Maria João Santos on productive transformations in the context of local development; by João Carlos Graça on the thought of José Frederico Laranjo (a Portuguese social scientist from the turn of the 19th/20th century); by Rafael Marques on a general theory of reciprocity; by Rita Raposo on gated communities as a process of social and economic consumption; and by Marta Varanda on problems of collective action among small entrepreneurs of the traditional business sector (pioneering the use of network analysis in Portugal) [4]. Some of them are currently preparing the first reader on new economic sociology to be published in Portuguese (Marques and Peixoto, forthcoming).

It was also SOCIUS that organised the first scientific meetings entirely dedicated to the field. The first was a workshop held in 1995 that led to a book entitled "Between Economics and Sociology" (Ferreira *et al.*, 1996). The book includes sections devoted to the historical scrutiny of economic and sociological thought, theoretical debates on current economic sociology and theoretical and empirical analysis of related fields (values and development, poverty and exclusion, migrations, entrepreneurship). A particularly innovative perspective is introduced in the conjunction of chapters by João Arriscado Nunes and Carlos Gonçalves (University of Oporto), both on the sociology of economics. Building on earlier work, Nunes deals with the cultural impact of economic discourse, arguing that it currently displays the role of dominant rhetoric (approaching the theoretical contributions from McCloskey and Klamer). Gonçalves observes the slow and incomplete institutionalisation of the profession of economist (following the theoretical guidelines developed by Boltanski on the social construction of professions) which stands in stark contrast to its rapid symbolic success. Later, in 1998, SOCIUS organised the First Portuguese Congress on Economic Sociology, which gathered around 600 participants and various national and international keynote speakers.

Other Thematic Contributions

Although it cannot be directly labelled as "economic sociology", work and industrial sociology is undoubtedly the closest area that acquired a stronger institutionalisation in Portuguese sociology. It comprises graduate and post-graduate degrees or specialities, specific journals, a recurrent stream of research, scientific meetings and a professional association (Portuguese Association in Work, Organisations and Industrial Sociology—APSIOT). In contrast to economic sociology, several authors have already traced the paths and reviewed research on this speciality (Rodrigues and Lima, 1987; Stoleroff, 1992a and 1992b; Ferreira and Costa, 1998/1999; Freire, 2000). All commentators on Portuguese sociology admit that this is one of the strongest fields within the discipline and also one of the oldest, although

4 Other relevant research in SOCIUS include Ilona Kovács, on new models of production and work organisation; Maria da Conceição Cerdeira, on industrial relations; Helena Serra, on power relationships among medical and nursing professionals in health organisations; Sofia Bento, on the social controversies around technology; Sara Falcão Casaca, on gender and flexible modalities of employment; and Helena Jerónimo, on science, ethics and religion.

some difference is made concerning sociology of work (more mature) and sociology of organisations (more recent). The exact outset of the field is subject to dispute: some argue that work and labour issues were already a major concern in the 60s (Rodrigues and Lima, 1987). Others say that 1974 marked a rupture in the field due to the emergence of new themes of research and new theoretical perspectives (Stoleroff, 1992a).

The specific themes studied in this area varied. Right after 1974, it was mainly the working class, its demands, trade unionism and political links that were explored. In this period, a combination of a Marxist structural and an action based perspective (mainly inspired by Touraine) prevailed. Also subject to scrutiny were co-operative and self-managed initiatives, the relationship between technology, labour organisation and skills training and the history of the working class movement. From the 1980s on, new themes began to emerge. These comprise employment, unemployment and the flexibilisation of labour relations (Rodrigues, 1988, among others), technological change (including new information technologies), work organisation, qualification patterns and skills training, models of production (technocentric and anthropocentric—Kovács and Castillo, 1998), inequalities in labour markets (including the gender dimension), institutional regulation of labour relations and the sociology of professions. Some of the more prominent authors in these fields are João Freire, Ilona Kovács, António Brandão Moniz, the late José Baptista, Maria Filomena Mónica, Maria João Rodrigues, Marinús Pires de Lima, Maria Teresa Rosa, Maria da Conceição Cerdeira, Alan Stoleroff and Maria de Lurdes Rodrigues.

Other fields of research have been active as well. Firstly, these include the study of the informal economy. Some studies developed in the early 80s found a significant proportion of informal or underground economic activities in the country. The evidence was striking: macro-economic indicators suggested a period of deep crisis, whilst the individuals' consumption and well being was increasing. Manuel Villaverde Cabral (1983) was one of the pioneers of research in this field. Looking mainly into industrialised rural contexts, he found that agents combined strategies on the urban and industrial labour market, on part-time farming and on welfare benefits. According to him, "[...] rural environments are very rich of strategies unpredicted by macroeconomics" (1983: 222). Later, Lobo (1985) generalised this approach to other contexts, also stressing the links of the informal economy with social and economic structures and admitting the complicity of agents in informal activities: entrepreneurs, workers and their families. Several other sociologists and economists, including Maria João Rodrigues, also carried out research on this theme.

