

ACCOUNTS

RESEARCH UPDATE: VIRAG MOLNAR



Ladin Bayurgil: Could you please describe your most recent research and its main implications?

Virag Molnar: I am currently working on a book tentatively entitled *Marketing Radical Nationalism in Contemporary Hungary*. The book explores how markets serve as important vehicles for promoting new interpretations of national identity and circulating nationalist symbols, thereby fostering popular support for nationalist radicalization. The analysis focuses on four representative sites of radical nationalist consumer culture: clothing brands that market fashion items inspired by national traditions; heritage tourism to areas of neighboring countries that used to belong to Hungary before World War I; martial arts that claim to

recover ancient “national” traditions such as horse-back archery and have built a bewilderingly significant following in the past two decades; and book publishers that specialize in disseminating nationalist literature. The project emphasizes the role of consumer markets in explaining the rise of nationalist populism to offset dominant research approaches that prioritize the study of political parties, social movements, and state institutions.

Ladin Bayurgil: What are the major insights your research can offer for economic sociologists? And how can economic sociologists build upon your work?

Virag Molnar: My research demonstrates the importance of markets as a tool of political communication. I think economic sociology engages with politics primarily in the classic tradition of political economy, exemplified by recent books of Monica Prasad or Greta Krippner, or new institutionalism as shown in the work of Marion Fourcade, Sarah Babb, just to mention a few examples. Consumer markets remain still relatively unexplored by economic sociologists in the context of large-scale political

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changes. The rapid commodification of nationalist sentiments and the parallel growth of a vigorous cultural industry that supplies a multitude of props for the expression and enactment of radical nationalist identities were novel, and therefore highly visible, developments in postsocialist societies. These cultural niche economies have contributed to reworking the symbolic lexicon and material culture of national and ethnic identification. Yet, they have been overlooked as a pertinent aspect of the rise of nationalist populism. By exploring the intersections between markets and new forms of nationalism – i.e., by looking at the manufacturing, design, and branding of commodities and services that emphasize national markers – I can show how this populist political turn has been aided by an expanding industry that effectively turns these political attitudes into commercial products.

Ladin Bayurgil: Your research lies at the intersection of urban sociology, more specifically politics of architecture and housing, and economic sociology, study of markets and consumer objects. In what ways your dialogue with other fields contributes to economic sociology?

Virag Molnar: It was my work on architecture and cities and my engagement with urban scholarship that drew

my attention to the study of symbolic economies. I was introduced to the concept by the urban sociologist, Sharon Zukin's work through, for instance, her seminal book *Loft Living*. Her research has compellingly shown how cultural production and consumption are integral to urban economies. Moreover, urban economies aptly illustrate that cultural production has become an essential component of economic production. This has undoubtedly led to a deepening commodification of culture. Markets, however, do not simply devour culture; they also become increasingly steeped in symbolic meanings. The study of cultural production and consumption seems to have largely been relegated to the field of cultural sociology even though the very terms "production" and "consumption" should signal the inherent relevance of these processes to economic sociologists. My interest in symbolic economies was also fuelled by my training in economic sociology in Princeton, which was very broad-ranging, inspiring and thorough, but I was particularly drawn to Viviana Zelizer's cultural perspective and her focus on how cultural understandings and social relations shape economic activities. In other words, the notion of symbolic economies has helped me integrate research across the fields of urban, economic, cultural and political sociology.

Ladin Bayurgil: In the age of nationalist populism, your work examining the ways in which radical nationalism is communicated and marketed is of utmost importance. In what ways do you think study of the rise of populism can be approached by the tools of economic sociology?

