

ACCOUNTS

VOLUME 8 ISSUE 3

SUMMER 2009

CHAIR'S INTRODUCTION

One of the benefits of chairing our section is that one gets to end one's term with a bang: with a terrific lineup of sessions at the upcoming ASA meeting. We have five such sessions. These include regular panels on "Social Inequality and Development," "Politics of Markets," "Nature and the Organization of Economic Life," a joint session with the Sex and Gender section, "Gender, the Economy, and Work," and a special session on the current financial crisis. Details of the sessions appear elsewhere in the newsletter. To ensure the greatest possible participation of section members, we made it a point that all of our sessions be open-submission this year.

But we did make one exception. Last fall I was contacted by Bai Gao, who proposed that we hold a special session on the current financial crisis, during what would otherwise have been our section Council meeting. According to ASA rules, sections are permitted to do this, provided that the session be an invited one. With that in mind, Bai has put together an outstanding panel that, along with the others, you will not want to miss. Four sessions will take place on

Sunday, August 9th (the second day of the meeting), and one on Monday. The session on the financial crisis, which begins at 10:30am Sunday, will be immediately followed by our business meeting, which I hope you will attend.

In most years, our section reception is held on the group's section day, which in this case would be Sunday. This year ASA has not scheduled any receptions for Sunday, and we have decided to co-host our reception with the Organizations, Occupations, and Work Section, on Monday evening (the 10th) at 6:30, at the Hilton. This joint reception makes sense, not only as a cost-cutting move, but also because of the sizeable overlap in membership between the two sections. I would like to thank Joe Galaskiewicz, chair of OOW (and an Economic Sociology section member) for the work that he did in bringing this joint reception to fruition. Both sections will present their awards at this reception. We hope to see you there.

Our outstanding group of University of Michigan doctoral students—Erica Blom, Maria Farkas, Russ Funk, Dan

(Continued on page 2)

2008-9 EDITORS

*Erica Blom
Maria Farkas
Russell Funk
Dan Hirschman
Lotus Seeley*

*Accountseeditors@umich.edu
Department of Sociology,
University of Michigan*

INSIDE THIS ISSUE

- *"Credit Crunches, Then and Now" by Greta Krippner*
- *"Adam's Fallacy and the Great Recession" by John Bellamy Foster*
- *Book Review: A Failure of Capitalism by Richard Posner*
- *"An Inquiry Into the Cultural Wealth of Nations" conference report by Nina Bandelj and Fred Wherry*
- *ASA Information*

CHAIR'S INTRODUCTION (CONTINUED)

Hirschman, and Lotus Seeley—has once again assembled a terrific newsletter. I want to again thank them for the job they have done throughout the year. In addition to the detailed information about our sessions (presented below), we have two articles providing some historical analysis of the current financial crisis by Greta Krippner and John Bellamy Foster, a review of Richard Posner's new book on the crisis, and a report on a recent conference on Culture and the Wealth of Nations, organized by Nina Bandelj and Fred Wherry.

I would like to close by thanking the other officers of the section, as well as the award committee members, for the yeoman work they have done. They include our secretary-treasurer,

Marc Schneiberg, our council members, Nina Bandelj, Mary Blair-Loy, Marion Fourcade, Bob Freeland, Kieran Healy, Damon Phillips, and Ezra Zuckerman, and the other members of our award committees, Jens Beckert, Alya Guseva, Brooke Harrington, and Brayden King. Last, but certainly not least, I would like to again thank last year's section chair, Lisa Keister, for making my job so much easier than it otherwise would have been. With our incoming chair, Frank Dobbin, and chair-elect, Alejandro Portes, we can all be assured that our Section will remain in good hands.

See you in San Francisco!

Mark Mizruchi
University of Michigan — Ann Arbor

CREDIT CRUNCHES, THEN & NOW
AN ESSAY BY GRETA KRIPPNER

The financial crisis has held no shortage of surprises for students of U.S. political economy. The short list would include the sudden extinction of the investment bank, the near nationalization of the U.S. financial system, and the rapid transmission of what at first appeared a financial panic confined to U.S. mortgage markets to the global economic system. But more surprising, I think, than the remarkable events that have occurred since U.S. mortgage markets began to implode over a year ago is an event that has *not* occurred. Given the scope of the financial crisis, and its devastating implications for American households facing foreclosure, job losses, restricted credit access, and other hardships, we might expect widespread social protest. While there have been a few instances of protest activity in the United States in response to the financial crisis, these episodes have been sporadic and limited in nature. In the wake of the recent out-

rage over the payment of corporate bonuses at AIG, it appeared that America would finally have its populist moment, but as of this writing the new populism appears stillborn.

The puzzle deepens when we put contemporary financial politics in longer-term historical perspective. Our own era of financial exuberance, manias and crashes, resembles no other period in our history so much as the late nineteenth- and early twentieth-century era of finance capitalism. That period, notably, was characterized by several vigorous social movements that politicized issues of money, credit, and finance. But paradoxically, such issues are not the stuff of politics in our own time. Rather, with few exceptions, money, credit, and finance appear as technical questions, not political issues at all. In this regard, the relatively muted response to the ongoing financial crisis fits into a broader pat-

tern which has characterized U.S. political economy since at least the early 1980s.

How can we explain the curious absence of a vigorous financial politics in our own era of financialization? As with so many puzzles of contemporary political economy, I am going to suggest that the answer lies not in recent developments but several decades back, in the tumultuous 1970s. In that decade, there *was* an incipient financial politics, with political mobilization occurring in particular around access to credit (Greider 1987). What happened to this mobilization? Why were financial questions subsequently removed from politics, even as financial activities increasingly became the axis on which the U.S. economy turned? At one level, the answer to this question is obvious, and does not merit much elaboration: U.S. financial markets were deregulated over the course of the 1970s, with the result that credit was no longer restricted, but widely available. In sharp distinction to the experience of the late nineteenth century, an era of acute credit shortages, financial politics in the contemporary era have been washed away by abundant credit.

This is a familiar story, and it helps to make sense of contemporary politics generally, where the role of credit in easing the social and political tensions that might have been expected to accompany stagnant and declining real incomes has been noted. But to return to our opening gambit, this still leaves the problem of why the current credit crunch has not reinvigorated oppositional politics in the economy – or has done so only to a very limited extent. Here I would like to suggest that there is a more nuanced story than the standard account of widened access to credit that can help us to make sense of contemporary financial politics. I hasten to add that, given the still unfolding nature of the crisis, this alternative account should really be treated more as a hypothesis to be tested by events rather than a definitive or final state-

ment.