Secondly, a somewhat related perspective has been developed. Research on territorial contexts of production joined the efforts of sociologists, economists and geographers. Their aim was to reveal regional and local particularities on modes of production, regulation and consumption. Research by Boaventura de Sousa Santos (1985) and José Reis (1992), from the University of Coimbra, and Fernando Medeiros (1992) from the University of Paris and ISEG stands out in this respect. Santos carried an extensive review of regional indicators, arguing that the capitalist mode of production was not always matched by a wage-based form of social reproduction. Strategies around wages, part-time farming, financial applications (many resulting from emigrants' remittances) and welfare benefits co-existed, although territorially specific. Reis, an economist, studied a local production system in central coastal Portugal, following a line of research related to the industrial districts' approach (shortly after, this author explored the links between the state and the economy—Reis, 1997). Medeiros theorised about the specificity of Southern European countries as "societies of multiple spaces" with varying forms of social and economic local structuration. Other relevant contributions on this subject came from João Ferrão and Rogério Roque Amaro.

Thirdly, studies on economic elites and entrepreneurship have some tradition. Still in the 1960s, a pioneering work of Harry Makler (1969) about the "industrial elite" in Portugal (based on his dissertation at Columbia University in 1968) settled the field. He studied the social characteristics of agents leading large manufacturing enterprises and their professional performance, considering a traditional and a "managerial" approach to the firm. Starting in the late 1980s, the field regained momentum with research by Manuela Silva (1989), Maria das Dores Guerreiro (1996) and Ana Nunes de Almeida, João Ferrão and José Manuel Sobral (1994) among others. Silva and collaborators conducted research on entrepreneurs and managers from the manufacturing industry evaluating their characteristics, attitudes and behaviour. Guerreiro studied small firms and the relationship between firm and family strategies. Almeida, Ferrão and Sobral applied a mixed perspective on entrepreneurship, combining space, social classes and family. Further work was conducted by Maria Filomena Mónica, Nelson Lourenço, Manuel Lisboa and Mafalda Cardim.

Finally, a set of other research lines, both established and rather recent ones, should be mentioned. These include intermediary institutions (third-sector organisations) and social exclusion, represented by authors such as José Pereirinha, Carlos Barros, Amílcar Moreira and Paulo Variz; state and collective action by Paulo Trigo Pereira; institutional regulation of the economy by Manuel de Lucena, Carlos Gaspar, Maria Manuel Leitão Marques and António Casimiro Ferreira; development studies by Jochen Oppenheimer and his colleagues at the Centre of Studies on Africa and Development (CESA), ISEG; values, attitudes and development by Manuel Villaverde Cabral; international migration, policy and labour markets by Maria Ioannis Baganha; economy and sociology of culture by Carlos Barros, Pedro Costa, João Teixeira Lopes, Eduardo Esperança and Maria de Lurdes Lima dos Santos; consumption studies by Cristina Matos and José Peixoto Viseu; and social uses of time by Emília Araújo. To conclude, notwithstanding their institutional dilemmas, economic sociology and related research appear to have a promising future in Portugal.

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BOOK REVIEW

Don Slater and Fran Tonkiss, *Market Society: Markets and Modern Social Theory*. Cambridge: Polity Press, 2001.

This book, say the authors, “examines key ways in which markets have been conceived within modern social theory. In thinking about `market society', we are concerned with markets and market relations as frameworks for understanding social order” (p.1). From this point of departure, Slater and Tonkiss begin a fast-paced tour of a large and heterogeneous body of work. In less than 200 pages, they touch on everything from Durkheim's conscience collective to Adorno's cultural pessimism; from the marginalist revolution to rational expectations theory; and from flexible accumulation to the kula ring. Although the presentation of these issues is usually clear and reliable, it is often superficial. The book is presented as a broad survey, so readers should not be surprised by this. Nevertheless, by covering such a variety of topics at such high speed, the authors risk leaving everyone unsatisfied. Specialists will want more detail; novices may feel dizzy as big questions whizz by.

Slater and Tonkiss explore the general idea of “market society” over seven chapters. Chapter 1 takes a historical approach, discussing both the emergence of the market form over time and the development of ideas about the market in (mainly British) social and political theory. Chapter 2 sketches the economic conception of markets, and discusses Adam Smith's political economy and the marginalist revolution. Chapter 3 considers what Marx, Weber, Durkheim and Simmel thought about the market. The discussion in this chapter is framed as a discussion of the potential of market mechanisms to solve the classic problem of order. Chapter 4 covers the anthropological approach to markets and the general question of embeddedness that grew out of it. Chapter 5 covers the relationship between states and markets. Chapter 6 discusses the relationship between cultural goods and the market. The authors draw on critical theorists, especially Adorno. Finally, chapter 7 discusses what the authors call the “cultural turn” in social theory, by which they mean sociologies of consumption inspired by Baudrillard, and the general idea that modern markets should be understood “more in terms of the production and flow of signs than simply the selling of goods” (p.179).

There is a good deal of stimulating discussion in these chapters. The authors are generally fair in their treatment of the issues, though some theorists have an easier time of it than others. For instance, the labour theory of value is presented without criticism on pp.64-65, which does not seem very helpful for students who might be encountering it for the first time. Slater and Tonkiss acknowledge elsewhere (p.45) that there has been “intense debate” about the theory, but give no indication that Marx's presentation of it is in fact incoherent, or that its few contemporary advocates face a difficult task defending it. It seems odd to discuss the shortcomings of neoclassical theory, on the one hand, while letting the labour theory of value go by unscathed, on the other.