Virag Molnar: I believe that economic sociology has a lot to offer to understanding the rise of populism. Economic sociologists have generated unique insights into the long-term effects of the financial crisis, economic globalization, neoliberalism, political economy of migration process, and it is crucial to understand how these processes are intertwined with a growing popular distrust in democratic institutions. Simultaneously, a focus on consumer practices can offer a more ethnographic perspective on the populist shift which is largely missing from the current literature on

populism that privileges the study of elite political discourse and parliamentary politics. My research – similarly to Cynthia Miller-Idriss' recent book *The Extreme Gone Mainstream* on the commercialization of far right youth culture in Germany – helps us understand populism as lived experience and a ground-up process.

Ladin Bayurgil: How do your findings change the way sociologists think about the recent rise of nationalist populism, in addition to informing larger audiences? Are there particular outcomes you hope your research achieves?

Virag Molnar: By mapping out the symbolic economies of new forms of nationalism, I highlight an important dimension of everyday or "banal" nationalism. This analytical lens helps to demonstrate, for instance, that contemporary nationalist populism is not a codified political ideology but a more fluid subculture in which expressive symbols, material objects, rituals, everyday consumption and lifestyle patterns are essential carriers of political convictions and markers of group boundaries. These symbolic economies also contribute to reconfiguring the boundaries between politics and the public sphere, allowing radical nationalist themes to penetrate mainstream political discourse. This occurs, for instance, because consumer markets often successfully circulate nationalist symbols that are suppressed from official political vocabulary. I am thinking of symbols that are, for instance, not legally banned (like the swastika in most European countries) but are nevertheless closely associated with radical nationalist politics (e.g., Greater Hungary image in Hungary, the Tsar's portrait in Russia). The visibility and legitimacy accorded to these symbols through their broad circulation on mundane consumer goods gradually helps to break down the barriers to the political mainstream and shift the boundaries of political acceptability. This perspective helps to capture the rise of populism not just as a political but as a cultural process that shapes ethnic identities and the symbolic repertoires of citizenship.

2018-2019 AWARD WINNERS

Winner, Burt Award for Best Student Paper: Georg Rilinger (University of Chicago). “Corporate Conspiracies and Complex Secrets: Structure and Perception of the Insull Scheme in 1930s Chicago.” *American Journal of Sociology* 124 (4): 1043-1089. <https://doi.org/10.1086/702730>

Honorable Mention, Granovetter Award for Best Article: Emily Erikson and Mark Hamilton. “Companies and the Rise of Economic Thought: The Institutional Foundations of Early Economics in England, 1550–1720,” *American Journal of Sociology* 124(1): 111-149. <https://doi.org/10.1086/697498>

Honorable Mention, Granovetter Award for Best Article: Patrick S. Park, Joshua E. Blumenstock and Michael W. Macy. “The strength of long-range ties in population-scale social networks.” *Science* 362(6421): 1410-1413. <https://science.sciencemag.org/content/362/6421/1410>

Winner, Granovetter Award for Best Article: Angèle Christin. “Counting Clicks: Quantification and Variation in Web Journalism in the United States and France,” *American Journal of Sociology* 123 (5): 1382-1415. <https://doi.org/10.1086/696137>

Honorable Mention, Zelizer award for Best Book: Stephanie L. Mudge. 2018. *Leftism Reinvented: Western Parties from Socialism to Neoliberalism*. Cambridge, MA: Harvard University Press.

Left-leaning political parties play an important role as representatives of the poor and disempowered. They once did so by promising protections from the forces of capital and the market’s tendencies to produce inequality. But in the 1990s they gave up on protection, asking voters to adapt to a market-driven world. Meanwhile, new, extreme parties began to promise economic protections of their own—albeit in an angry, anti-immigrant tone. To better understand today’s strange new political world, Stephanie L. Mudge’s *Leftism Reinvented* analyzes the history of the Swedish and German Social Democrats, the British Labour Party, and the American Democratic Party. Breaking with an assumption that parties simply respond to forces beyond their control, Mudge argues that left parties’ changing promises expressed the worldviews of different kinds of experts. To understand how left parties speak, we have to understand the people who speak for them.

