# ACCOUNTS



## COLLECTIVE IGNORANCE AND RISK: AN INTERVIEW WITH LÉNA PELLANDINI SIMÁNYI

Léna Pellandini Simányi earned her Ph.D. in Sociology from the London School of Economics and Political Science. She is an associate professor at the Universitá della Svizzera Italiana, Lugano, Switzerland, and co-chair of the Swiss Sociological Association's Economic Sociology Research Network. Her work focuses on the sociology of finance, consumer culture, and digitalization, using socio-material, practice theory, and cultural theory approaches. She is author of the book *Consumption Norms and Everyday Ethics* and her work has appeared in *Economy and Society*, *Sociology*, *the British Journal of Sociology*, *Organization Studies*, and *Marketing Theory*, among others.

Dr. Meghann Lucy talked to Dr. Léna Pellandini-Simányi about her article "The Market Dynamics of Collective Ignorance and Spiraling Risk," cowritten with Michelle Barnhart, and her current projects.

**Meghann Lucy:** ***Thank you for contributing to Accounts. I'm curious about the origins of your examination of collective risk in the Hungarian mortgage market. What inspired you to research this topic?***

**Léna Pellandini-Simányi:** Thank you! We started to work on this topic right after the financial crisis, when many people defaulted on their mortgage and were about to lose their homes. In Hungary, borrowers were demonstrating on the streets, asking the government to save them, and the mortgage crisis was featured daily on TV and in the newspapers. It was not a subprime crisis like in the United States, but a foreign currency crisis: People borrowed in foreign currencies that offered lower interest rates. When the exchange rate changed, their installments went up, and they were no longer able to afford them.

We wanted to understand how people ended up with these complex, high-risk financial products. With Zsuzsanna Vargha and Ferenc Hammer, both of whom are sociologists, we looked at why regulators and consumers accepted these risks, using sociology expectations and practice theory. We learned fairly quickly that most actors *did not accept the risks*—but simply did not see them. We wrote a few papers about why this happened, focusing on the narratives used by regulators and interactions during bank sales that downplayed the risks when consumers took out their mortgages.

We then did a follow-up quantitative survey study on risk perception and actual risks with Adam Banai, who is an economist at the Hungarian National Bank, in which we asked people at what time they borrowed and other questions about their mortgages, risk preferences, and so on. The results clearly showed that the mortgages people acquired became more and more risky the later they borrowed, despite the people who borrowed them being risk averse—if anything, the people who borrowed later were more risk averse than those who borrowed early on. Based on these findings, I started to work with Michelle Barnhart, who is a consumer behavior scholar, on this temporal process of how the gap between people's risk tolerance and the actual risk of the product that they acquired widened over time.

**M. L.:** ***"The Market Dynamics of Collective Ignorance and Spiraling Risk" describes how situational, cultural, and social factors shape how consumers make sense of product risk during different stages in markets. Could you share more about these factors and how they change over time?***

**L. P.-S.:** I would say that the paper is less about how people make sense of risk. In order to make sense of risk, you need to perceive it first. This paper is about how you stop perceiving risk over time… and when you don't even perceive it, you don't make sense of it. This is important because most existing models of risk are about how people make sense of it. In contrast, our model is about how people stop paying attention to risk and how this allows ignorance to build up.

According to our model, there are always forces that induce attention and forces that avert it. They are collective, not individual: They apply by and large to the entire market. For example, if there are no prior users and you are the first one to buy a new product, it induces your attention to risk. If there are many other users, it averts your attention because you think that it can't be that risky if all these other people are using it. These are social factors. Similarly, if there is little information available and you have to read through a hundred pages of small print, it also demands your attention. In contrast, if you walk into the bank and within ten minutes you get a nice, simple infographic with the two mortgage options and all you need to do is to pick one, it does not demand your attention. These are the situational factors that shape attention in our model. Cultural factors also influence attention: If your mindset is informed by the neoliberal responsibilization discourse that says that you must assume responsibility for yourself, you pay more attention to risks because no one will save you if you mess up. In contrast, if you draw on social protectionist narratives that say that the state takes care of the risks—which are quite common in a formerly socialist country—you may not consider it your job to pay attention.

In our model, attention depends on whether the attention-inducing factors outweigh the attention-averting ones in the market in a given period. These factors shift over time: more and more prior users, smoother and smoother sales processes, and the entry of new adopters who draw on the social protectionist narrative explain the rise of collective inattention, and eventually, the development of a collective ignorance of risk.