Their account of the marginalist revolution suffers because of this omission. They suggest that the revolution involved “two key shifts”—a move away from “explicit concern with problems of social and political order” and “the adoption of a mathematical approach to economic knowledge”. Substantively, though, it was the shift from thinking that value originated in labour time to thinking of it as a function of relative demand that defined the divide between classical and neoclassical economics. Although Slater and Tonkiss discuss marginal utility theory, they never make this link. Confined instead to separate chapters, two central (and opposing) conceptions of markets and market value pass each other by without discussion of their theoretical or historical relationship. The main difficulty with the book, however, is that it does not have a central argument of its own. If the authors had made a case for the superiority of a particular approach to market society, this would have given them a way to sort through all the material in a more systematic way. It would also have given the reader a thread to follow from chapter to chapter. Instead, the book discusses various "themes and questions" (p.4) which fall under the general category of market society. Without a strong organising principle, the structure of the book does not adequately capture and tame the wide variety of topics that fall under the term.

At least three readings of the phrase "market society" compete for attention in the various chapters. First, there is the problem of markets as social structures. This is the effort to build a theory of markets that better accounts for what we observe than competing economic theories. Second, there is the question of whether some societies should be called "market societies". This question is separate from the first problem. We might agree that the United States is a market society and 14th century Britain was not, for example, and yet still differ in our accounts of how markets work. Third, there is the question of how the notion of the market has been used as a way of explaining social order by various thinkers. This is a problem in the history of ideas. Each way of thinking about "market society" is present in the book, but the authors do not separate them clearly enough. Instead, they constantly shift gears between them. To make things more complicated, this discussion of the different concepts of market society competes for space with summaries of substantive problems which themselves have large literatures. For example, Chapter 5, on states and markets, contains severely compressed (1-2 page) discussions of classical liberalism, Keynesian macro-economic management, monetarism, Marxist theories of the state, problems of post-socialist transition, and Foucauldian notions of governmentality, amongst several other topics. It is hard to see what might usefully be learned from such a whirlwind tour.

The authors themselves are aware of the book's organisational problems. In the Conclusion, they note that "The idea of market society [...] has certainly proved useful in this book as a way of ordering and presenting key themes in modern social theory. And yet we want to conclude the book by casting considerable doubt on the very idea of market society and whether it maps out a fruitful intellectual strategy at all" (198-199). The reader might be forgiven for feeling a little cheated. It is one thing to write a book criticising the concept of "market society". It is quite another to use the concept to organise a book, and then conclude, at the very end, that it is not a very useful concept after all. There is a "tension", the authors say, "between theories of market society and analyses of markets" and this tension "can be seen throughout most of the book" (p.200). I am forced to agree. Market Society is clear and useful in parts, but the cross-currents, tensions and ambiguities of its main idea are only reproduced in the text, not resolved by it.

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CONFERENCE REPORTS

Economic Sociology at the American Sociological Association Annual Meeting in Anaheim, August 2001

The most recent meeting of the American Sociological Association (ASA) took place in Anaheim, California, on August 18-21. Economic sociology, which recently received its own section, had a prominent place on the program, and a number of exciting sessions were held. One of the most popular was devoted to “The Evolving Field of Economic Sociology”. Mark Granovetter spoke on “Rethinking the Old and New Economic Sociology”, Woody Powell on “Evolving Industry” and Linda Brewster Stearns on “Merger Waves and the Merger of Economics and Sociology”.

Most of the general sessions in economic sociology (organised by Lisa Keister) focussed on specific topics, such as "global financial markets", "interfirm relations" and "globalisation and the new economy". Much other important activity could also be found at the many roundtables on the theme "Culture and Economy". To this should be added a number of sessions organised by other sections than economic sociology but of central relevance to our field, such as consumption, work, social capital, the transition to capitalism in Eastern Europe, and much more.

The meetings of ASA contain an overwhelmingly large number of sessions and meetings. Nonetheless, some papers stand out as particularly interesting, and in my case I especially enjoyed listening to Carol Heimer's analysis of insurance, the main point being that insurance companies discipline and shape people's behavior through the way insurances are written ("Insurers as Moral Actors: Organizations and the Economic Sociology of Financial Markets"). Another high point for me was Lauren Edelman's argument that much of American law is today created by corporations, as opposed to more conventional actors such as legislatures and courts ("Legality and the Endogeneity of Law"). A memorable event was finally Margaret Somers' critique of the neoliberalism implicit in the notion of social capital, and the lively debate that this argument led to.

One of the attractions at the annual meetings of ASA is to visit the area where all the publishers display their latest books. One that caught my eye was John Campbell and Ove Pedersen's "The Rise of Neoliberalism and Institutional Analysis" (Princeton University Press, 2001). In this anthology a number of representatives from different schools of institutionalism analyse some aspect of neoliberalism.

Another important book on display was Robert Nelson and William Bridges' "Legalizing Gender Inequality: Courts, Markets, and Unequal pay for Women in America" (Cambridge University Press, 1999). One of the major points in this book is that U.S. courts have started to use arguments from the law-and-economics literature to strike down suits for equal pay. Leah Greenfeld's "Spirit of Capitalism" (Harvard University Press, forthcoming) is to a large extent devoted to the impact of nationalism on economic life, and promises to be of much interest.

Next year's the ASA's annual meeting will be held in Chicago on August 16-19, and a number of activities have already been planned by the Council for the Section on Economic Sociology, led by Viviana Zelizer. There will, for example, be a joint session with the section on international migration. In all likelihood there will also be a miniconference—possibly on global finance—in connection with the main event.

