

## Content

### 1 Note from the editor

Crisis of capitalism? Economic crisis?  
Crisis of economic sociology?

by Mariana Heredia

6 Economy, politics, and critical events:  
From transformation to permanent crisis

by Simone Polillo

14 Crisis, patrimonialism, and the spirit  
of finance capitalism: White men's  
dominance in the US hedge fund industry

by Megan Tobias Neely

22 Fiscal crises in the developing world:

Zooming out and zooming in on Brazil's  
public finance history

by Rodrigo Cantu

30 Coping with the crises in the periphery:

The social and political costs of dollariza-  
tion in Georgia

by *la Eradze*

37 Facing inflation in times of digital

finance: Monetary plurality and financial  
repertoires in the Argentinian crisis

by *María Soledad Sánchez*

44 Tribute: Richard Swedberg steps

down from the editorial board

46 Book reviews

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## Note from the editor

# Crisis of capitalism? Economic crisis? Crisis of economic sociology?

Mariana Heredia

What new can be said about crisis? What can be added that does not resonate, at least in most of the West, to a litany that has been documenting and warning, for almost five decades, about the worsening social inequalities and the monetary and financial collapses that are multiplying and spreading?

It is not that there has been a lack of analysis of the crises so far. Alongside a literature attentive to environmental degradation and the difficulties of advancing prudential agreements and legislation, the events of 2008-2009 attracted particular attention from the social sciences and most particularly from economic sociology. Almost at the same time as these events, a forum was organized at the 21st SASE conference in Paris (in 2009), with the participation of Bruno Amable, Robert Boyer, David Levy-

Faur, and Steven Vogel, to discuss the question of how much the economic and financial crisis would lead to the emergence of a new regulatory paradigm. The same concerns were portrayed soon after in *Does Capitalism Have a Future?*, a 2013 work co-authored by Immanuel Wallerstein, Randall Collins, Michael Mann, Georgi Derluguian, and Craig Calhoun. Wolfgang Streeck would later take up the gauntlet in several articles compiled in his 2016 book *How Will Capitalism End?* And one could add the Max-Neef article of 2010 and books by Fischer (2009) or Harvey (2014). In this brief selection there is a predominance of critical appraisals of the state of advanced capitalist societies and, in parallel, a realization of the growing difficulty of even imagining alternatives. Not surprisingly, the cultural manifestations turn out to

be equally bleak and increasingly apocalyptic. *Years and Years* (a 2019 British TV show), *L'effondrement* (a French one from the same year), or *Don't Look Up* (the 2021 US film) share a look toward the future that presents itself as an irrepressible advance towards the abyss. The illusions about the crisis of 2008–2009 and later the Covid-19 pandemic as being potentially redemptive events turn out to be, in light of what has happened in recent years, particularly bitter.

Almost 25 years after publication of its first number, it seems interesting to revisit in these pages the way in which economic sociology has approached crises. And as the tribute to Richard Swedberg included in the current issue points out, for him as well as for Patrik Aspers, Jens Beckert, Johan Heilbron, and Ton Korver, this space was an opportunity for conversation around common themes but from different traditions. Indeed, as the welcome note and the national reviews inaugurating the first issue make clear, Anglo-Saxon and continental European economic sociology started from different definitions of its object, which are often revealed in the face of crises. Taking the inaugural articles of this publication, Swedberg (1999) shows how, from a Parsonian tradition, North American scholars concentrate on the study of “the economy,” a social subsystem linked to the production, distribution, consumption, and realization of profits (Swedberg 2005). In the European tradition, by contrast, sociologists were not only more reluctant to define themselves as “economic” (Heilbron 1999) but also took capitalism to be a type of social organization and addressed issues (Beckert 2000) such as labor, industrial organization, and corporate agreements, which could hardly be defined as economic alone. It is likely that, at least until then, the difference lay in the relationship between sociology and economics in each context: in France, for example, the economics of regulation and conventions was far from sharing many of the assumptions of mainstream economic science.