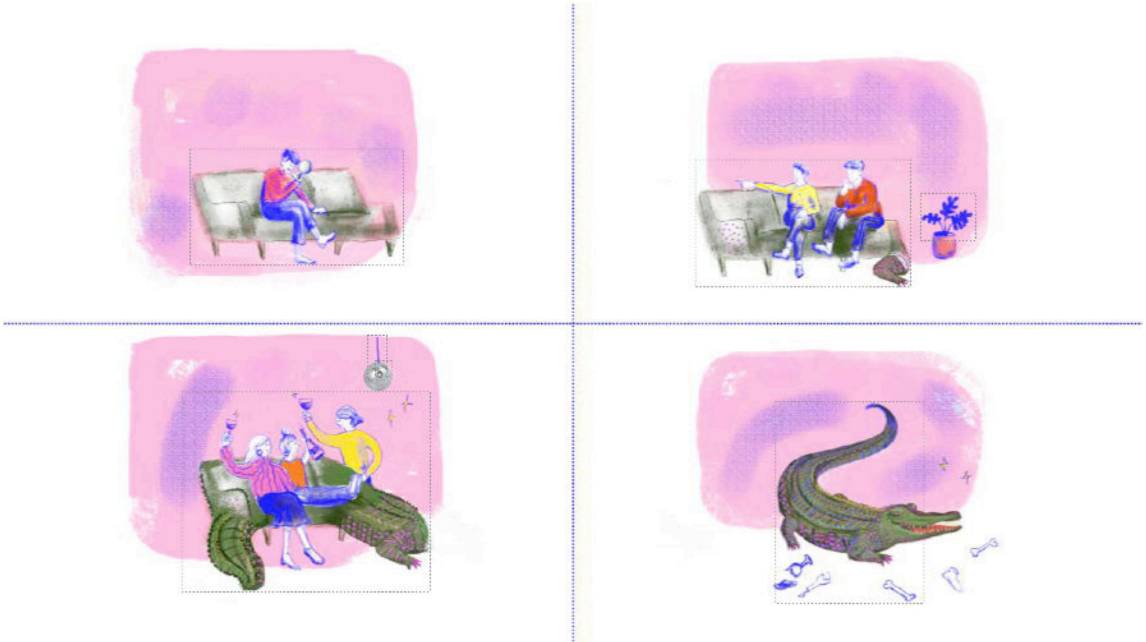
**M. L.:** ***What factors do you think determine whether product markets become riskier (i.e., result in "risk buildup" or not) as newcomers enter the market? For example, you mention regulatory lag being a reason, but why do you think there is a regulation lag for some products or markets over others?***

**L. P.-S.:** Common wisdom says that risk buildups are outliers. For example, the financial crisis is thought of as a "black swan" event. According to our paper, this is unfortunately not true. Risk buildups are the natural course of markets unless regulators intervene. This is especially true for markets in which risks materialize over time, in the long-run.

Why is that? According to our paper, initially, when a product is new, consumers are cautious and pay attention to risk. The new adopters, the "innovators" are meticulous, geeky people. They go through your hundred pages of small print and ask questions. So, if, as a producer, you offer a dodgy new product, it will likely fail because the innovators will spot the risks. But if your product is safe, they may adopt it. This is where the problems begin. Other consumers, who are not so meticulous, see the innovators using the product and assume that it must be safe if all these clever people are using it. They start to adopt it as well. But they don't read the small print because they are already reassured by the behavior of innovators that the product is safe.

Companies also see that the innovators have adopted the product, the market is growing, and they want a piece of it. The new entrant companies try to get new consumers by offering lower prices. The easiest way to do that is by increasing risk: offering a high risk product, or a product that breaks down quicker (this is called "performance risk") or a product that is less safe (this is called "health risk"). This does not only apply to mortgages. Think of plastic surgery. The first plastic surgeries, for example, Cher's, were done by the best plastic surgeons with the best medical devices. They were also very expensive. Today, you can get surgery at a very low price—but there is also a rise in botched surgeries. In short, companies start to offer cheaper, higher risk alternatives. The new consumers who do not pay attention to risk choose these because they do not see the risk difference, only the price difference. This is a spiral because when more consumers adopt the product, the safer it seems to new adopters and the less attention they pay to it. This is an incentive for companies to develop even riskier, cheaper products, which allows even more people to adopt them, and so on. It is a natural, not a "black swan" process. It can only be stopped by some form of intervention—ideally, regulatory intervention.