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"Knowledge. The New Wealth of Nations?"—13th Annual Meeting of the Society for the Advancement of Socio-Economics (SASE); University of Amsterdam, June 28—July 1, 2001

1. The traditional annual meeting organised by the Society for the Advancement of Socio-Economics took place at the University of Amsterdam. As always, the precise title of the conference did not prevent many papers actually being dedicated to very different issues. The labour market, industrial relations, development and governments, communitarianism and civil society, family and gender, knowledge and society: the thematic networks of SASE cover many of the subjects of interest to sociologists and economists. For this reason, it is practically impossible to provide an account of the works of the thematic networks. I shall consequently dedicate a few brief considerations to the central theme of the conference, as it emerged from the papers delivered by the featured speakers, before going on to examine another aspect of the meeting: the interdisciplinary vocation of SASE, the central topic in a discussion panel on a recent proposal by Amitai Etzioni, the founder of SASE.

2. Is knowledge the new wealth of nations? The conference was not expecting an answer, but the choice of subject indicates a precise direction. Among the many featured speakers[1], who include both top level scholars and national standards or European Community policymakers, the topic was mainly, although not exclusively, tackled starting from the endowment of human capital in the various national systems. The speech by H. Borstlap (Director General for Strategy and Labour Market at the Ministry of Education, Culture and Science of The Netherlands) proposed the introduction of a system of "lifelong learning", functional to the reproduction and development of the human capital of individuals. Since it is neither possible nor desirable to oblige individuals to take part in training and courses throughout their lives, the proposal is to link learning to pay. In other words, refusal to follow training courses should be accompanied by a gradual reduction in pay, thus providing an incentive for "lifelong learning". The production of human capital was also the focus of attention in the paper by Gosta Esping-Andersen. The author maintains that most significant changes in post-

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1 Apart from those mentioned in the text, these include those who presented papers concerning the subject of knowledge: Maria João Rodrigues, Luc Soete, Margaret R. Somers, Arthur Stinchcombe, Henriette Maasen van den Brink, and Bernard van Praag.

industrial society can be understood by examining the condition of women. Examining changes in the relationship between women and the labour market, women and the supply of services and, finally, women and demographic changes. What path should European nations follow in order to "reconstruct European welfare capitalism", as the title of Esping-Andersen's speech asks? As so often happens when the topic is so wide-ranging, it is easier to say what should not be done, rather than what should. The path to avoid is the one followed by the United States, which saves on welfare and offloads the cost onto society. The decisive choice will be made by those societies that decide to invest in the human capital of future generations.

3. Why should an individual at a point in time T decide to forgo a safe earning and invest in human capital in order to obtain an uncertain return at a point in time T1? Whether it is applied to individual decisions or to institutional solutions to facilitate these decisions, the answer must somehow involve some form of analytical micro-fundamentals. To judge by the discussion about the paper by Amitai Etzioni, "Toward a Socio-Economic Paradigm", the question of micro-fundamentals would appear to be at the heart of a discussion between members of SASE. L. Baccaro, winner of the founder's prize in 2000, took part in the discussion together with J. Rogers Hollingsworth, M. Piore, W. Streeck and D. Wrong. Etzioni's proposal, which is contained in a paper available at www.sase.org, puts forward some core elements of socio-economics, which should constitute its basic paradigm. To summarise: the analytical emphasis of socio-economics is on macro factors: *"[I]t focuses on factors that affect the preferences and choices of millions of individuals [...] and [...] has room for the study of aggregations of individual choices"* (A. Etzioni, *Toward a Socio-Economic Paradigm,* 2001). At the micro level, the principal assumptions are that: (i) individuals are moved by the pursuit of two irreducible utilities: the desire for pleasure and moral obligations; (ii) individuals have serious limitations in processing information; (iii) the choices individuals make depend on the group they belong to. It follows that the independent variables of socio-economics are of a historical-social nature, that the economy is a sub-system of society, and that asymmetries of power are the source of social structure. The reactions of the discussants highlighted some aspects of these principles. For example, it is important to consider the processes by which preferences are formed, but without neglecting the principle of rationality and strategic interaction (Baccaro); greater interpenetration between deduction and induction is required (Hollingsworth); paradigms may be harmful - the natural sciences have often been developed without the use of paradigms (Piore); political economy has overlooked micro-fundamentals and has dealt with institutions, it is now time to start from micro-fundamentals (Streeck).

These are indeed important points with which one might agree, and yet which raise some doubts, with which I shall conclude. In particular, it is not clear to what extent these principles constitute socio-economics as a discipline separate from other approaches which study economic phenomena using independent variables of a social nature, which consider the problem of social structure and of power, and make use of complex models of the individual. The New Economic Sociology, for example, appears to use many of the hypotheses previously expressed (cf. M. Granovetter, *A Theoretical Agenda for Economic Sociology*, paper presented at the second Economic Sociology conference at the University of Pennsylvania, March 2000): "*I argue that there are two very general ways in which the instrumental-reductionist vision is theoretically incomplete [...]. The first is that any account of human interaction which limits explanation to individual interests abstracts away from* *fundamental aspects of relationships which characterize economic as well as any other action. In particular, horizontal relationships may involve trust and cooperation, and vertical relationships power and compliance, well beyond what individuals' incentives can explain [...]. The second problem for reductionist accounts is that even though we see some spaces where one may adequately explain outcomes by a purely interest-driven model, there is rarely any simple reduction to individual action that can explain how such spaces evolved as they did, with the constraints and incentives that individuals find themselves acting out."*

There is much convergence on micro-fundamentals and on micro-macro relationships, and this may prove fruitful. This is another reason why it may be desirable to have greater participation of economic sociologists at future meetings. Including those responsible for this newsletter, who have courteously hosted this paper.