Winner, Zelizer Award for Best Book: Monica Prasad. 2018. *Starving the Beast: Ronald Reagan and the Tax Cut Revolution*. New York, NY: Russell Sage Foundation.

In *Starving the Beast*, sociologist Monica Prasad uncovers the origins of the GOP’s relentless focus on tax cuts and shows how this is a uniquely American phenomenon. Drawing on never-before seen archival documents, Prasad traces the history of the 1981 tax cut—the famous “supply side” tax cut, which became the cornerstone for the next several decades of Republican domestic economic policy. She demonstrates that the main impetus behind this tax cut was not business group pressure, racial animus, or a belief that tax cuts would pay for themselves. Rather, the tax cut emerged because in America—unlike in the rest of the advanced industrial world—progressive policies are not embedded within a larger political economy that is favorable to business. Since the end of World War II, many European nations have combined strong social protections with policies to stimulate economic growth such as lower taxes on capital and less regulation on businesses than in the United State. Meanwhile, the United States emerged from World War II with high taxes on capital and some of the strongest regulations on business in the advanced industrial world. This adversarial political economy could not survive the economic crisis of the 1970s. *Starving the Beast* suggests that taking inspiration from the European model of progressive policies embedded in market-promoting political economy could serve to build an American economy that works better for all.

LEFTISM REINVENTED



Stephanie L. Mudge is Associate Professor of Sociology at the University of California, Davis. She is a historical, political, and economic sociologist specialized in the theoretically-driven analysis of Western politics, economies, and expertise. Her most recent book, *Leftism Reinvented: Western Parties from Socialism to Neoliberalism* (Harvard University Press), is the subject of this author interview with Will Attwood-Charles

Will: In *Leftism Reinvented*, you tell the story of four parties (U.S. Democrats, German Social Democrats, Swedish Social Democrats, and the British Labour Party) and their movement from socialist, to economic, and eventually neoliberal leftism. In doing so, you trace changes in political language at the institutional level as well as through the accounts of party experts. In the 1960s, you note a rise in a new type of party expert: economist theoreticians. Who did the economist theoretician supplant and why did they appear at this moment?

Stephanie Mudge: Maybe it would be helpful, first, to explain what I was up to analytically with my focus on party experts

First, I just want to note that book does not make any grand claim that experts are causal in a simple mechanistic sense, nor do I make any essentialist claims as to who is, or can be, an expert. Rather, the claims are, first, that parties and politicians represent the world using language, but they use a language that someone, somewhere, formulated; second, people who do this

work have a special form of authority inside parties, distinctive from representational power (having the support of voters or interest groups) or the power of office-holding; third, if we want to understand how parties speak, we should locate and historicize the experts who speak for parties. The last claim is a pretty basic Sociology of Knowledge 101 proposition, but I think it's under-used in political analysis.

So the book sets out to put that insight to work, focusing on finance ministers-to-be in Western European parties and presidential economic advisors in the U.S. Democratic Party, making use of biographies, autobiographies, memoirs and lots of other kinds of empirics. I wanted to know what kinds of historical actors became party experts, their institutional conditions of possibility, and how they understood their role in public life. One of the results is a historical-comparative typology of left party experts, including the economist theoretician of the 1960s and his 1920s predecessor, the party theoretician.

Right, so much for preliminaries—back to your ques-

tion.

Broadly speaking, the economist theoretician was a man, born around 1910 or so, who became influential party experts between the 40s and the 60s via academic economics departments and trade union-based research centers, and whose professional trajectory was marked by a certain in-betweenness: he had one foot in economics, and the other in left parties. People like Walter Heller in the United States, Hugh Gaitskell in the UK, Karl Schiller in West Germany, and Rudolf Meidner in Sweden all fit this mold. All of these people saw their public role, predictably, in an in-between kind of way: their job was to negotiate the boundary between politics and economic science.