In brief, my argument is that the muted nature of contemporary financial politics reflects not only widened access to credit as a result of financial deregulation, but also the manner in which deregulation has changed how episodes of credit restraint are shared across social groups. In order to lay this argument out, it is necessary to explain how credit restraint operated in the U.S. economy prior to the deregulation of financial markets. In the era preceding the passage of financial reform legislation in 1980, the key mechanism imposing restraint on the flow of credit was a device called Regulation Q, a regulation that imposed a ceiling on the rate of interest banks and thrifts could pay for deposits. The express purpose of Regulation Q, which had been legislated as part of the Banking Act of 1933, was to prevent ruinous competition between depository institutions. In the wake of spreading bank failures in the 1930s, it was widely believed that a bidding war for deposits in the 1920s had caused financial institutions to pay too much for deposits, drawing bankers into reckless lending.

But in addition to suppressing competition between financial institutions, Regulation Q also served as a convenient tool for stabilizing the economy over the course of the business cycle. When inflationary pressures in the economy stirred, market interest rates would rise above the regulated ceilings on savings deposits, prompting households and corporations alike to pull their funds out of depository institutions and invest in Treasury bills and other instruments offering a market rate of return. The predictable result was that, in periods of high market interest rates, capital would hemorrhage from banks and thrifts, and lending from these institutions would come to an abrupt halt. These credit crunches would sharply and quickly curtail economic activity. As the economy plummeted, the mechanism would quickly

go into reverse: market interest rates would fall back below Regulation Q ceilings, causing funds to flow back into depository institutions, re-starting lending and economic expansion.

This system had the significant advantage of imposing restraint on the economy at relatively low rates of interest (Kaufman 1986; Wojnilower 1980). Market interest rates merely had to inch above regulated ceilings and the flow of credit to the economy was quite literally shut off. Unlike what occurs in a deregulated economic environment, in which credit becomes more expensive during periods of economic exuberance, it was simply *unavailable* in the pre-deregulation era. During such episodes of credit restraint, would-be borrowers with credentials that make today's mortgage brokers swoon (e.g., a down payment equivalent to 25 percent of the purchase price of a home) were routinely turned away by lenders. Cities were unable to raise bids in municipal bond markets in order to finance infrastructure projects or build public housing. Otherwise profitable business ventures went undeveloped for lack of credit. And this shared rationing experience produced a vigorous politics around credit as numerous, intersecting social movements sought to define access to credit as a basic entitlement of citizenship. As Gilbert Stewart, President of the National Small Business Association warned Congress in 1973, unless suburban homeowners, inner-city residents, small business owners, and farmers denied access to credit received relief from tight credit, legislators would see a surge of popular anger so potent they would wonder whether they had time-traveled back to the nineteenth century (United States House of Representatives, 1973, p. 92).

It was precisely this fate that legislators sought to avoid when they deregulated financial markets by removing interest rate ceilings from sav-

ings deposits in 1980. In a context in which it appeared that credit would always exist in short supply, legislators were increasingly under pressure to devise schemes to allocate credit, directly determining which sectors – households or small business, municipalities or farmers – would receive preferential access. This was a task that legislators were quite reluctant to take up – for the reasons that Gilbert Stewart made clear. Deregulation offered an enticing alternative. Without interest rate ceilings on savings deposits causing banks and thrifts to periodically hemorrhage funds, credit would be free to flow to the highest bidder. Willingness to pay, rather than rickety interest rate controls, would determine access to funds. In short, removing interest rate controls meant that the *market* rather than state officials could distribute scarce credit among competing social sectors.

Central to legislators' support of deregulation, of course, was the notion that the price mechanism would ration credit in much the same way as had been formerly achieved through interest rate ceilings. As the economy accelerated, the cost of credit would be bid up, discouraging would-be borrowers from seeking access to loans and thereby imposing restraint on the economy. But one of the great surprises of deregulation was that prices largely *failed* to ration (Greider 1987; Wojnilower 1985). As it turned out, Americans were insensitive to the cost of credit in their borrowing decisions – they would continue borrowing except at *very* high levels of interest. In order to impose restraint on the economy, then, policymakers would have to push interest rates to very high levels indeed. In short, the result of the deregulation of interest rate controls was free-flowing, but *expensive* credit.

In this context, credit politics in the U.S. economy were dramatically reconfigured. Free-

flowing credit disorganized the broad-based coalition of suburbanites, inner-city residents, small business owners, and farmers that had politicized credit in the 1970s. No longer would credit markets periodically seize up, shutting out borrowers of the most varied financial circumstances. Now credit would always be available – *at a price*. In this manner, financial deregulation divided individuals into those who, with proper credit histories and formalized relationships to financial institutions had virtually unrestricted access to credit, and those, euphemistically referred to as the “unbanked,” who did not. Credit activism moved from the town hall and the labor union to the soup kitchen, developing from a preoccupation of middle-class homeowners into a movement directed primarily at issues of urban poverty.

We can discern the traces of this transformation in the current credit crisis, which differs in important ways from the episodes of credit restraint in 1970s. Importantly, credit rationing in a regulated environment cut *across* social classes; credit was unavailable regardless of the credit-worthiness of the individual or project. This is quite distinct from the form taken by credit restraint in a *deregulated* environment, where rationing operates through the price of credit or through the application of more stringent lending criteria rather than through availability *per se*. To be sure, there has been a lot of discussion of the availability of credit in the recent crisis, but this is a bit misleading. With the exception of a relatively brief period immediately following the failure of Lehman Brothers, credit has been available through the current “crunch” to borrowers who meet lenders’ strict qualifications, and who are willing to pay a premium (sometimes a significant one) for access to capital. In this respect, credit restraint in a deregulated environment does *not* affect all individuals equally but is stratified in its impact by the economic position of the borrower. This shift, I

argue, offers important insights into why contemporary financial politics differ so greatly from otherwise comparable periods when credit rationing was shared much more widely than it is in the present context. As the financial trauma spreads, we may yet witness a repoliticization of finance as access to credit becomes newly restrictive for ever broader segments of American borrowers. But the analysis presented here suggests that this is likely to be a very different – and more limited – kind of politics than has characterized previous historical experience.

Greta Krippner is Assistant Professor of Sociology at the University of Michigan. Her work lies at the intersection of economic and political sociology and focuses on the politics of credit and finance in American society. Her forthcoming book, Capitalizing on Crisis: Political Origins of the Rise of Finance (Harvard University Press, 2010) offers a historical account of the financialization of the U.S. economy in the period since the 1970s.

□

References

- Greider, William. 1987. *Secrets of the Temple: How the Federal Reserve Runs the Country*. New York: Simon and Schuster.
- Kaufman, Henry. 1986. *Interest Rates, Markets, and the New Financial World*. New York: Times Books.
- United States House of Representatives, Banking and Currency Committee. 1973. *Credit Crunch and the Reform of Financial Institutions, Part I*. Washington D.C.: Government Printing Office.
- Wojnilower, Albert. 1980. "The Central Role of Credit Crunches in Recent Financial History." *Brookings Papers on Economic Activity* 2:277-339.
- . 1985. "Private Credit Demand, Supply, and Crunches--How Different Are the 1980s?" *American Economic Review* 75:351-356.

Note: A version of this essay was previously published in *Trajectories*, the Comparative and Historical Sociology Section newsletter.