Filippo Barbera

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European Sociological Association (ESA) conference in Helsinki, August 27—September 1, 2001

The conference, with "Vision and Divisions" as its theme, hosted close to 1300 sociologist, making it the largest European Sociological Association conference so far. An advantage with this conference is the range of topics covered. This fact is also reflected in the sessions on economic sociology, which include themes ranging from studies of the stock exchange over trust to division of labour.

The Research Network of Economic Sociology was one of the largest networks with 9 sessions, and the number of papers presented was just above 30. The theme *Networks and Social Capital in the Economy* attracted most papers, and had to be divided into three sessions. A joint session was organised by the Economic Sociology and the Sociology of Consumption Networks. It showed, among other things, that consumption sociologists are beginning to connect consumption and production.

The Economic Sociology research network was organised by Patrik Aspers and Sokratis Koniordos. For those interested in the papers presented at the venue, there is a published book with abstracts. These abstracts, and additional information, is accessible at http://www.valt.helsinki.fi/esa/helsinki.htm

The next conference will take place in Spain (September 2003).

Patrik Aspers

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PhD's in Progress

Current PhD projects in economic sociology in Europe.

Young researchers are kindly requested to send in a brief description of their PhD project. Please indicate first: Name of PhD candidate, title of the project, Department, University, City, Postal Code, and email address. Then give a concise description of the project, not much longer than approximately 200 words.

Please send project descriptions to be included in the next issue of the Newsletter before January 1, 2002 as an email attachment to the Managing Editor at:

es@pscw.uva.nl

Computational Model of Industrial Districts

Name: Flaminio Squazzoni

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Title: Inter-Organizational Structure, Technological Behavior and Supporting Institutional Actions inside an Artificial Industrial District. An Agent-Based Computational Model

Project description:

The aim of this project is to suggest an agent-based computational approach to industrial districts. Our artificial industrial district prototype is based on 100 final firms and three different levels including 300 sub contracted firms, with mechanisms regulating their interactions (exploration, exploitation, imitation). The system is affected by a changing technological environment and market, with different structures of information flow between environment and structure.

Then, we introduce three different behaviour patterns. The first one shows firms able to focus their choices just searching for higher individual performance values, through "one shot" interactions. The second one shows interacting firms able to coordinate themselves into stable production chains, reciprocally bounding their behaviour. The third one shows the introduction of two different supporting institutions (a technological information institution and a technology research institution).

Comparing simulation cycles, we show that adaptation capabilities of the system need complex behaviour patterns, far from a "rational choice economic" idea of action. Following a dynamic at the edge of agent-based exploration and (formal/ informal) institutional channels of infra-level coordination, the system is able to improve its absorptive capacity in respect to environment, transforming external technological macro-shocks into internal micro-instability matched by leading firms.

Divergence in Economic Performance

Name: Ian Bruff

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Leeds
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Title: The Economic Success of Small European Countries: The Role of Embedded National Institutions and Cultures

Project description:

This project aims at providing some of the reasons for the divergence in economic performance between small and large European countries over the past decade. By focusing on two countries that have superficially similar political economies, the Netherlands and Germany, I try to show that their differing size has had a significant impact on their present economic performance. The Netherlands' relative vulnerability to external economic events and trends has led to an entrenchment of the requirement of flexible adjustment, and the need to preserve internal cohesion when making that adjustment. In an era when countries of all sizes are affected by the machinations of the world economy, the Netherlands is thus well placed. Furthermore, her relative propensity to trade means that she will disproportionately benefit from the forthcoming abolition of national currencies in Europe. Finally, her small size allows for a more cohesive and inclusive culture, partly due to denser networks and partly because of the acknowledged need for intra-societal co-operation when faced with external pressures. This means that small countries are not only more structurally suited to 'globalisation' and EMU, but they also enjoy systemic advantages over large countries, as they are less path-dependent. I intend to conduct mainly qualitative fieldwork in the Netherlands and Germany in the first half of 2002 to complement my current, more quantitative and policy-based, knowledge.

Formation of Financial Markets

Name: Yuval Millo

Science Studies Unit
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Edinburgh
United Kingdom

Email: Y.Millo@sms.ed.ac.uk

Title: Historical Sociology of Financial Derivatives Markets: The social construction of pricing models

Project description:

The subject of my research project is financial markets. In the last 25 years financial markets all over the world have witnessed an explosive growth, in volume of trading and in the political importance and public attention given to them. In fact, according to some leading theorists (like Anthony Giddens), financial markets are among the most notable phenomena in today's global society. Arguably, much of the markets' success in the last decades should be attributed to financial derivatives, contracts through which much of today's trading in financial assets is done. Trading in today's markets is based on the use of pricing models, mathematical formulae with which prices and risk of contracts could be evaluated.