In Western Europe, the economist theoretician displaced a very different kind of figure: the party theoretician who, born in the 1860s or 1870s, became a party expert not via academe but rather socialist journalism, editorial work, and “agitation”—that is, activities aiming to both politicize the working classes and push them in a socialist, as opposed to liberal, direction. Cases here include Philip Snowden in the UK, Rudolf Hilferding in Germany, and Fredrik Thorsson in Sweden (there was no US equivalent). The party theoretician became an “economist” thanks to party and socialist institutions—and, indeed, he saw things in a very party-centric way, viewing young economists as outsiders and upstarts who sought to challenge his, and by extension the party’s, authority.

The short answer to the question of why the economist theoretician displaced his predecessor is that the upheavals of the wartime and interwar period changed economics, left parties, and the relationship between them. This is partly a story of intergenerational struggles: in economics, young economists-in-training challenged the conservatism and ivory tower concerns of their mentors; some also made their way into the junior ranks of left parties, which were growing in strength but roiled by contention over how to deal with problems of unemployment, inequality, and unrest in times of budgetary crisis. To the extent Keynesian-style “new economics” solutions gained ground—which happened first, famously, in Sweden, and was accelerated by the demands of wartime planning—economist theoreticians were

next-in-line when senior party and party-in-government positions opened up.

I’ll also just note here, finally, that the timing and specific trajectories of economist theoreticians’ rise varied a great deal, and that these processes were not at all strictly national—all elaborated in the book!

Will: What sort of changes occurred in the 1980s and 1990s in terms of the relationship between political parties and experts? Who are transnational, finance-oriented economists (TFEs), and how do they fit with the growth of policy experts and strategists? Who do these actors speak for?

Stephanie Mudge: I emphasize three big institutional transformations: the expansion and US-centered internationalization of political consulting, the proliferation of more or less explicitly partisan think tanks, and the remaking of Western economics professions. In the latter case, economics became an increasingly transnational and finance-oriented profession that saw Keynesian managerial economic understandings as out-of-date and, pace Milton Friedman, the world was made up of markets (not domestic economies)—understood as cosmic forces ‘out there’, beyond the control of economists, governments, or anyone else.

The term ‘TFE’ refers to economists who, affiliations and sympathies with center-left and social democratic parties notwithstanding, saw things in this way. In short, economist theoreticians spoke for domestic economies and competing interests within them (labor and capital), but TFEs spoke for the interests of markets. In the book I point to people like Ed Balls in the UK, Lawrence Summers in the US, and Klas Eklund in Sweden; in the German case I emphasize the joint roles of the non-economist but very much finance-oriented Hans Eichel, Oskar Lafontaine’s successor as minister of finance, and the heads of the Bundesbank and the (new) European Central Bank (ECB).

Why then, with the rise of TFEs, do you also get the proliferation of other sorts of experts? Here I focus especially on the figure of the “spin doctor”—the strategic expert. I argue that there was a certain complementarity,

or elective affinity, between the TFE and the spin doctor: TFEs created a demand for spin. In other words: how do you sell unpopular messages about scale-backs and market-friendly reforms of the programs and policies on which your constituencies rely? Well, you need folks who specialize in developing targeted strategies for getting just enough people on board in order to win office.

The critical piece here is that, when left parties started to speak in the language of TFEs, strategists, and policy specialists—that is, advocating for markets, what wins, and what works (the hallmark elements of third way politics)—they stopped speaking for their historical constituencies, poor and working people chief among them.

All that said, I hasten to add that the book is not meant as an exercise in blame or castigation. I start from the assumption that the people involved meant it when they said they weren't "neoliberal"—so then the question becomes how their would looked such that they could really believe this and still do things that look, in retrospect, quite neoliberal indeed.

Will: What was "New Democratic leftism" and how was it a factional struggle? What was the organizational basis of this movement? Who did it define itself against and what sort of program did its proponents advocate?