ADAM'S FALLACY AND THE GREAT RECESSION

AN ESSAY BY JOHN BELLAMY FOSTER

It is now a commonplace that we are experiencing the greatest economic crisis since the Great Depression of the 1930s. The downward trajectory on a global level is similar to the 1930s, though in the United States—the epicenter of the crisis—there are indications that the rate of decline may be slowing.¹ The most common name given to this economic meltdown is the “Great Recession,” which acknowledges the relation to the Great Depression, while avoiding the disturbing term “depression”—and therefore too close an identification with the 1930s. Nomenclature aside, the seriousness of the economic collapse is obvious. This is one of the great crises in the history of the capitalist economy. As such it raises issues that are long-term, and that relate not simply to the economy, narrowly conceived, but also to the larger economic-sociological environment of the system.

The severity of the current crisis and the failure of conventional economics to anticipate or account for it draw attention to what radical economist Duncan Foley has called “Adam’s Fallacy.” Named for Adam Smith, Adam’s Fallacy is “the idea that it is possible to separate an economic sphere of life, in which the pursuit of self-interest is guided by objective laws to a socially beneficent outcome, from the rest of social life, in which the pursuit of self-interest is morally problematic and has to be weighed against other ends.”² Adam’s Fallacy is thus both an intellectual and moral fallacy—the notion that the economy can, in Polanyi’s terms, be disembedded from the rest of social reality, and that a market system based on individual acquisitiveness can meet the moral needs of society.

Adam’s Fallacy did not reach its zenith in the

classical period. Whereas classical political economy had “strong roots in sociology” and accommodated “emergent categories like class,” today’s marginalist or neoclassical economics admits “no social category that transcends individual action, or the simple combination of individual actions.”³ This extreme view only reached its logical conclusion in the writings of Hayek in the twentieth century, and in the neoliberal tradition that his work eventually gave rise to in our time.

Indeed, if “the most fundamental aspect of the fallacy is to represent capital accumulation, with its accompanying technical and social revolutions, as an autonomous and spontaneous process that is somehow inherent in the expression of ‘human nature,’” then there can be little doubt that it has seen its highest development in today’s extreme, neoliberal era.⁴ Thus we have witnessed in recent decades what John Kenneth Galbraith aptly called, in the title to his last book, *The Economics of Innocent Fraud*, marked by the “renaming of the system” as the “free market system.” This is a perfectly meaningless designation meant to draw attention away from the harsh realities of capitalism (and monopoly capitalism): corporations, class power, and social inequality.⁵ In short, orthodox economics was stripped in the neoliberal era of all remaining historical and sociological content.

Today we often say that we need a new Marx, Veblen, Keynes, or Schumpeter. But it is not as pure *economists* that we can be said to need them so much as political economists or *economic sociologists*, from which most of their greatness derived. This is also true for later dissident economists such as Kalecki, Sweezy, Minsky, and Galbraith (not to mention economic sociologists

arising from within sociology itself such as Weber, Tawney, Polanyi, and Mills).

Once we admit historical, sociological, institutional factors into our analysis of the economy, Adam's Fallacy falls away and the Great Recession ceases to be incomprehensible. All sorts of useful debates can then arise. By way of illustration, I would like to point to the analysis of the current crisis that Fred Magdoff and I have provided in our recent book, *The Great Financial Crisis: Causes and Consequences* (2009).⁶ In this argument, written over three years, we do not claim any substantial originality. Rather we draw on most of the economic sociologists mentioned above—but especially Marx, Kalecki, and Sweezy—as well as on recent history, in order to make arguments that we think should be fairly obvious to social scientists.

Although influenced from many directions, our work, we stress, is rooted in the Marxian tradition. Schumpeter once observed that a sharp distinction between economic theory and economic sociology was “completely non-Marxist.” For Marx, categories such as class were equally economic and sociological in a way that was entirely foreign to mainstream social science. Compared to the sterile conception of “class” when it appears in orthodox economics, Marx's concept of social class, Schumpeter wrote, “is a living, feeling, acting sociological entity.”⁷ This points to the strong resistance to Adam's Fallacy within Marxism, giving it an advantage in dealing with structural contradictions of the system. From a Marxian dialectical perspective, the social world cannot be looked at exclusively in either economic or non-economic terms.

Growing out of the earlier work of Marxian political economists Paul Baran and Paul Sweezy in *Monopoly Capital*, our book challenges the prevailing assumption that the capitalist economy *naturally* promotes rapid growth and full employment equilibrium—a viewpoint that

makes persistent unemployment, underemployment, and slow growth anomalies that need to be explained.⁸ Rather we argue the opposite—slow growth, rising unemployment, underemployment, and excess productive capacity comprise the *normal tendency* under monopoly capitalism. In this view, rapid growth and full employment, as in the “golden age” of the 1950s and '60s, are the anomalies that need to be explained.

The virtue of this approach is that it conforms much more closely to reality. The advanced capitalist economy has been plagued by creeping stagnation for most of the post-Second World War period (not to mention the prewar 1930s). The rate of growth of the U.S. economy was slower in the 1970s than in the 1960s. It was slower in the 1980s and '90s than in the 1970s. And it was slower in the 2000s up to 2007 than in the 1990s. Since late 2007 the economy has plummeted. All of this can be traced, in the main, to a system of monopolistic profits and pricing and to growing inequality in income and wealth. Real wages in the United States were at the same level in 2007 as in 1967—even as profits, CEO salaries, income and wealth inequality, and financial speculation hit the stratosphere!

Barring the unlikely emergence of a Schumpeterian epoch-making innovation on the scale of the railroad and the automobile—and even the computer-digital revolution didn't come close in this respect—the system tends to a shortage of profitable investment outlets (due to inequality and market saturation). Hence, in order to continue growing at a pace sufficient to hold off a widening underemployment gap exogenous forces, or special historical/sociological stimuli not due to the internal logic of the accumulation system, have to enter in. For much of the post-Second World War period this was provided to a considerable degree by military spending, which, however, gradually began to lose its

effectiveness as a stimulus for a variety of reasons by the 1970s.

From the 1980s on the main prop to the economic system was provided by the financialization of the capitalist economy. Unable to find outlets for their enormous and growing investment-seeking surplus (the product of widening profit margins at any given level of output) corporations increasingly speculated in asset prices, i.e. paper claims to wealth, thereby boosting the economy for a time. Pioneered in the United States, financialization—understood as a secular shift in the center of gravity of the system from production to finance—was aided and abetted by banks and other financial institutions. They created more and more and more exotic financial instruments to accommodate the massive funds seeking speculative outlets. The result was a series of financial bubbles, each bigger and more fragile than the last, creating a vast financial superstructure on top of a stagnating productive economy. The financial balloon lifted the economy but ultimately ran into a contradiction, given the underlying weakness of the real economy from which it derived.