About the second part of your question of why there is regulatory intervention in some markets and in others there isn't… I think it depends partly on interests. For example, the mortgage market was very important for the entire economy. It boosted the construction sector, the financial sector, people were happy, and it got politicians votes. Nobody wanted to take the blame for stopping it, so regulators and politicians had a vested interest in turning a blind eye to the risks. This is what Linsey McGoey calls "strategic ignorance." A market with fewer interests attached to it is more likely to get regulated. But interests are never a good explanation in and of themselves. Few people are evil monsters who think, "This market is heading towards a disaster, but I will not do anything because it serves my interests." Surely, there are some people like this. But few. Most people, including regulators, ignore the risks if there are cultural narratives suggesting that what is happening in the market is largely a good thing. These narratives could be the democratization of finance, economic prosperity, technological development, you name it. In Hungary, regulators held a cultural narrative that the country needs to "catch up with the West," so when debt statistics started to rise, they interpreted it as a good thing: that Hungary is getting closer to the Western levels of mortgage penetration. (This is the topic of a different article that we wrote with Zsuzsanna



Vargha.) These celebratory narratives can cloud regulators' judgment. They may not see the risks, and even when they see them, may not intervene strongly. In contrast, if the narratives are less celebratory and feature dangers, regulators are more likely to intervene.

**M. L.:** ***While your article describes the construction of collective risk, you also state that the socioeconomic status of consumers may shape the purchase of risky products. Can you share a bit more about the implications of this finding in the social distribution of risk?***

**L. P.-S.:** Yes. In the risk-buildup process that I explained, socioeconomic status plays an important role. The early adopters tend to be of higher socioeconomic status. They are better educated, so they can examine the product better. They are also less subject to financial pressure, so they can make the decision calmly, and have time to think about it, unlike poorer people under pressure. People of lower socioeconomic status tend to adopt later. This is because they need to wait till the product becomes affordable for them. They also typically have lower financial literacy, so they feel more comfortable adopting when the sales process is smooth and they can rely on the behavior of others to infer the product's safety. Unfortunately, risk increases over time, which means that the early, high-socioeconomic-status adopters get a safer product than the late, low-socioeconomic-status adopters. It is a really sad process because the poorest, least educated, most vulnerable people end up with the worst, highest-risk products, while the richer, highly educated people receive the best, lowest-risk products. So, yes, in terms of the distribution of risk, the model explains how the most risk is borne by the poorest, and how this deepens inequality.

**M. L.:** ***I see your current position is in the Institute of Marketing and Communication Management. Could you share a bit about what it is like to be a sociologist working in a marketing and communication institute? How do you think working in a multi-/interdisciplinary institute shapes your approach to research?***

**L. P.-S.:** Our institute is multidisciplinary, and there is a stated aim of bringing together scholars from different backgrounds. I did not feel that I have had to "bend myself" to fit-in because I was hired when the institute wanted a sociologist, to draw more on sociological theories in teaching and research. The institute runs a critical marketing program, in which I mainly teach sociology classes (e.g., consumer culture, economic sociology). That said, since I started working here, I have gotten to know the marketing discipline much better and it did affect how I do research in some ways.

First, unexpectedly, it made me more critical. In the last twenty years in marketing, there has been a rise of critical, cultural, and sociological approaches. For example, Consumer Culture Theory uses predominantly sociological theories to understand consumption, Macromarketing is only concerned with the societal impact of markets, centered on consumer vulnerability, inequalities, climate change, gender, racism, and so on, with several journals and yearly conferences dedicated to these topics. One surprise for me was that critical marketing scholars are often much more critical than sociologists. I have heard the most scathing criticism of capitalism and climate change at marketing conferences. In sociology, criticism is often implied but stays in the background, and explicit large-scale structural criticism is even considered boring and outdated in many sociological circles. When you write for a critical marketing journal, there is an expectation to state very clearly your criticism and to explain the implications of it for policy-makers.

Second, there is a difference in how you build an argument. In sociology, when you write a paper, the expectation is to make a smallish contribution to existing theory. It is understandable: Sociology has a very sophisticated theoretical knowledge and unless you acknowledge it, you risk reinventing the wheel. In marketing, you are expected to write a new "theory": a new model that thoroughly describes the specific phenomenon. It was weird for me at first, but over time, I found it liberating. This *JCR* paper ["The Market Dynamics of Collective Ignorance and Spiraling Risk"] presents a new model of how risk builds up over time, and I think we would not have been able to develop it in the same way in a sociology journal. The reviewers would have asked us to situate it better in relation to the sociology of risk literature, to tone it down, to nuance the argument. This is good advice in many cases. But in other cases, being too focused on how exactly what you say differs from the Big Theory of Others means that you don't have enough space to develop what you actually want to say. It becomes a footnote to the Big Theory. My default way of thinking and writing is that of a sociologist—more incremental, more contribution-to-the-Big-Theory type. It is nice to be forced to step out of it sometimes.