Stephanie Mudge: Since I've taken up a lot of space with my answers so far, I'll be briefer here. New Democratic leftism is third wayism, American-style. It is associated with self-labeled "New Democrats" of whom Bill Clinton was the leading figure, and was grounded organizationally in the Democratic Leadership Council (DLC, established 1985 to compete with the Democratic National Committee), and the DLC's think tank arm, the Progressive Policy Institute (PPI).

The New Democrats' roots are traceable to factional struggles with roots in the 1970s—that is, the Carter years—that then deepened and intensified in the Reagan-dominated 80s. The Carter years were very

important because that was the period in which the relationship between Democratic party elites and professional economists became complicated and fractured—in which, in the view of some of Carter's aides, economists' advice started to appear more damaging than helpful. So the New Democrats' formation was partly a factional thing, but it was also shaped by the transformations in economics, and reactions against it inside Democratic networks, that I described in my last answer.

At first New Democrats defined themselves re-styled or self-critical "liberals" (in the New Deal sense), as did lot of other people—but, in time, they explicitly situated themselves as "progressives" who were against the "old," outdated perspectives of union-, government-, and spending-friendly liberal Democrats. The term "liberal" seemed to become sort of a catch-all, referring not only to 'old' defenders of welfare and big government but also the "fringe" interest groups. This last part, especially, is really troubling, since "fringe" was defined as anyone who was not a white man or not primarily concerned with what white men want. There is a whole other book that could be written about how concerns with "electability" tend to play out in this way.

Will: What do you mean by the "neoliberal project" and how does the construction and execution of the neoliberal project differ from "neoliberalization"?

Stephanie Mudge: Ah, neoliberalism – the term that launched a thousand academic ships (mine included). I use the terms "neoliberal project" and "neoliberalization" to mean specific things – in an effort, however hopeless, to navigate the quagmire of endless debate that haunts the term "neoliberalism."

By "neoliberal project" I mean what I've elsewhere termed neoliberalism's "intellectual face" (Mudge 2008)—that is, the well-documented networks of pro-free-market intellectuals, especially (but not only) economists, that began to form in the 1930s and became a driving force in efforts to challenge economist theoretician-style managerial Keynesianism within the economics profession (in the 1960s) and to intervene

in politics and policy-making via free market think tanks, which really began to proliferate internationally in the 1970s. In this sense, the neoliberal project was a constituent part of the broader changes in expertise that I describe above: the rise of ‘wonks’ and TFEs.

I use the term “neoliberalization,” even though it is near-impossible to pronounce, to mean something different: the process by which an organization, institution, or network becomes reoriented on the basis of a neoliberal or market-centered logic—regardless of the intentions, priorities, or self-understandings of the people involved. It’s meant to allow for an analysis of neoliberalism’s advancement that doesn’t fall into the aforementioned quagmire.

Will: What do you mean by “intermediation” and what is its role in your study of the reinvention of leftism? How can this concept help us understand contemporary ideological struggles and, potentially, the rise of a new class of party experts?

Stephanie Mudge: I took the concept of “intermediation” from Gramsci—in particular, the passages in *Prison Notebooks* where he describes people inside political parties who intermediate “morally and intellectually” between leadership and represented groups. If you think about it, there are so many people in contemporary partisan politics who are neither elected politicians nor constituents—the speechwriters, aides, consultants, lobbyists, academics, and so forth. These folks need to feature more prominently in historical political research.

The concept of intermediation is important for the study of left politics, specifically, because of the especially difficult problems of representation that confronts any “left” political organization—by which I mean an organization that stakes claims to representation on the basis of equality. Left politics, historically speaking, aspires to be the politics of poor and disempowered groups who do not speak the qualified language of contemporary politics. This point was made especially forcefully by Pierre Bourdieu.