It was clear from the start that financialization could not solve the underlying problem of stagnation, and that a reckoning—what economists call a mean reversion in which finance would be brought more in line with the slow growth of the underlying economy—would eventually have to occur. When and how this would happen, however, was not so clear, since the Federal Reserve and other central banks intervened in periodic credit crunches as lenders of last resort, supporting a succession of financial bubbles. At some point, though, it was to be expected that the whole worsening problem would become unmanageable. This general point had been made in *Monthly Review* for some time. But by 2006, as indicated in our piece

“The Household Debt Bubble” (included in our book), we had concluded in more concrete terms that working-class household finance had been so destroyed by financialization, and by the emergence of a housing bubble, that the time for this strategy of accumulation was running out, and that a crisis of financialization was increasingly likely. This whole story of the rise of what we refer to as “monopoly-finance capital,” and its relation to class, corporate power, state finance, and the global economy, is traced throughout our book, which concludes with an account of the crash. We end by observing that there is no easy way out for humanity (and none for the system) under these circumstances, and that radical change is called for.

All of this points to the fact that we live in an age when more than ever before the world demands a radical synthesis: of the kind potentially offered by political economy, economic sociology, and ecological economics. The closed world of make-believe neoclassical economic models, of Adam’s Fallacy, has become a growing threat to the planet and all who live in it.⁹

John Bellamy Foster is Professor of Sociology at the University of Oregon. His 2009 book, The Great Financial Crisis: Causes and Consequences (Monthly Review Press, with Fred Magdoff) offers a Marxian account of the current financial crisis. Foster is editor of Monthly Review, and writes frequently on the relationship between the ecological crisis and capitalism in addition to his work on financialization.

□

Notes:

1. Barry Eichengreen and Kevin H. O’Rourke, “A Tale of Two Depressions,” *Vox*, original article April 6, 2009, updated June 4, 2009, <http://www.voxeu.org/index.php?q=node/3421>.
2. Duncan Foley, *Adam’s Fallacy: A Guide to*

- Economic Theology* (Cambridge, Massachusetts: Harvard University Press, 2006), xiii.
3. Foley, *Adam's Fallacy*, 155.
 4. Foley, *Adam's Fallacy*, 224.
 5. John Kenneth Galbraith, *The Economics of Innocent Fraud* (Boston: Houghton Mifflin, 2004).
 6. John Bellamy Foster and Fred Magdoff, *The Great Financial Crisis: Causes and Consequences* (New York: Monthly Review Press, 2009).
 7. Joseph Schumpeter, *Essays* (Cambridge, Massachusetts: Addison-Wesley Press, 1951), 286.
 8. Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966). Baran and Sweezy's analysis was carried forward and applied to issues of financialization in particular in the subsequent work of Harry Magdoff and Paul Sweezy from the late 1960s to the 1990s.
 9. On the even more serious ecological dangers of our current economic way of life see John Bellamy Foster, *The Ecological Revolution* (New York: Monthly Review Press, 2009). See also Richard York, Brett Clark, and John Bellamy Foster, "Capitalism in Wonderland," *Monthly Review*, vol. 61, no. 1 (May 2009), 1-18.

BOOK REVIEW

A Failure of Capitalism: The Crisis of '08 and the Descent into Depression. By Richard Posner. Harvard University Press. 2009. 368pp.

Published at the start of May, Richard Posner's *A Failure of Capitalism: The Crisis of '08 and the Descent into Depression* is one of a spate of recent books that speculate on the causes and consequences of the current financial crisis. Though his book may be contentious for arguing that we are experiencing a depression rather than some milder episode, what makes it controversial is his thesis that capitalism is inherently flawed and thus government must routinely involve itself in the market economy to keep it stable. Granted, were this argument made by any number of liberals it would be nothing to discuss; being made by Posner, however, makes it worthy of sustained consideration. A judge and prolific public intellectual allied with the Chicago School of Economics, Posner is well-known for developing economic theories of the legal system that eschew a focus on justice, relying instead on incentives to encourage socially-desirable behavior. Having been such a vocal proponent of lim-

ited government and free-market ideology, for him to argue in this new book that capitalism cannot be left alone and ergo the American government must play an active role in its maintenance is ostensibly a theoretical about-face. Looked at more carefully, however, Posner's seeming change of heart is revealed as a mere tempering of his free-market ideology in light of current events rather than any radical critique of laissez-faire economics.

Written for a general audience with only a cursory familiarity with economics or finance, *A Failure of Capitalism* contains minimal jargon, no footnotes, and few references to fellow scholars by name. The first two-thirds of the book focuses on explaining fundamental concepts and explicating Posner's reckoning of the crisis's causes. In these five chapters he cogently explains mortgage-backed securities, speculative bubbles, and monetarist and Keynesian theories of depression, all the while elaborating his view that the crisis was a result of the normal workings of capitalism worsened by a late and inadequate government response. Significantly, for

Posner the current financial crisis is not the result of irrationality, greed, or stupidity on the part of Wall Street; this was not a failure of capitalists but of the system itself. The inherent “failure” of capitalism he identifies is the commonly acknowledged instability resulting from boom and bust cycles. Interestingly, though, he argues that the main culprit of any depression is not the initial shock of the bubble bursting but rather the way the system adjusts to that shock. In this instance, the bursting of the investment bubble driven by mortgage-backed securities and subprime loans was far worse than it could have been because of the government policy of non-intervention. Posner lays blame on the failure of America's conservative administrations to step in to safeguard the collective good when it was threatened by rational subjects instinctively pursuing self-interest and profit. He blames the repeal of Glass-Steagall in 1999 as well as the Federal Reserve's unwillingness to raise interest rates despite overleveraged banks and dissavings by the American public for making the situation worse. His fundamentalist laissez-faire economic policy is thus amended to a slightly less idealistic position that admits the necessity of putting the government in charge of creating and maintaining the stable social context necessary for the free market to flourish.

Central to his analysis is an interesting reworking of the foundational economic assumption that self-interested action by individuals coalesces into the common good. As noted above, Posner avers that individuals are rational, utility-maximizing subjects, but for him it is precisely this instinct that produces problems at the macro level. What might be a reasonable risk for an individual or single firm can aggregate into an unreasonable risk threat to social stability, especially when the failure of one organization (e.g., Lehman Brothers) can cause so many others to topple. He argues that within a con-

text of low interest rates and extreme deregulation, it was only rational for individuals to stop saving, go deeply into debt, and involve themselves in risky new securities as long as all these were legal and profitable. Even staying in a speculative bubble and eschewing prudence if it is *de rigueur* is declared rational by Posner; what is irrational is to get out early and forego greater income. Because we have no individual incentive to promote the collective good and thus can create such chaos, the government must design a regulatory environment that insures our own excesses will not destroy us. He names financial stability a public good, justifying government intervention in the market by paralleling it with the right of the state to set speeding limits so as to prevent deaths. What Posner is thus concerned with is finding ways for the government to interrupt this devastating downward spiral of an investment bubble's collapse that will not make things worse. “Worse” for Posner would be increased taxes, intolerable inflation, or Keynesian social programs that cannot be suspended once the economy gets better. In short, “worse” would be anything that interfered with the free market in any way not aimed at its maintenance.