In any case, if the notion of crisis implies the suspension or questioning of normality and the adjective “economic” is attached to it, the question is to define what exactly is in crisis in economic crises, how the temporality of these vicissitudes is defined, and to what extent the ways of interpreting events delimit, or not, specific forms of approach and intervention from economics and sociology.

For one thing, conceptual history has documented how much the word crisis acquired its secular meaning through the French and American revolutions (Koselleck and Richter 2006). Since then, as Dumond (1971; 1977) argues, while a certain acceptance dominates in societies oriented to the past and trusting in divine design, the will predominates in a modernity that deposits in human beings the capacity to intervene in their societies and to prosper. Insofar as, from its Greek origins, the word crisis combines the evocation of a turning point and a decision, it is understandable that a potentially positive content was attributed to crisis. Of course, as Hirschman (1982) and Rosanvallon (1979) have pointed out, political and economic liberalism differ in the way they conceive crises and the forms of human intervention, the former relying on the primacy of sovereign will (negotiations and contracts) and the latter, largely in reaction to the former, postulating the existence of an underlying order that guides the actions of individuals and tends to balance itself automatically. The modern thematization of crises has been and continues to be

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inspired by these contrasting traditions. Faced with the same event, some argue that the sovereign will must intervene to reestablish or reformulate the lost order, while others postulate that it is these interferences that conspire against a necessary purification, after which equilibrium will be reestablished. In very schematic terms, it can be said that the first approach calls for the mobilization of criticism and discontent to force change, while the second favors technical interventions to correct the disturbance.

Looking at the succession of traumatic events that have marked the last decades, it is precisely this relationship between crisis, criticism, and future that seems to be disrupted. It is not that there is a lack of accumulated malaise, expressed in the elections, opinion polls, and street protests. It seems rather, as Boltanski (2009) anticipated, that the threat to the estab-

lished order is no longer associated with the criticism and sedition of the majorities but with the effect of a regime of domination that tends to emerge strengthened from moments of panic and disorganization.

Economic history and sociology in its various forms have made major contributions to the understanding of recent economic crises. First, these studies have documented the relative fluidity of critical moments and the way in which the decisions taken by the authorities instituted novel ways of organizing the relationship between state intervention, markets, and society. The work of Greta Krippner (like that of Monica Prasad 2006 or Mark Blyth 2002) shows the tensions that accompanied the reforms of the 1970s, the institutional transformations that enabled the expansion of finance, and, with them, how the foundations were laid for the crises that would be unleashed later. More recently, from science and technology studies, the contribution was to delve into this increasingly sophisticated world of institutional and financial instruments and dynamics to understand its expansive and destabilizing logic (Halliday and Carruthers 2009; Knorr Cetina and Preda 2004; Muniesa 2022). A third set of approaches documented the monetary or financial collapses produced since then where it is evident that they not only deeply and lastingly affected the lives of millions of people but also undermined through indebtedness and adjustment the sovereignty of nation states (Buendía 2020; Centeno 2002; Kentikelenis 2018; Sigal and Kessler 1997).

In any case, if the term economic crisis turns out to be an efficient label, shared by characterizations in the press and by political leaders, in it lies both the interest and the difficulty of the approaches offered by economic sociology. The question, as Janet Roitman (2020, 3) put it, is: "If crisis designates something more than a historical conjuncture, what is the status of that term? And how did crisis, once a signifier for a critical, decisive moment, come to be construed as a protracted historical and experimental condition? Can one even speak of a state of enduring crisis? This is an oxymoron."

The difficulty for economic sociology of strengthening its own voice to counterbalance that of economists is obvious. The metaphors that predominate in the thematization of crisis allude, over and over again, to "financial storms," "earthquakes," "contagions," and "collapses" (Besomi 2018) and usually emphasize the responsibility of debtors or the role of external shocks or government failures (Kessareas 2017; Rizzoli, Romaioli, and Contarello 2017). Despite the recurrence and multiplication of similar crises, there are still calls for prudence and additional sacrifices to reach equilibrium, the experts summoned are always economists of similar orientations and offering similar recipes. The recent crises therefore reinforce two observations.

