

## Languishing In Perpetual Obscurity? A forum on Economic Sociology with Fred Block, Gerald Davis, Akos Rona-Tas, and Marion Fourcade

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Economic sociologists labor in a peculiar state of irrelevance. Our research directly addresses many of the central issues of the day. Yet the voices, findings, and theoretical perspectives of

economic sociologists remain rarities in media and policy discussions. There have been efforts to plumb this state of affairs in the past, including a 2004 ASA panel and a 2007 symposium in the *Socio-Economic Review*.

Here we asked four noted scholars to revisit economic sociology's public prospects in light of the [arguably] altered opportunity structure brought about by the economic crisis and emergent political responses such as the OWS movement. How do the widely discussed failures of the economics profession and the purported public demand for new economic thinking alter the politics of academic authority on economic issues? Have recent events enhanced the possibilities for economic sociology to achieve greater prominence in the public and media spheres, or do the same old institutional impediments remain? What (if anything) might we do to amplify the impact of our research?

The diagnoses below offer much food for thought. Hopefully they can serve as a starting point for an ongoing conversation.

### Fred Block:

My view is that raising economic sociology's public profile is not the primary task at this moment. Rather, our focus should be on building coalitions with other heterodox economic thinkers in support of particular policy ideas that are supported by our research. If we have some successes in helping to shift the terms of policy debates, then eventually journalists and other opinion leaders will beat a pathway to our office doors and then our public profile will improve.

When economic sociology first re-emerged in the U.S. in the 1980's, the discipline of economics was consolidating around a tighter theoretical orthodoxy, an exaggerated commitment to mathematization, and ever greater insulation from historical knowledge and the other social sciences. At that time, suggesting dialogue between economic sociologists and economists was wildly unrealistic.

But things have changed quite substantially over twenty-five years. For one, economic sociologists and our allies in political science and anthropology have produced an impressive body of work that certain groups of economists have had to acknowledge. For another, heterodox currents within that discipline, especially behavioral economists, have made real advances that undermine the arrogant assumption that economists have nothing to learn from other disciplines.

But, of course, the largest thing that has shaken economists out of their commitment to neo-classical orthodoxy has been the Global Financial Crisis. The perception that economists were either asleep at the switch or were guilty of encouraging out-of-control financialization as paid consultants to the big banks has led some in the discipline to reconsider long-held beliefs. To be sure, one must not exaggerate; there are still many economists who have been unfazed by the crisis and whose assumptions and commitments to orthodoxy remain unquestioned. Moreover, those who have moved towards some kind of heterodox position are divided among a proliferating

number of distinct camps.

Over the next decade, it is very unlikely that this proliferation will be halted by the kind of dramatic paradigm shift that Keynesianism represented in the 1930's and 1940's. That was a unique turning point partly because the new doctrine gave economists much greater access to government positions. But with economists already entrenched in those positions, it is much harder to see them defecting *en masse* to a new paradigm. It is far more likely that we will see an accelerating process of disintegration with more different tendencies or schools within economics advocating for distinct positions. And given the professional rewards of product differentiation and the narcissism of small differences, these different groupings are unlikely to resolve their disagreements.

But this is where economic sociologists can play an extremely important role. We can construct cross-disciplinary conversations around particular issues and problems such as the role of the public sector in development strategies, the consequences of income inequality for economic growth, or the best ways to reform the financial system. We can now call up economists and invite them to workshops, conferences, special journal issues, or to sign statements endorsing certain policy proposals. Sure, some of them will respond rudely to our overtures, but others will welcome the conversation.

Of course, what I am describing isn't novel; some have been doing this for a while. In development economics, for example, Peter Evans, Robert Wade, and Kevin Gallagher already have won a seat at the table and influenced the way that certain problems are conceptualized by many who were trained as economists. I am suggesting that we build on these successes by actively constructing interdisciplinary united fronts in support of both theoretical understandings and policy prescriptions that provide real alternatives to market fundamentalism.

**Gerald Davis:**

I agree with Fred that the global financial crisis creates an inflection point for economic sociology. Fred suggests that the evident failure of traditional economic thinking means that we may be in a better position to create cross-disciplinary dialogues on policy. I think this is true, if we can abandon some of our standard practices and shed our aversion to making policy recommendations.