To this end, the last third of the book is more speculative and is where he assigns blame for the crisis in more detail, castigates economists for their failure to predict its severity, and sketches the outlines of a few possible solutions for it. Though Posner looks to Keynesian economic policy for solutions, he only approves of public works projects and military expenditures that can be begun immediately, do not interfere with business profits, and can be suspended once the economy recovers. He also suggests increasing almost imperceptibly the marginal tax rate of the very top earners to fund these public work projects and using interest rates to encourage the right mix of saving and loaning. In each in-

stance, the goal is to return our threatened market economy to stability without any fundamental reorganization. His version of government is still minimalist though with its scope expanded to include preventative measures regarding economic stability so the “normal” functioning of the market economy can continue.

Posner’s book is valuable for its ability to explain complex financial and economic phenomena clearly enough for novices to the field, but on the whole it suffers precisely from the lack of complex theoretical engagement that makes the text accessible to a general audience. Scholars familiar with the debates about *homo economicus* and the problems of structure and order will find little of Posner’s argument novel or noteworthy. Even if he admits there are built-in flaws to capitalism and recants his most fundamentalist laissez-faire principles, he does not move far outside the realm of rational choice theory. Despite highlighting the constructedness of a “depression” by defining it as the compound effect of economic downturn, a popular sense of crisis, and a strong response by the government rather than any objective indicators, he does not take an approach to the economy that acknowledges economic embeddedness or social construction. Rather, for Posner the social remains an arbitrary setting in which *homo economicus* pursues maximum profits utilizing the means available and effectively circumscribed by law and regulation. Looked at in terms of the problems of agency and order, Posner overestimates the power of economic and government structures to circumscribe individual behavior by paradoxically positing social actors as both driven by the instinct of profit-maximization and oversocialized in their adherence to laws and norms. This allows him to locate all flaws in the macro level, either as essential aspects of capitalism or the result of government noninvolvement. Individuals in business and the econ-

omy generally are absolved of all non-illegal economic activity that precipitated the crisis, because they were merely acting as rational, utility-maximizing subjects should be expected to do in any setting where such drives are not constrained.

What is plastic here is the context, not the subject’s motivations. To expect non-utility maximizing behavior or concern for the collective good on the part of the individual is illogical for Posner. He does not explain, however, why this should be. How are individual motives so easily reigned in through the carrot and stick of laws and interest rates yet so unmanageable that to try and inculcate economic prudence through education and new institutions cannot but fail? He makes a double movement of acknowledging the context-dependent behavior of economic subjects but then quashes discussion of economic behavior as learned by evacuating economic subjects of any motivations other than profit maximization and obeying the law. Capitalism can be blamed and lawbreakers chastised, but not law-abiding capitalists who were merely allowed to follow their instincts into too dangerous territory by an insufficiently strict state. Were he to consider economic behavior as social and not instinctual, he might not be so quick to dismiss a society built on the sober realization that a market cannot expand infinitely. Ironically, in fact, he does not dismiss the possibility of prudent concern for the collective but instead localizes these in a reinvigorated government, creating a whole new theoretical tangle.

Posner’s recourse to the government as the solution to economic chaos is accompanied by his failure to confront head-on the problem of how *homo economicus* can be expected to protect and promote the collective good when occupying government positions if his normal mode of operation is self-interest. This is not a problem

unique to Posner's argument, but neither is it one he acknowledges. He is unclear as to how those who will run the economic equivalent of the CIA he proposes will suppress their instinctive rational self-interest and protect the collective instead. In fact, he asserts at one point that it was rational that the Fed did not prick the investment bubble that precipitated the crisis because they did not want to face public censure for ending the good times. His recourse is to objective experts, but he does not explain how or why they will be able to avoid the ideological mystification he says prevented economists from foreseeing the crisis. In the end, it seems as if his unwavering faith in economic man's rationality is joined with an equally strong faith despite evidence to the contrary that individuals in government can determine and protect the common good as long as they try hard enough. The mechanism that makes that happen is never discussed, wrecking havoc on his argument. His inattention to the meso level ways in which individuals learn to function in a market economy prevents any explanation of how rational economic man could learn to act counter to his in-

tuition while holding a government post and thus why such regulation can be the solution.

Ultimately, the book may provide a concise narrative of the rise and fall of the investment bubble, but the reader gets no concrete takeaways for thinking anew about the operation of capitalism, let alone fixing this crisis or preventing another. For readers versed in economic sociology, it will not be worth slogging through these three hundred plus pages of occasionally disjointed prose unless you revel in hearing free-marketeters suggest capitalism might be flawed without denaturalizing it. In the last instance, Posner's insights are mainly new to him, which results in poorly formulated arguments and a frustrating read for those who remember the New Deal as another time when capitalists realized that the "cost" of government intervention was a necessary business expense if they wanted to retain their positions at the helm of the market economy.

Lotus Seeley, Accounts Editor



AN INQUIRY INTO THE CULTURAL WEALTH OF NATIONS BY NINA BANDELJ AND FREDERICK WHERRY

"In Mali, villagers gather their artifacts and document their traditional uses and origins. The more verifiable information the villager can provide, the greater the loan the villager can obtain from the Culture Bank. The villager's object acts as collateral, but it is also deposited in the Bank's museum, earning money from the entrance fees charged to tourists. What social capital did for the Grameen Bank, symbolic capital has done for the Culture Bank, utilizing symbolic assets to generate economic capital." - Todd Vincent Crosby, co-founder, The Culture Bank

"In Tuscany, property owners extol the landscape, designated as a World Heritage Site by UNESCO. The iconic status of their landscape attracts tourists, thereby generating rents, but the landscape's symbolic qualities also spark battles over how the landscape's iconic status should be maintained and, consequently, how economic activities should be curtailed." - Dario Gaggio, History, University of Michigan

"In Central America, a path cuts across the territories of Mexico, Guatemala, Belize, Honduras, and El Salvador. This Mayan Path (Ruta Maya) was featured

on the cover of National Geographic and garnered financial and institutional support from the Inter-American Development Bank. The ostensible goal of the Mundo Maya Sustainable Tourism Program is to promote a form of tourism that is both sensitive to the ecological and cultural richness of the region and to the needs of local communities, which are supposed to be its primary participants and beneficiaries. These ostensible goals have sometimes bucked against latent constraints because attempts to create consumer demand for the Mayan past have not gelled well with present political struggles and multiplicity of national interests.” - Jennifer Bair, Sociology, University of Colorado

The Question

How do the symbolic qualities of places shape economic activities? From March 27 to 28, Nina Bandelj (University of California at Irvine) and Frederick Wherry (University of Michigan at Ann Arbor) co-hosted a conference on The Cultural Wealth of Nations in Ann Arbor to ask just that. Melissa Forbes served as the conference coordinator. As the summaries from three of the papers outlined above suggest, symbolic resources affect social, cultural, and economic development. Indeed, the value of being made in America or made in Italy depends not only on the material advantages each place offers but also the symbolic resources embedded in the places of production. While some economists, economic sociologists, and political economists have expanded their inquiries of development to include social networks/social capital, they have done less to account for the symbolic resources that enhance or dampen development efforts. The conference and the edited volume being produced by some of its contributors aim to bring symbolic resources into our contemporary studies of economic development.