In other words, in left politics, especially, Gramscian

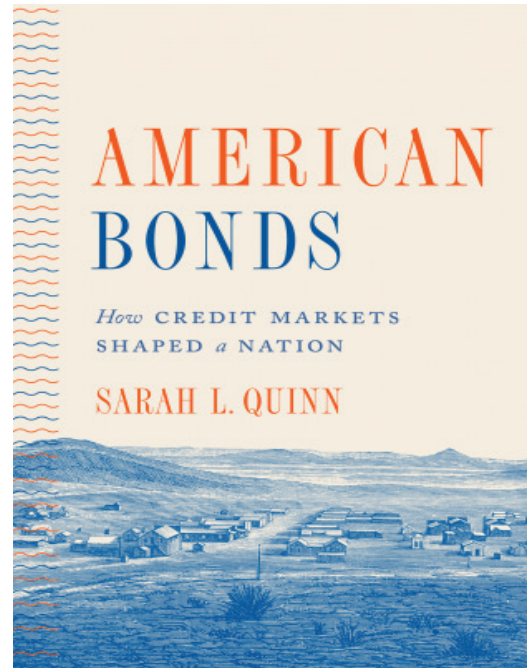
intermediaries speak for people who confront structural obstacles to entering into and participating in the political arena, so they have a lot of latitude to determine how, or if, people’s needs will be translated into policies and agendas. So it’s important not to assume that effective intermediation happens; whether and how it happens is an empirical question. Accordingly, in the book I treat intermediation as a variable rather than a constant: either party experts do the work of intermediation effectively, or they don’t. The key indicator here is whether the party succeeds in building and sustaining a strong coalition consisting of poor, working, and historically marginalized groups—which, in the third way period especially, left parties most certainly did not.

This obvious bears directly on contemporary ideological and political struggles. The weakness of mainstream left parties in places like Germany and the UK is striking, as is the growing power of new and extreme parties that are appealing to constituencies that should, at least in theory, be left party voters.

Analytically speaking, my hope is that the concept of intermediation might draw our attention to how political parties operate as hugely important cultural institutions, both in the articulation school sense of making people political and in the cultural production sense of making the world political by producing symbols, meanings, and cultural products. One of those products is expertise itself: experts don’t just somehow acquire differential capacities to intervene in politics; parties make people into politically consequential “experts.”

On a final note, my fondest hope is that a concern with intermediation might have some public value. Looking at American politics right now, we can see how the Trump campaign’s success made all sorts of people who might have otherwise remained peripheral, too extreme to be taken seriously on the national stage, into influential public figures. In democratic societies political parties have a unique power to accomplish this, for better or for worse. My hope is that the book might offer some impetus for parties to use this expert-making capacity more strategically—for the better.

AMERICAN BONDS



In her new book, *American Bonds: How Credit Markets Shaped a Nation* (Princeton University Press, 312 pp.), Sarah Quinn details the U.S. government's long love affair with helping its citizens borrow. This is not a story that starts in the 20th century with the landmark mortgage finance programs that revolutionized home ownership, but, in fact, centuries earlier. In an interview with Barbara Kiviat, Quinn discussed how—and why—policymakers have so frequently turned to credit as the solution to social, economic, and political problems, and what that means for how sociologists study the American economy and polity.

Barbara Kiviat: This project started off as a way to understand the federal government's role in creating the modern mortgage securitization market, yet the book's chronology begins in the 18th century. Why the long run-up?

Sarah Quinn: As soon as I started doing the research, there were clues that I was dealing with something far bigger and more complex than I had initially understood. As you note, I had set out to discover why the federal government was involved in supporting securitization in the 1960s. From the archives I learned that even before the federal government officially supported private mortgage securitization in 1968, officials had used similar techniques within the government as a form of off-budget financing.

They did this from within a web of credit programs that, by the mid-1960s, held billions of loans through dozens of programs. None of this fit with my exiting understanding of the postwar government, and all of it pointed to a much more expansive set of questions about U.S. politics and markets. Once I understood that I was looking at a longstanding set of institutionalized problems and solutions that had to do with core tensions in the U.S. political economy, it made sense to go much further back in time.