Economic and organizational sociologists are prone to the problem of "all critique and no action." We're very good at pointing out hypocrisy, de-coupling, and unintended consequences, and the global financial crisis provides rich opportunities for pointing out the folly of certain flavors of economists. (Who can forget that dark comic masterpiece, the 2006 Economic Report of the President, and its calm reassurances that house prices and the stock market always go up?) But there are already shelves full of books providing post-mortems on the financial crisis, and a victory lap for economic sociology would be unseemly.

A more productive path forward is to frame the choices that lie ahead.

Economic sociologists are skilled at making sense of major economic transitions, such as the transition to post-socialism, and our current situation is one of these. The corporate system that provided an organizing principle for American society in the 20th century has largely collapsed. There are fewer than half as many public corporations today as there were in 1997. The bankruptcy of General Motors and Chrysler, and the disappearance of pillars of the American economy such as Eastman Kodak, Westinghouse, Bethlehem Steel, Woolworth, and countless others, signals that our old understandings of how the economy articulates with society are misleading.

Corporations today cannot be relied on to provide stable employment, opportunities for mobility, health insurance, or retirement security, because they simply don't last long

enough. The employers most coveted by young job-seekers today—Apple, Google, and Facebook—hire very few people. (Indeed, the combined global workforces of Apple, Google, Facebook, Microsoft, Cisco, and Amazon are substantially smaller than that of Kroger, a grocery chain.)

Although the Occupy movement is often portrayed as anti-corporate, many of the grievances it channels result from the collapse of the corporate system. An entire generation is finding it impossible to locate the on-ramp to economic mobility. The path to a middle-class life had a simple recipe during the corporate era: go to college so that you can get a corporate job in a growth sector (e.g., high technology); buy the biggest house you could afford; invest your 401(k) in an index fund; and retire in comfort to Boca Raton in 40 years. But ballooning college debt has left millions of young people in peonage, and corporate jobs are hard to come by, especially in high tech. According to the Bureau of Labor Statistics, jobs in "computer and electronic products" have declined by 750,000 since 2000, and jobs in "information services" (including telecomms, broadcasting, publishing, and data processing services) have dropped by one million. Nearly one-third of mortgages are currently under water, trapping millions of homeowners in place. And the S&P 500 is still well below where it was in the beginning of 2000, leaving those who trusted the market with their retirement savings worse off than if they had stuck the money in a mattress. Crushing college debt, high unemployment, limited economic mobility, underwater mortgages, and retirement insecurity are among the central issues that animate members of Occupy.

If economic sociologists want to make a positive contribution to the public debate, they will move from a critique of what has gone before to an outline of possible futures based on our understanding of economic transitions, something that is beyond the purview of economics. What do we know from

other transitions that can inform how we guide this one? Can it be emancipatory, or are we doomed to a new *moyen age*? What kinds of institutions can help make it so?

**Akos Rona-Tas:**

I agree with Fred and Jerry that intellectually these are very exciting times. Whether we will have any public impact is a different issue. There have been many missed opportunities just in the last two decades, where sociologists and economic sociologists in particular, had relevant and important contributions to a puzzle of great prominence and yet made little direct contribution to the public discourse. Here is an incomplete list: the problem of designing economic institutions in the post-communist economic transition, the question of the role of social capital in economic development, the riddle of the influence of network structures in the economy, the causes and consequences of rising consumer debt, and the conundrum of growing inequalities. In each case, the problem emerged in a theoretical blind spot of economics. Economic sociology drawing on its earlier work could have stepped in, yet it was elbowed aside. In each case, it wasn't just that sociologists did not play an important role in the public discussions. Without exception, they were roundly ignored as sociologists (even if individually some may have received attention). Their body of relevant work was also disregarded, as economists proceeded to reinvent sociological findings with little attribution or even awareness of the earlier work done outside the boundaries of their own discipline.