The project studies financial markets in a two-fold way. First, the study examines the events and ideas surrounding the formation of one of today's pioneering derivatives markets, the Chicago Board Options Exchange (CBOE). Second, the research studies the ways in which pricing models were included in the infrastructure of today's financial market. Here the regulatory aspect of the models is studied (the changes made in SEC, CFTC and Federal Reserve rules), as well as the technological evolution of the models' applications (the move from single-position calculation to scenario-simulating systems). In the historical study of derivatives markets I also describe the circumstances of the SEC-CFTC agreement (Shad-Johnson accord) and the impact of the October 1987 market break on financial derivatives.

Management of Externalities

Name: Francesca Odella

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Title: Firms and Externalities. Decision-making mechanisms and institutional context

Project description:[1]

What are externalities? How have economists defined and analysed this concept and to what extent can a sociological perspective contribute to its refinement?

The empirical research for this project consisted of an analysis of externalities management in two areas – environmental measures and employees training – among a sample of firms based in Trentino. Trentino, a region in Northern Italy, is characterized by a particular administrative and financial autonomy. In the last thirty

[1] Dissertation defended March 2001 at the Faculty of Economics, Dept. of Social Studies, University of Brescia, Italy.

years, Trentino has realised a decentralised system of administrative provisions to increase workers' skill levels and to monitor and protect natural resources. Interviews with firms' representatives and public institutions officials dealing with the local administration and control of labour market and environment in Trentino were thus matched with archival data and local government in order to improve the reliability of qualitative case study and to check for historical and territorial patterns.

In particular, the study showed that local communities play a more central role than expected in the management of natural and human resources and in shaping the effects of public policies. In the case of negative externalities (pollution and use of natural resources), coordination of firms and local administration had a positive effect in fostering new ways of dealing with side effects of industrial activity. A good management of positive externalities (training of employees), on the contrary, was harder to realise because of interactions among the strategies of the constituents involved (i.e., workers, the local community and firms). These results pose some questions to economic perspectives of externalities and suggest considering more carefully the role of social relations in creating unintended consequences and transforming economic transactions between institutions and actors.

Genealogy of Finance

Name: Marieke de Goede

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United Kingdom

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Title: Virtue, Fortune and Faith: A Genealogy of Finance

Project Description:[2]

International finance is often understood to be a rational practice, taking place within an autonomous, coherent and clearly bounded structure. This thesis questions the naturalness implied by such understandings of the international financial system. It argues that the contingencies and ambiguities of financial history have been largely written out of the discipline of International Political Economy (IPE) in general and the study of international finance in particular.

The thesis presents a detailed account of the conceptual histories that enable us to think of a domain called finance. It does so in terms of a 'genealogy,' the concept offered by French philosopher Michel Foucault to denote a historical study that resists being a linear and frictionless account of the emergence of modern practices.

A genealogy of finance discusses the contingent emergence of financial thought, thus arguing that no logical or evolutionary trajectory for the development of financial rationality was implicit in history or human nature. The thesis analyses a range of

[2] Dissertation defended July 2001 at University of Newcastle upon Tyne, United Kingdom.

archival materials debating the emerging financial sphere in London and New York, beginning with the birth of the credit economy in seventeenth-century England and proceeding into the 1990s. The analysis looks at political contestations over understandings of time and money, the gendered discourse of credit and credibility, the proper meaning of the free market, understandings of financial crisis, the morality of speculation, the differences between gambling and finance, and the imagination of finance as a rational and scientific practice. The thesis emphasises how these political controversies assume, invoke and debate a subject called 'financial man.'

The debates analysed in this thesis have shaped the regulatory and institutional structures of modern international finance. In an era when financial practices are closed off from democratic politics through the assertion that finance is too specialist for broad-based public debate, the exposure of contingencies and ambiguities in financial practices must be regarded as a political critique.

ANNOUNCEMENTS

15th International World Congress of Sociology

The Social World in the Twenty First Century: Ambivalent Legacies and Rising Challenges (Brisbane Australia; July 7—13, 2002)

Call for Papers

During the 15th International Congress of Sociology the *Research Committee on Economy and Society* will hold 16 sessions. The main theme is *Borders in the New Economy. The* Programme Coordinator is Dennis Louis McNamara from Georgetown University. (mcnamard@gunet.georgetown.edu)

The last day for submission of papers to Session Chairs is November 1, 2001. Submit proposals directly to session chairs. Proposals would include a clear summary of theme, data collection, and theoretical directions; schedule on paper completion; a clear commitment about attending the Congress.

For more information visit http://www.ucm.es/info/isa/congress2002/rc/rc02.htm

Session 1: Immigration, business, and society
Co-Chairs: Dieter Bögenhold, Sweden, dieter.bogenhold@ihh.hj.se and Jan Rath, University of Amsterdam, Netherlands, rath@pscw.uva.nl

Session 2 (plenary session): Asian models of economy and society
Chair: Dennis L. McNamara, Georgetown University, USA, mcnamard@georgetown.edu

Session 3: Asian business networks
Co-Chairs: Eun Mee Kim, Ewha Womans University, Korea, emkim@mm.ewha.ac.kr and Alvin Y. So, Head, Hong Kong University of Science and Technology, Hong Kong, soalvin@ust.hk

Session 4: Globalization on the ground: process and structure
Co-Chairs: Chris Chase-Dunn, University of California Riverside, USA, chriscd@mail.ucr.edu and Volker Bornschier, University of Zurich, Switzerland, vobo@soziologie.unizh.ch

Session 5: On-line market and information goods in the new economy
Chair: Yonghak Kim, Yonsei University, Korea, yhakim@bubble.yonsei.ac.kr