Barbara Kiviat: What were the most lasting developments of that early period?

Sarah Quinn: A central argument of the book is that U.S. government officials have always turned to

land and credit in an effort avoid wealth redistribution and other kinds of political conflicts. In the 19th century, this was mainly a story of taking land from Native Americans and redistributing it among European settlers. Even then, credit allocation mattered. Farms run on credit. Moving the nation's capital reserves from Eastern centers into the hands of small borrowers spread out over a vast and sparsely populated terrain was always a challenge.

In the early period, national-level credit support was mainly a backstop to some other policy. The best example of this is support for the Transcontinental Railways, which were financed not just with the land grants but through government guaranteed mortgage bonds that allowed the railways to convert that land into working capital. This had a big, obvious impact on national development.

Early securitization markets had a different kind of lasting legacy. Failed private experiments with securitization in the late 1800s helped convince white populist farmers in the south and west that only a stronger central state could secure cheap and stable credit for them. In an indirect way, those failed securitization markets contributed to the making of the modern federal government.

Barbara Kiviat: You write that the Federal Farm Loan Act of 1916 was a turning point for using “selective credit as a tool of federal statecraft.” How so?

Sarah Quinn: With the Farm Loan System, Congress built a new cooperative lending system from scratch in order to get credit into the hands of a specific group. It was a total overhaul, designed to last. That set important precedents for programs to come, including the New Deal home mortgage programs.

Progressive reformers mobilized to make this happen. They toured Europe and came back with ideas for how to distribute credit, and how to talk about government credit support. They rejected the notion

that allocative credit was necessarily a dangerous form of favoritism or paternalism, and defended credit support on grounds that it was a way for the government help farmers help themselves. So this program entailed not only organizational change, but also a big shift in how federal credit was generally understood.

Barbara Kiviat: In discussing how the government has increasingly turned to loans and loan guarantees to accomplish various policy goals, you talk about “political lightness of credit.” What do you mean by that?

Sarah Quinn: Take the Farm Loan System I just discussed, where a systematic overhaul was downplayed as a way to bolster self-help. I think this illustrates a kind of ideological lightness. Because credit is abstract, it can plausibly be discussed in different ways. That kind of ideological flexibility is just one of credit's advantages as a policy tool. Credit allocation doesn't necessarily require a large administration, and it is relatively easy to take off budget. I use the phrase political lightness of credit to capture the ways that credit might be easier to use than other kinds of expenditures. It is why credit is such a popular, multi-purpose tool of statecraft. Tax expenditures, nudges and public private partnerships share many of these qualities.

Barbara Kiviat: Is credit inherently light in this way?

Sarah Quinn: Credit allocation is not an inherently noncontroversial policy tool. Just look at the 19th century, when the question of any state involvement in credit provision or banking was polarizing and inflammatory. The idea that government credit support can support self-help only makes sense if most people do not consider the government involvement in credit allocation a massive boundary violation in the first place. So I think of the ideological lightness of credit as a social accomplishment. Along these lines, something like budgetary lightness is fully dependent on the enforcement of different accounting

standards. Whether credit's abstractness or ambiguity makes it popular or unpopular as a policy tool is context-specific.

Barbara Kiviat: In the first half of the 20th century, federal credit and securitization programs turned toward financing homeownership. How did that transition occur?

Sarah Quinn: With industrialization and urbanization, rates of farm ownership fell and residential homeownership rose. So the relative importance of farms declines both for mortgage markets and mortgage policies. The nation was transitioning into a new economic era. Homebuilding was hugely important to industry because of the materials it required and jobs it created. It mattered for consumption, because people fill their homes with stuff. It was also incredibly important in the American imagination. Under a certain 19th century worldview, working for someone else necessarily compromised a man's independence. Cooperative lenders like Savings and Loans extolled homeownership as a different way to achieve independence, and a measure of integrity and character.