The Conference Sessions

A New Inquiry into the Wealth and Poverty of Nations

The opening plenary, moderated by Mark Mizruchi (University of Michigan) featured contributions by Miguel Centeno (Princeton University), George Steinmetz (University of Michigan/School for Social Research) and Richard Swedberg (Cornell University). Centeno provided attendees with graphic statistics about the dramatic inequalities in the distribution of cultural wealth globally. For example, when comparing the distribution of cultural heritage sites versus natural heritage sites, Centeno noted that these distributions seemed to suggest that the different regions of the world are roughly equivalent in their “natural endowments” of physical beauty, but only the United States, Western Europe, and a few parts of Asia seemed to be “naturally endowed” with cultural wealth. Centeno went on to show the flows of cultural goods (books, fashion, and other cultural commodities) across the globe to demonstrate how some countries are mostly sending and others are mostly receiving highly valued cultural goods. In conclusion, Centeno outlined the conditions that facilitate the conversion of symbolic resources into economic ones. In other words, if we imagine collectives (villages, regions or nations) as being like individuals, we can examine how a group’s construction and deployment of symbolic capital facilitates their accumulation of economic capital.

George Steinmetz (University of Michigan) intervened by meditating on the works of Pierre Bourdieu and what his theory of the different forms of capital means for thinking about the cultural wealth of nations. How are the different forms of capital created, enhanced, or diminished? How are actors able to change their posi-

tion in a particular field to gain dominance? How does nostalgia work in the generation of symbolic capital, and what are the tensions between nostalgia and melancholy? How does melancholy affect the fungibility of symbolic capital, for example?

Regrettably, a family emergency kept Richard Swedberg (Cornell University) away from the conference, but he had submitted his paper well in advance, so we could share the key arguments with the audience. Swedberg revisited Adam Smith's inquiry into the wealth of nations and argued that Smith's perspective on economic growth and its social foundations have not been thoroughly understood by economic sociologists; moreover, by thinking about Adam Smith alongside Pierre Bourdieu, we can see how culture can be conceived in a multitude of ways and that it is an integral part of all economic phenomena. Swedberg's paper called on economic sociologists and other social scientists to ask some basic questions that have thus far been evaded and to think about the nuances of Smith's inquiry and how that inquiry might be reformulated for our time.

The following day, the attention of the conference moved to case studies to illustrate how symbolic capital is constructed and deployed. Contributors from different disciplinary backgrounds examined how symbolic resources and cultural understandings help firms and regions move up in the global value chain; marshaled historical materials to demonstrate how places augment their symbolic capital by becoming known as world heritage sites and why we should not see this as a "naturally occurring" phenomena; and demonstrated how symbolic resources facilitate and constrain the accumulation of economic wealth.

The Geography of Material and Symbolic Inequalities

Jennifer Bair (University of Colorado), moved the literature on global value chains in a different direction. Bair noted that the service sector (tourism) and cultural industries have not received a great deal of attention in the global value chains literature. The empirical studies of commodity chains have honed in on manufactures, chiefly autos, apparel, electronics, and agricultural commodities such as fresh fruits and vegetables, chocolate, coffee, and fresh cut flowers. Bair detailed how symbolic resources and cultural wealth intersect with global trade and production networks in the multi-country tourism project known as the Mayan Path (*Ruta Maya*).

Lauren Rivera (Harvard University) examined the cultural wealth of stigmatized nations, using the case of tourism in Croatia. Rivera asked how countries with tarnished international reputations mobilize their "cultural wealth" for economic and political ends. She focused on Goffman's stigma management strategies and noted how impression management teams in the government and the private sector utilize these strategies. In her case study, Croatia's government used tourism to "re-brand" its history and culture after the war, and to enhance its international status and international revenues.

Finally, Todd Crosby's (co-founder, The Culture Bank) study of the Culture Banks of Mali resembled Michael Woolcock's well-known piece on social capital and development. Crosby focused on the multiple benefits that accrue at the Culture Bank and the different types of capital flowing through it. The bank functions as a museum promoting cultural preservation, a community center hosting festivals and educational programs, and a tourist site full of local

content, operated by local people. Crosby took us inside these circuits of commerce—the differently defined relations, the various media attached to those relations, and the third party enforcement of socially proscribed exchanges—and illustrated how these circuits work.

Dan Hirschman (University of Michigan) served as the discussant for the session.

Values in Place

Dario Gaggio's (University of Michigan) work on Tuscany also raised important theoretical questions about how icons function as symbolic resources, especially given the irony that a landscape's iconic status might render it unfit for (economic) market work. In other words, how does the commercialization of an icon threaten its very iconicity? How do individuals and institutions talk about and respond to these threats—and with what economic, political, and cultural consequences?

Alexandra Kowalski (Central European University) analyzed UNESCO's World Heritage 1972 Convention as a historical turning point, to shed light on the international standards that help countries identify and market their cultural wealth, specifically their practice of heritage preservation. The sequence of decisions and events, as well as the categories of actors involved in the making of what finally became the 1972 Convention, show how "heritage" is constructed, historically contingent, and practically powerful for making some economic activities possible while curtailing others.

Stefan Bargheer (University of Chicago) asked how objects and animals become invested with value. How does a species become a national treasure imbued with universal appeal and therefore worthy of conservation? These logics of valuation and how they emerged was dis-

cussed along with the institutional actors who attempted to codify the value of birds as a natural treasure. Bargheer's case study is situated in Great Britain from 1970 to the present.

Claire Whitlinger (University of Michigan) served as the discussant for the session.

New Directions

The conference is only the first step in a broader research agenda that aims to complement comparative-historical accounts of economic development and build on global value chain analyses as well as empirical investigations of how the social, cultural, and symbolic capitals are generated and converted into economic capital.

Comparative-historical accounts. Military power and economic capital largely explain why some countries have excelled but others stagnated in the global economy, according to social scientists associated with the dependency and the world systems schools. In *Dependent Development*, Peter Evans (1979) recognized (but did not focus on) the importance of symbolic resources when he noted that brand name goods from the "first world" were preferred to locally produced goods and implied that the symbolic resources that first world firms could rely on made import-substitution strategies less viable in developing economies. *The Cultural Wealth of Nations* therefore takes up the challenge of understanding why firms located in particular places find themselves at an advantage relative to firms in other places by virtue of the symbolic resources they have at their disposal.

Global value chains. Social scientists analyzing global value chains, i.e. the full range of activities involved in bringing a product from its conception to its end use, focus on the importance of symbolic resources such as brands to increase the economic rents that firms can capture in the

global market; however, these analyses say little about *value creation*. *The Cultural Wealth of Nations* research aims to bring together scholars rooted in the global values chains perspective and has them discuss how symbolic resources are incorporated into the value chain and with what effect. With greater attention to these processes of incorporation, the emphasis is on how value is created, sustained, and threatened.