While this time the crisis seems to be more profound and economics profession appears to be a bit more chastened and open to dialogue with other disciplines, I am more pessimistic than Fred about the chances of building bridges that will carry not just a few unattributed ideas but economic sociology as discipline into public discourse. I am pointing this out not in the spirit of self-pity, but as an

invitation to a deeper, and more critical look at what we do.

There are at least two non-self-serving reasons why our disciplinary invisibility is unfortunate. First, whenever our ideas are coopted, it is always done within the confines of the Procrustean bed of economics. Both the questions and the methodology are hacked to fit existing theory and current methodological lore in economics and not the problem at hand. In the 1990s, for instance, social capital in the theoretical literature became distilled into a collective action problem of selfish, calculating individuals entering in a voluntary contract to cut transaction cost. In empirical research, the idea was reduced to a handful of survey items on trust from a few multinational surveys. (One should recall that twenty years earlier, survey research, then a staple of sociology, was scoffed at by most economists.) There is a funny thing that happens to sociological ideas on their way to the Forum.

Second, as sociology remains invisible, it is deprived of resources to do better research. Getting better data is very hard if we are at the bottom of the academic pecking order. To influence the way economic data are gathered on a large scale is impossible without gaining disciplinary standing. The key to the secret of economics' public success is not so much its mathematical prowess but the way economics managed to influence public data collection. For instance, regulatory agencies and private agencies with regulatory license have to periodically produce all sorts of information important for a neo-classical understanding of the market, and for the actors they regulate. But no systematic data are collected on where agency personnel come from and where they go. (The Dodd-Frank mandated study of revolving door at the SEC had to cull information from 800 documents.) This is one reason why economists have an easier time supplying timely policy advice. Having persuaded the state to gather and navigate by the data they use, economists have quick access to information answering questions in which they are interested. So while I am with Jerry that we should try to be more policy minded, the relationship

between workable policy ideas and institutional power, as we learned from Callon, McKenzie and other students of performativity, is a two-way street.

I believe sociologists should think about their discipline much as they think about everything else: in terms of its historical and institutional context. There was a time, when, for better or worse, sociology carried more public weight. Sociology rose to prominence during the Second World War and fell from grace with the retrenchment of the welfare state. It may stand to gain from the strengthening of state involvement but only if it can influence the kind of information through which the state views economy and society. This is why, for instance, rethinking measures of economic development, a project pushed by the EU, is so important. What the state includes in its measures of economic performance will decide who can make informed and convincing arguments about policy. The way the state gathers information is also important. The British system of commissions of inquiry, for instance, gives more space for sociological knowledge in public policy than a fully quantified system of monitoring.

Economic sociology also should learn from the institutional mistakes of its wider discipline and should avoid balkanization (currently, ASA has 52 sections) and make an effort to achieve subdisciplinary coherence. It should also plant a firm foot in the undergraduate sociology curriculum. We need institutional and not just individual dialogues. The Society for the Advancement of Socio-Economics and ASA should seek out such institutions as the National Bureau of Economic Research, the Institute for New Economic Thinking, Consumer Finance Protection Bureau, or the World Bank, inviting them to conferences, organizing panels and publications around these organizations and their current concerns. There should be organizational resources available to promote the dissemination of interesting new work on economic sociology to the media with a clear stamp of our discipline. There could be a section on policy research in the *Socio-Economic Review* and other journals.

In the end, none of these will be worth much if we don't have good ideas and sturdy scholarship, but with great research alone we will not get far in the public realm, even if we are forward looking and happen to be right.

### **Marion Fourcade:**

Coming in late into a debate has downsides—most of the interesting ideas are already out there. But it has advantages, too: it is easier to step into a well-developed conversation.

There is a lot of anguish, anger and self-flagellation in my colleagues' gloomy assessments of economic sociology's irrelevance to the public debate. To the extent that the irrelevance is true, this attitude is justified. But our irrelevance is itself a sociological fact, not a fatality, and as such it is not beyond our analytical purview: we need to understand where it comes from, if we want to do something about it (or maybe we don't want to?). Fred believes our irrelevance is due to the deep entrenchment of economists, not sociologists, within the state, which gives them immediate access to power. Jerry suggests that it originates in our aversion for public pronouncements and policy recommendations. Akos says we've been "elbowed out" by the more powerful discipline of economics, "roundly ignored" and deprived of resources because as sociologists, we are at the bottom of the academic pecking order. I think all of these explanations hold a piece of the truth. But these pieces are not isolated; they fit together, and form a sociological puzzle.