Barbara Kiviat: One of your overarching points is that the federal government has been much more instrumental in constructing and sustaining "private" markets than most people realize. I was surprised, for example, to read how involved the government was in the early days of venture capital. Where were you most surprised to find government's long arm?

Sarah Quinn: The venture capital industry surprised me too. Other big shocks: that the Farm Loan System promoted long-term amortizing loans; that the Export-Import bank led the way in business lending abroad. Overall, the biggest surprise to me was the sheer extent of federal credit support. Credit is a form of military policy, foreign policy, social policy, energy policy, disaster relief. Every sector of the economy has been shaped by the credit programs in some way.

Even with the bigger and more famous federal credit programs, I was sometimes taken aback by their size, especially during a crisis. The FHA has backed over 45 million properties. During the farm crises of the 1980s, half of the nation's farm were supported in some way by the credit programs. In 2009, the total potential exposure of the U.S. federal government through its various guarantees and bailouts was \$23.7 trillion, 150% of that year's GDP.

Barbara Kiviat: Who have been the big the winners and losers of putting credit programs at the center of the American political economy?

Sarah Quinn: In credit markets, people convert their social status and resources into actual cash at different rates. In the context of white supremacy, this has always benefited white people. In the context of patriarchy, this has benefited men. In the context of militarism, this has benefited soldiers. When governments get involved, these inequalities can be magnified. This won't be news to sociologists. Stratification scholars have long shown that housing credit programs like the FHA and Home Owners' Loan Corporation are engines of racial inequality, and that white borrowers are the big winners in U.S. credit markets relative to other groups.

Beyond that, who wins and losses depends on the time, place and policy. Credit is a part of any political economy, and people need access to credit for a variety of reasons. Today wages are low, inequality is high, regulations are shredded, and many people are forced to borrow large amounts – at exorbitated rates if they are poor – to meet basic needs like housing, transportation, education, and healthcare. That is bad for anyone who isn't wealthy, catastrophic for poor families, and lenders are the big winners. For earlier periods, the story is more complex. In the postwar era, stricter regulations meant lenders were not in fact runaway winners in credit markets.

Who gets access to what kinds of credit markets, whose risks are covered, whose obligations are

locked-in, where the profits go, the extent to which publicly supported industries are taxed – all of these things matter when talking about winners and losers from the credit state.

Barbara Kiviat: What lesson is most important for economic sociologists to take from your book?

Sarah Quinn: That U.S. government officials have long used land ownership, housing markets, and easy credit as policy tools. They did so in an elusive search for ways to avoid the redistribution of wealth while still ensuring widespread economic opportunity, and in search of ways to effectively govern within a complex and fragmented political system.

Barbara Kiviat: What does your argument mean for sociologists who study social policy?

Sarah Quinn: Don't forget the credit programs! Government officials have an interest in defining any social problem a credit market failure, because that gives them access to credit programs as a low-cost policy tool. So whenever we see financial solutions offered for social problems – for example, when new

types of loans are offered as a way to improve access to higher education – we should all ask: Is this really a problem of credit distribution? If not, why is the problem being framed this way?

Barbara Kiviat: Anything else you'd like to mention?

Sarah Quinn: I'd add that the social logics built into specific lending techniques really matter. While I used the credit programs to understand the big world of the political economy, I also tried to show that securitization pools are essentially little moral words that require decisions about who belongs and who is excluded, who gets profits and who bears losses. Their design reflects how people conceive of their financial relations and obligations to one another.

Given how extensively Americans rely on credit to secure basic needs like housing, education, and healthcare, it is especially important that we examine how moral understandings shape the distribution of profits, obligations, and risks in lending markets.



“The “advance-agent of prosperity” on the road” by Louis Dalrymple, July 15, 1896

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