Session 6: Transfer of institutions in the new economy
Co-Chairs: Vadim Radaev, Higher School of Economics, Russia, radaev@hse.ru and Gyorgy Lengyel, University of Economic Sciences and Public Administration, gyorgy.lengyel@soc.bke.hu

Session 7: Regional systems of innovation
Co-Chairs: Jorge Niosi, UQAM, Canada, niosi.jorge@uqam.ca and Diane-Gabrielle Tremblay, UQAM, Canada, dgtrembl@pop3.teluq.uquebec.ca

Session 8: The entrepreneurial society
Co-Chairs: Bruno Trezzini, Nanyang Technological University, Singapore, atrezzini@ntu.edu.sg and Alexius A. Pereira, National University of Singapore, socaap@nus.edu.sg

Session 9: Markets, hierarchies and networks in the global economy
Chair: Emanuela Todaeva, South Bank University, UK, todevae@sbu.ac.uk

Session 10: Corruption of business: challenges to states and to markets
Co-Chairs: Harry M. Makler, Stanford University, USA, makler@stanford.edu and Neil J. Smelser, Center for Advanced Study in the Behavioral Sciences, USA, neil@casbs.stanford.edu

Session 11: Economic elites and entrepreneurs: politics in EU enlargement
Co-Chairs: Jochen Tholen, University of Bremen, Germany, jtholen@uni-bremen.de and Gyorgy Lengyel, Budapest University of Economic Sciences, gyorgy.lengyel@soc.bke.hu

Session 12: Finance
Chair: Jocelyn Pixley, University of New South Wales, Australia, j.pixley@unsw.edu.au

Session 13: Politics and markets
Chair: Geoff Dow, University of Queensland, Australia, geoff.dow@mailbox.uq.edu.au

Session 14: Key themes in economic sociology
Chair: Stuart Clegg, University of Technology, Australia, sclegg@uts.edu.au

Session 15: Borders of gender and ethnicity between the old and new economy
Chair: Dennis L. McNamara, Georgetown University, USA, mcnamard@georgetown.edu

Session 16: From militaries to markets - security implications of economic interdependence
Chair: Dennis L. McNamara, Georgetown University, USA, mcnamard@georgetown.edu

Special session 1: Ethnic business and biography
Joint session of RC02 Economy and Society and RC38 Biography and Society)
Organisers: Ursula Apitzsch, J.W. Goethe University, Germany, apitzsch@soz.uni-frankfurt.de and Jan Rath, University of Amsterdam, The Netherlands, rath@pscw.uva.nl

Focussed Session: Rising challenges for the next millennium: globalisation, migration, work and urbanisation
Integrative focussed session of RC02 Economy and Society, RC21 Regional and Urban Development, RC30 Sociology of Work, RC31 Sociology of Migration
Organisers: Alice R. de P. Abreu, Brazil, Soledad Garcia, Spain, Han Entzinger, Netherlands, Dennis McNamara, USA

Embedded Enterprise in Comparative Perspective

Joint Princeton-Northwestern Junior Scholars' Workshop, April 11—14, 2002 at Princeton University

Call for Proposals

The organisers of this workshop are inviting proposals for participation in an interdisciplinary workshop for young scholars on embedded enterprise in comparative perspective. Recent research in the social sciences has explored theoretical and empirical implications of the embeddedness of economic enterprises within social, political and cultural institutions. The workshop will provide an opportunity for intensive exchange on this topic among graduate students and recent Ph.D.s, and a select group of faculty mentors from a variety of disciplinary backgrounds in the social sciences and regional studies.

Structure of the Workshop

Participants will submit a presentation to fellow participants in advance. This may consist of anything from initial conceptualisations of field observations to polished dissertation chapters or papers that are ready for publication. Since participants are required to thoroughly review a subset of other written submissions prior to the workshop, these submissions should be limited to 35 double-spaced pages. This submission will be discussed intensively in several thematic sessions with 4-5 peers and invited senior faculty mentors. Other sessions will be organised regionally and methodologically to allow all participants to meet and to share their results.

The workshop will devote a special, half-day session to the discussion of embedded enterprise in Japan. This session will focus on research of a small number of participating graduate students from Japan, the United States and Europe. Faculty mentors who work on Japan will participate and serve as facilitators. Thus, participants working on issues related to Japanese embedded enterprise will have the opportunity to interact both with those working on the same theoretical issue area, as well as those working on the same region.

Location and Dates

The conference will take place on the campus of Princeton University beginning on Thursday afternoon, April 11 through Sunday, April 14, 2002. Pending available funds, accommodations will be provided and transportation costs reimbursed.

Applicants' Profile and Requirements for Participation

Participants should be doctoral candidates and have completed some portion of fieldwork by the time of the workshop, or they should have defended their dissertation after January 1, 1999. Projects limited to research on the United States and projects that do not involve fieldwork cannot be considered.

Submission Guidelines

Proposals for participation in the workshop should not exceed 1,000 words and are due by email on December 1, 2001. The proposals should be for a specific presentation, but include a brief statement on how the presentation fits into a larger project.