One is that when criticizing the mainstream economy or capitalism, critical discourses continue to invoke a vague notion of general interest that fails to anchor itself in clear and shared alternatives. The second is that, as Vogel (2010: 554) lamented in 2009, "the socio-economic approach remains safely outside the mainstream even today."

In order to explore these concerns, the articles in the current issue revisit the analysis of recent (economic) crises and offer a set of substantive contributions to understanding them. Based on events observed in Italy since the 1970s, Simone Polillo reflects on the way in which economic crises have become recurrent and contrasts two ways of approaching the subjective experience of crisis: as a potentially transformative opportunity or as a disruption of governance. His analysis details how the non-existence or weakening of a sovereign center on which criticism is concentrated and from which intervention is demanded leads to the dispersion of alert but powerless citizens in the face of the events they are confronted with.

Megan Tobias Neely asks who has profited from financial crises and delves into the world of hedge funds. After demonstrating that these agents benefit from stock market crashes and sociopolitical crises, the author questions the postulate that they are professionals and competitive organizations. Her fieldwork leads her to conclude that financial elites form a new form of patrimonialism, in which rich white men, treated like kings, are organized around a mentor and nucleated in fraternities with strong personal ties. Affective relationships make it possible, in the world of finance as in other uncertain activities, to offer each other trust and loyalty and to close the circle where privilege is concentrated. Paradoxically, in the 21st century, which is associated with growing gender equality in the West, the financial elites show how much the main seats of capitalism are still reserved for men with a strongly macho business ethos.

Focusing on one of the eyes of the economic storm in emerging countries – the monetary and financial soundness of states – Rodrigo Cantu addresses the history of Brazil in the last century. In contrast to the dominant narratives that focus on the relationship between austerity and stability, the author reminds us that the public treasury is strained by political projects that are expressed in investment and legitimization decisions and in the dispute between rival socioeconomic coalitions. Through this case study, the article sets out to reveal the strong industrialist vocation of Brazilian elites and the way in which, before and after the 1970s, they placed this national objective above tax cuts and the reduction of public intervention. Although the fiscal and debt crises did not cease, their causes were transformed from external shocks caused

by fluctuations in the international market to the effects of modernization efforts. Much more than a technical problem to be solved by experts, decisions on the sources and destinations of public financing appear in Cantu's text as a major sociopolitical issue.

Ia Eradze's contribution complements Cantu's view on the monetary and financial challenges faced by the countries of the South in the contemporary world. Through the study of the 2015 and 2020 crises, the author analyzes the implications of the coexistence of two currencies, the lari and the dollar, in Georgia. Admitted since 1991, the dollar's circulation and its relevance in credits and deposits did not generate major suspicions until the 2015 devaluation. It was only then that both the vulnerabilities of the economy to exchange rate fluctuations and the meager room for maneuver of the Georgian state to propose policies in times of crisis were revealed. The events of 2015 and 2020 demonstrated Georgia's weakness vis-à-vis international financial flows and vis-à-vis the intervention of international lending organizations, as well as the double standard weighing on core and peripheral

countries. While many advanced economies assumed that the Covid-19 pandemic called for the adoption of a lax monetary and fiscal policy, international organizations demanded that Georgia raise the interest rate and maintain a cautious budgetary policy.

Economic crises not only reveal the geopolitical conditions to which different countries are subject, their wealth, and differential political power but also the way in which new technologies expand in contexts of uncertainty. The work of María Soledad Sánchez deals with the spread of new monetary and financial instruments in the long inflation crisis in Argentina. The author shows how the adoption of financial platforms and digital currencies that have become popular around the world are particularly welcome among Argentines from different social backgrounds as they try to protect themselves from currency depreciation and exchange restrictions. At the same time, the author predicts that the same legal and technological devices that were extended to protect citizens from disorder may end up prolonging anarchy and conspiring against any sovereign attempt to rebuild social order.

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