Economics and sociology have very different structural positions, different orientations to the world, and different politics. Being prominently enrolled into the state, corporations and international organizations, economists not only command considerable amounts of resources (including, as Akos importantly points out, the right to ask these institutions to collect data *for* them), they have also acquired a much more secure "fix it" culture. With a pretty unified (at least relative to sociology) disciplinary framework behind them, salaries many of

them believe reflect their true fundamental value, a whole institutional structure – from newspapers to congressional committees to international policy circles—looking up to them for answers, especially in times of crisis, economists feel quite secure about their value-added and are not afraid to offer their ideas and opinions to the world. In fact, the crisis has arguably made the discipline as a whole more, not less, visible (the Great Depression had the same effect, even though the economic collapse had similarly damaged the reputation of many well-established scholars). To be sure, the magnitude of the crisis and the complacency of economists, dramatically revealed in *The Inside Job*, constituted a major shock and embarrassment for the profession. So the terms under which this visibility is being negotiated are different now. The American Economic Association had promoted a set of ethics guidelines, and certain currents within the profession have been vilified (witness Krugman’s ferocious attack on Chicago in the *New York Times Magazine*), while others have been elevated. Economists now talk about inequality in a way that was unimaginable just two decades ago.

Economic sociologists, on the other hand, often find themselves both effectively marginalized *and* shying away from direct policy involvement. My sense is that our intellectual habitus centers around social critique precisely because we are *already* outside: in Bourdieuan terms, we make of necessity virtue. Would we feel comfortable if we offered ourselves systematically to the public eye, if we were called upon to intervene in high-level policy meetings and asked to craft reforms? We *could* probably do it, but (a) we know it’s very improbable so we are less likely to be well-positioned or position ourselves well for it (and mobilize the resources to sustain these positions). (b) We may not even be interested, because we have been socialized into a differently structured professional world, with few policy-related rewards; our attention to detail and real-world complexity also makes us prudent of generalizations. (c) It is unclear to me that we would have as much to say as we think we do. Let me illustrate this point in three

different ways. First vignette: This year (2012) I was organizing an ASA session for the economic sociology section titled “Social Responses to the Great Recession.” I received three submissions in all. Here is the most important issue American society faces today and economic sociologists do not seem to recognize themselves in it! Furthermore, neither do scholars working on inequality or urban ethnography see an economic sociology session as a natural home for their concerns. That is very worrisome to me and goes back to the very real threat of balkanization evoked by Akos. If we want to be more relevant to the outside world, we first need to conduct a better conversation inside sociology and extirpate economic sociology from its self-inflicted isolation from the rest of the discipline.

Second, we need to recognize that our discipline has been especially poor in dealing with macroeconomic issues recently (with a few shining exceptions). Who among us would comment on the possibly impending collapse of the euro, for instance? Or major labor market reallocations that result from policy choices and technological progress? If we want to be more public, perhaps we need to think bigger, too.

Third is our attitude toward the present. While economists generally ignore history, “live in the now” and “see trajectories from the present forward” (to quote Andrew Abbott in “The idea of outcome in U.S. sociology”), sociologists have the reverse intellectual attitude, looking at the present as the outcome of a set of past processes. Thus economic sociologists have been very eloquent in analyzing how we got to where we got, but much less skilled at investigating the changes unfolding under our very eyes, not to mention imagining a future. One thing we may have to do if relevance and publicity are our goals is train ourselves and our students to think more in the present –and systematically follow, for instance, the release of new data the way...ahem...many empirical economists do.

Sociologists in other fields seem to have much less of a legitimacy problem than we do (see the current media attention for Eric

Klinenberg’s *Going Solo* for instance). But we have grown in the shadow of economics, and it’s weighing on us. It is not simply others’ ambivalence toward us we need to surmount. It is also our own.