For complete submission guidelines, please refer to the workshop's website at
www.princeton.edu/~embedded/submissions.html

Contact Information

Workshop webpage: www.princeton.edu/~embedded
Email: embedded@princeton.edu

The Return of Economic Sociology in Europe

Symposium of *European Journal of Social Theory*

In its next issue (4/2001), the *European Journal of Social Theory* will publish a symposium on economic sociology in Europe. The issue—available in November—features four articles that were originally presented at a conference organised by Jens Beckert and Richard Swedberg last year in Stockholm:

Christoph Deutschmann: Capitalism *as* a Religion? An Unorthodox Analysis of Entrepreneurship.

Philippe Steiner: The Sociology of Economic Knowledge.

Laurent Thévenot: Organized Complexity. Conventions of Coordination and the Composition of Economic Arrangements.

Carlo Trigilia: Social Capital and Local Development.

For more information on the European Journal of Social Theory visit
http://www.sagepub.co.uk/journals/details/j0216.html

Accounts: A Newsletter of Economic Sociology

Biannual newsletter of the Economic Sociology Section of the American Sociological Association

The Economic Sociology Section of the American Sociological Association announces its biannual newsletter, *Accounts: A Newsletter of Economic Sociology*, edited by Sarah Busse and Richard Swedberg. Submissions of short articles, book reviews and reports on current research are welcome. Section members receive printed copies as part of their section membership. Electronic copies available free of charge to all interested persons and institutions.

For information on section membership, contact
Paul Hirsch (paulhirsch@kellogg.nwu.edu).

For information on subscribing to the electronic edition of the newsletter, contact the editors
Sarah Busse (sbusse@uchicago.edu) or
Richard Swedberg (richard.swedberg@sociology.su.se).

The Journal of Advertising

Special Issue on Advertising and Consumer Culture

Call for Papers

The *Journal of Advertising* invites authors to submit papers for publication in a forthcoming special issue devoted to Advertising and Consumer Culture. The primary goal of this special issue is to enhance our current understanding of the ways in which advertising has interacted with and influenced consumer culture in order to imbue goods with complex layers of meaning, affecting consumer identities and behaviours. Authors from a wide variety of disciplines and methodologies are encouraged to submit their work. Research focusing on the global or cross-cultural impact of advertising on consumer culture is highly desired.

Possible questions to address include, but are not limited to:

- What are the roles of advertising in the propagation and maintenance of consumer culture?
- How have these roles changed in the transition from a modern to a postmodern society?
- How does advertising work at an institutional level to impact consumption in culture?
- What has been the impact of particular advertising campaigns on the development and shaping of consumer culture - both in the U.S. and abroad?
- What has been the impact of particular artistic movements on the development and shaping of consumer culture - both in the U.S. and abroad?
- What ethical issues emerge in the use of advertising as a conduit of consumer culture?
- How has advertising shaped consumers' engagement in ritual behavior?
- How does advertising operate differently in established capitalist economies, versus nascent ones? What cultural forces aid or inhibit the power of advertising?
- How do the promises and claims made in advertising impact consumers' attitudes toward and uses of brands/ products in consumer cultures?
- How does advertising work to bolster a brand's integration into the popular culture lexicon?

Submission Information

Authors wishing to submit manuscripts should send 5 (five) copies to:

Professor Cele Otnes
Guest Editor, special issue, Journal of Advertising
Department of Business Administration
Room 350 Wohlers Hall
1206 S. Sixth St.
Champaign, IL 61820

Phone: 217 265-0799
Fax: 217 244-7969
Email: c-otnes@uiuc.edu

All papers will follow the same double-blind review process used for the *Journal of Advertising*. Papers must conform to *JA* format. Information regarding this can be obtained from an issue of the journal or from the journal Web page, which can be found at www.sjmc.umn.edu/joa/

Manuscripts are due by May 15, 2002.

New Journal: Journal of Consumer Culture

The *Journal of Consumer Culture* was launched in June 2001, edited by George Ritzer (University of Maryland) and Don Slater (London School of Economics), published by Sage. It aims to represent the very large and multidisciplinary field of consumption studies that has grown over the past fifteen years, and now constitutes an established subdiscipline within a large number of social sciences and humanities disciplines. Consumption studies should be of particular interest and importance to economic sociologists for several reasons: it has proved to be an enormously fruitful area in which to investigate relationships between economy and culture, as well as economy and politics. It provides an important counter-weight to the general bias towards study of production and exchange. And it introduces investigations of identity and of everyday life that are foundational to our understandings of everyday actors.

Global in perspective and drawing on both theory and empirical research, the journal reflects the need to engage critically with modern consumer culture and to understand its central role in contemporary social processes. To this end, the journal covers a wide range of topics that relate consumer culture to issues such as: globalisation, shopping and marketing, the body, e-commerce and the information society, social divisions of gender, class, sexuality and ethnicity, commodification, aestheticisation of everyday life, science and technology studies, environmental critiques, popular and material culture, identity, taste, style and fashion, classical and contemporary social theory, economic sociology, work, production and design, media and cultural consumption.

It particularly welcomes submission of articles from the community of economic sociology scholars. Submissions may be emailed directly to Don Slater at d.slater@lse.ac.uk; or mailed to Don Slater, Department of Sociology, London School of Economics, 42 Houghton Street, London WC2A 2AE.

If you would like to receive forthcoming contents of this journal emailed straight to your in-box) then you can subscribe now to Sage Contents Alerting Service - a free and automatic service available from http://www.sagepub.co.uk/journals/details/j0349.html. Further information on the *Journal of Consumer Culture,* and subscription details are also available on the website.