Social capital, cultural capital, and economic development. Alejandro Portes (2005) hailed Bourdieu's twin concepts of social and cultural capital and argued that not enough was being written in the sociology of development to take advantage of these concepts. Such studies as Michael Woolcock's article on "Social Capital and Development" and the plethora of edited volumes being published by the World Bank on the theme seemed to capture how social networks enabled individuals and firms to mobilize economic and other material resources that they would not be able to mobilize otherwise; however, less work appeared documenting how symbolic capital could be deployed in the service of economic development. Likewise, the narrow focus on economic development sometimes occluded cultural and social developments.

The role of culture in economy. Most traditional analyses of economy have paid little attention to how meanings shape economic life. Recently, work in cultural economy and cultural economic sociology has expanded to counter the common assumption that economy and culture are two separate spheres. This work, however, has mostly endeavored to show how individuals attribute meaning to economic activities they are engaged in, or has examined cultural industries. Much less scrutiny has been paid to how cultural understandings and symbolic qualities of goods and places affect global economic exchange. True, already Weber has claimed that the Protestant Ethic may be the driving force

behind the rise of Capitalism, but such analyses constrict the definition of culture to very basic categories of religion and values. Complementing existing scholarship on the role of culture in economy, *The Cultural Wealth of Nations* aims to examine cultural effects at the macro level of analysis, with attention to cultural objects, i.e. significance embodied in form (Griswold 1994) rather than religion or values.

Beyond the Conference

Nina Bandelj and Fred Wherry have been invited to serve as guest bloggers on orgtheory (<http://orgtheory.wordpress.com/>), a well-known blogging site for organizational and economic sociologists. We are also currently working with the conference attendees and a few others to develop an edited volume on the conference's theme. We invite economic sociologists interested in the questions posed by the Cultural Wealth of Nations research agenda to contact us about their projects.

References

- Bourdieu, Pierre. *The Social Structures of the Economy*. Cambridge: Polity Press, 2005.
- Evans, Peter B. *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*. Princeton: Princeton University Press, 1979.
- Griswold, Wendy. *Cultures and Societies in a Changing World*. Thousand Oaks, CA: Pine Forge Press, 1994.
- Portes, Alejandro. "Sociology in the Hemisphere: Past Convergences and New Mid-Range Agenda." In *Rethinking Development in Latin America*, edited by Bryan R. Roberts and Charles H. Woods, pp. 27-52. University Park, PA: Pennsylvania State University Press, 2005.
- Smith, Adam. *An Inquiry into the Nature and Cause of the Wealth of Nations*. London: Methuen and Co., [1776] 1922.
- Woolcock, Michael. "Social Capital and Economic Development: Toward a Theoretical Synthesis and Policy Framework." *Theory and Society* 27, no. 2 (1998): 151-208.

2009 SECTION AWARD WINNERS

Viviana Zelizer Distinguished Scholarship Award

The 2009 Viviana Zelizer Distinguished Scholarship Award was given to Greta Krippner of the University of Michigan for her article, "The Making of U.S. Monetary Policy: Central Bank Transparency and the Neoliberal Dilemma" (*Theory & Society* 36: 477-513, 2007). The article argues that the surprising turn toward transparency in central banking in recent years can be understood as a response to a key dilemma facing the neoliberal state: how can the state manage the economy while avoiding responsibility for unfavorable economic outcomes? For more from Krippner, see her essay in this issue of *Accounts*.

Two honorable mentions were also awarded. Heather Haveman (University of California, Berkeley), Hayagreeva Rao (Stanford University), and Srikanth Paruchuri (University of Florida) received an honorable mention for "The Winds of Change: The Progressive Movement and the Bureaucratization of Thrift." (*American Sociological Review* 72: 114-142, 2007.)

Rene Almeling (University of California, Berkeley and Yale University) received an honorable mention for "Selling Genes, Selling Gender: Egg Agencies, Sperm Banks, and the Medical Market in Genetic Material." (*American Sociological Review* 72: 319-340, 2007.)

Ronald Burt Outstanding Student Paper Award

The 2009 Ronald Burt Outstanding Student Paper Award in Economic Sociology was awarded John-Paul Ferguson (Massachusetts Institute of Technology and Stanford University) for his paper, "Space Invaders: Categories, Valuation and Union Organizing Drives, 1961 - 1999." John-Paul Ferguson received his PhD in April 2009 from the Behavioral and Policy Sciences department at the MIT Sloan School of Management, and he is now Assistant Professor of Organizational Behavior at the Stanford Graduate School of Business. His research examines the founding of organizations in hostile environments and changes in socially constructed systems of valuation.

On behalf of the section, we would like to offer special thanks to the 2009 award committee members:

2009 Viviana Zelizer Distinguished Scholarship Award Committee

Marc Schneiberg (chair), Reed College
Alya Guseva, Boston University
Jens Beckert, Max Planck Institute

2009 Ronald Burt Outstanding Student Paper Award Committee

Damon Phillips (chair), University of Chicago
Brooke Harrington, Max Planck Institute
Brayden King, Northwestern University

ECONOMIC SOCIOLOGY AT ASA

Below is a listing of the Economic Sociology Section's sponsored events, as well as a set of paper sessions organized by section member Frank Dobbin, and a pre-conference organized by Daniel Beunza, Yuval Millo, Marion Fourcade and Fabrizio Ferraro. For complete session descriptions, and a larger listing of Economic Sociology-related sessions, check out ASA's [online program guide](#). Each listing contains the time, location, organizer, presider, paper titles, authors and discussant. The last page lists several other section events of interest.

Section Sessions

Nature and the Organization of Economic Life

Sunday, August 9: 8:30am—10:10am

Hilton San Francisco

Session Organizer & Presider: Victoria Johnson (University of Michigan)

Constructing Knowledge Societies: Ideological Frames and the History of Molecular Biology — Simcha Jong (University College London)

Financialization, Shareholder Value, and the Transformation of Timberland Ownership in North America — Andrew Gunnoe, Paul K. Gellert (University of Tennessee)

Green Corporations or Greedy Investors: A Panel Data Analysis of Toxic Emission Rates in Large Corporations — Harland Prechel, Lu Zheng (Texas AM University)

Price and Prejudice: Economic Valuation as Cultural Practice — Marion Fourcade (University of California - Berkeley)

Discussant: Thomas D. Beamish (University of California-Davis)

Gender, the Economy and Work (co-sponsored with the Section on Sex and Gender)

Sunday, August 9: 12:30pm—2:10pm

Hilton San Francisco

Session Organizer & Presider: Mary Blair-Loy (University of California-San Diego)

Economic Sociology vs. Real Life: The Case of Grocery Shopping — Shelley L. Koch, Joey Sprague (University of Kansas)

Gender Deviance and Household Work: The Role of Occupation — Daniel J. Schneider (Princeton University)

Gender, Job Segregation, and Non-Searching for Jobs — Julie A. Kmec (Washington State University), Steve McDonald (North Carolina State University), Lindsey Blair Trimble (Washington State University)

Marrying in a Growing Unequal Society: A Multilevel Model of Marriage Trends 1970-2002 — Lijun Yang (The University of Pennsylvania)

Discussant: Viviana A. Zelizer (Princeton University)

Politics of Markets: Controversies, Tools and Policies

Sunday, August 9: 2:30pm—4:10pm

Hilton San Francisco

Session Organizers: Daniel Beunza (Columbia University), Yuval Millo (LSE)

Presider: Liang YU (University of Oxford) Session *Embattled Labor, Embedded Ties: Industrial Relations and Inter-firm Networks in New York's Garment District* — Jennifer L. Bair (University of Colorado)

Peer Comparisons of CEO Pay: Fair Pay or Power Play? — Taekjin Shin (University of California-Berkeley)

The Business of Budgetary Concepts: Political Debates over Participation Certificates — Sarah Quinn (University of California-Berkeley)

The Political Dynamics of Market Reorganization: Neoliberalism and the Deregulation of the U.S. Airline Industry — Dustin Avent-Holt (University of Massachusetts-Amherst)

Discussant: Mark Granovetter (Stanford University)

Social Inequality and Development

Monday, August 10: 8:30am—10:10am

Hilton San Francisco

Session Organizers: Lawrence E. Raffalovich (State University of New York-Albany), Nitsan Chorev (Brown University)

Presider: Lawrence E. Raffalovich (State University of New York-Albany)

Beyond Neoliberalism: A Political Contingency Model of Cross-national Income Inequality — Eric C. Dahlin, Shawn M. Wick, Xi Zhu (University of Minnesota)

From Credit to Collective Action: Role of Microfinance in Women's Social Capital and Normative Influence — Paromita Sanyal (Wesleyan University)

Labor Force Participation in Puerto Rico: Male and Female Cohort Differences in the Process of Development — Harold J. Toro (Harvard University)

How Can You Get Ahead in Contemporary China? Examining the Stratification Mechanisms Through Job-attainment Patterns — Jing Shen (University of Toronto)

Discussant: Andrew Schrank (University of New Mexico)

Regular Sessions

The Sociology of Competition

Saturday, August 8: 8:30am—10:10am

Parc 55 Hotel

Session Organizer & Presider: Frank Dobbin (Harvard University)

Organizing Contests for Status: The Matthew Effect versus the Mark Effect — Matthew S. Bothner, Joel Podolny, Edward Bishop Smith (University of Chicago)

Does Brain Circulation Promote International Development? High-skilled Migration and Organizational Performance — Elena Obukhova (Massachusetts Institute of Technology)

The German-Jewish Economic Elite (1900-1933) — Paul H. Windolf (University of Trier)

Risk Sharing in Interfirm Contractual Relationships: Explorations in China's Transitional Economy — Ling Yang, Xueguang Zhou (Stanford University)

Discussant: Nina Bandelj (University of California-Irvine)

The Construction of Financial Markets

Saturday, August 8: 10:30am—12:10pm

Parc 55 Hotel

Session Organizer & Presider: Frank Dobbin (Harvard University)

Liquidity Wars: The NYSE, NASDAQ and The Reorganization of Financial Exchanges — Daniel Beunza (Columbia University), Yuval Millo (London School of Economics)

Information, Trust, and Conversations in Online Financial Markets — Alexandru Preda (University of Edinburgh)

The Clearing House, Federal Reserve, and the Survivals of Banks in Manhattan, 1840-1950 — Qingyuan Lori Yue, Jiao Luo, Paul L. Ingram (Columbia University)

Merger Waves as Agents of Social Change: How America's Large Corporations Became Commodities — Linda Brewster Stearns (Southern Methodist University)

Discussant: Greta R. Krippner (University of Michigan)

Meaning in Markets

Monday, August 10: 2:30pm—4:10pm

Parc 55 Hotel

Session Organizer: Frank Dobbin (Harvard University)

Presider: Eiko Ikegami (New School for Social Research)

Money and Meaning: How Categories Defeat Fungibility — Bruce G. Carruthers (Northwestern University)

Motives and Meanings: Whose Clay and Which Hands Shape

Strategic Planning in Nonprofit Organizations? — Hokyu Hwang (University of Alberta), Patricia Bromley Martin (Stanford University), Walter W. Powell (Stanford University)

The Household Economy: A Complement or Alternative to the Market Economy? — Richard Swedberg (Cornell University)

Economy and Culture: Keywords Over the Late 20th Century — Marc J. Ventresca (University of Oxford), Stephen Rosenberg (University of Chicago)

Discussant: Eiko Ikegami (New School for Social Research)

Section Events

Invited Session on the Global Financial Crisis

Sunday, August 9: 10:30am—11:30am

Hilton San Francisco

Session Organizer: Bai Gao (Duke University)

Presider: Bruce G. Carruthers (Northwestern University)

The Politics of Economic Recovery: Can the Obama Administration Coordinate Simultaneous Projects of Domestic and Global Reform? — Fred Block (University of California-Davis)

The Mundell-Flemming Trilemma and the Future of the International Monetary Regime — Bai Gao (Duke University)

Fuel for the Crisis: Institutional Investors and the Stock Market Bubble — Frank Dobbin (Harvard University)

Economic Sociology Section Business Meeting

Sunday, August 9: 11:30am—12:10am

Hilton San Francisco

Section Reception (co-organized with the Section on Organizations, Occupations and Work)

Monday, August 10: 6:30pm—8:10pm

[Note: The section awards for both sections will be handed out at the joint reception.]

Mini-Conference

One-day Workshop: "Politics of Markets: Controversies, Tools and Policies"

Thursday, August 7

University of California, Berkeley

For more information, visit the mini-conference website at <http://sites.google.com/site/politicsofmarkets/>. Pre-registration is required.

ECONOMIC SOCIOLOGY SECTION ELECTION RESULTS

2009 Election Winners

Chair (2010-2011)

Alejandro Portes, Princeton University

Council Member (2009-2010)

Greta Krippner, University of Michigan

Martin Ruef, Princeton University

THANKS!

2008-2009 Economic Sociology Council

Nina Bandelj

Mary Blair-Loy

Marion Fourcade

Bob Freeland

Kieran Healy

Damon Phillips

Ezra Zuckerman

We would like to offer a special thanks to outgoing council members Mary Blair-Loy and Ezra Zuckerman. Thanks for all your hard work!

GOODBYE ACCOUNTS!

It has been a tremendous pleasure to serve as the *Accounts* editorial team for 2008-2009. Thank you everyone who offered us their thoughts and words over the past year. We want to congratulate again incoming chair, Frank Dobbin of Harvard, and to wish the best of luck to next year's editorial team.

Thanks!

Erica Blom, Maria Farkas, Russell Funk, Dan Hirschman, Lotus Seeley
University of Michigan