**M. L.:** ***Can you share what you are working on now? What is next for you?***

**L. P.-S.:** We are midway in a four-year project that uses Science and Technology Studies and Marion Fourcade and Kieran Healy's ideas on classification situations. We look at how digital financial apps, targeted at different social classes, are scripted for different financial choices and how they steer the financial decisions of the people who use them. We interview app developers and observe consumers using the apps. We are interested in this from the point of view of class differences: how the apps "see" class, how producers customize the apps and suggestions that it gives based on class, and what consequences this has for people's financial outcomes—and ultimately, for inequality.■

# ON SYSTEMIC RISK: AN INTERVIEW WITH ONUR ÖZGÖDE

Onur Özgöde is an assistant professor in the Department of Political Science and Public Administration at Bilkent University in Ankara. Onur earned his Ph.D. and B.S. degrees from the Departments of Sociology and Industrial Engineering and Operations Research, respectively, at Columbia University. Prior to his current role, he was a senior fellow in the Program on Science, Society, and Technology at Harvard Kennedy School and a visiting assistant professor in the Department of Sociology at Northwestern University. He also held postdoctoral fellowships at Northwestern and Duke Universities, as well as at the Harvard Law School. Since August 2020, he has been part of the leadership team running the NSF-funded Harvard-Cornell joint study, Comparative Covid Response: Crisis, Knowledge, Policy (CompCoRe). Onur is an economic sociologist whose work is situated at the intersection of historical sociology, sociology of expertise, American political development, and international political economy. He is particularly focused on the co-production of the state and the economy as a consequence of experts' efforts to govern techno-political and socio-economic problems that are produced by markets but cannot be managed through them. Currently, Onur is completing his first book, *Fractals of Governance: The Emergence of Systemic Risk as a Limit of Macroeconomic Governance*, which is under contract with MIT University Press. This work scrutinizes the evolution and metamorphosis of the American macroeconomic state from the early 1920s through 2010, emphasizing its development as a realm of economic expertise dedicated to managing capitalism's propensity for crises without impeding on the free flow of capital and economic activity.

Dr. Gökhan Mülayim interviewed Onur Özgöde, focusing on his research and book project centered on systemic risk and macroeconomic governance.

**Gökhan Mülayim:** ***Thank you for joining us in this issue. I'd like to begin with exploring your journey into the field of macroeconomic governance. Could you share with us the story of how you became interested in this area?***

**Onur Özgöde:** I should begin with a clarification. I am not so much interested in macroeconomic governance per se, but in the ways in which the modern state has come to govern collective life, especially under advanced liberalism. I picked macroeconomic governance, because it constitutes a strategic interface, whose construction coproduced both the state and the economy. Standard accounts explained the transformation of economic governance through either interests or ideology, and I wanted to develop a perspective that went beyond these explanations. So, I focused on how experts built governmental apparatuses (*dispositifs*) and, with it, innovated strategies to govern "the economy," without impeding on economic freedoms as well as the free flow of capital.

Macroeconomic governance might come across as the least personal topic one might study. Yet, growing up in 1990s Turkey, I lived through concurrent economic and financial crises and witnessed tumultuous government responses, including IMF-backed structural adjustment programs. My fascination with macroeconomic management flourished as an undergrad at Columbia, where I studied operations research and economics. While I benefited greatly from the analytical and systematic problem-solving techniques of these disciplines, I wanted to understand why and how macroeconomic problems emerged in the first place. My search for a critical perspective led me to discover historical sociology and social theory, particularly through Chuck Tilly and Gil Eyal's courses in the sociology department.

In grad school at Columbia, I was planning to work on the transformation of economic planning under capitalism as a process of diffusion of the calculative techniques, such as linear programming from central planning bureaus of the state and the planning departments of corporations. This idea was inspired by Eyal's mentorship, as well as his course on the sociology of expertise, in the early years of grad school. Gil introduced me to the debates on the "new class" from a Foucauldian perspective. I was particularly impacted by his coauthored book with Iván Szelényi and Eleanor R. Townsley, *Making Capitalism without Capitalists*, as well as his first book, *the Origins of Postcommunist Elites*. In these works, I was fascinated by Eyal's granular analysis of power that could incorporate within itself discourses, actors, knowledge forms, and techniques of rule without reducing them to social structures.

My turn from economic planning to macroeconomic policy was facilitated by two serendipitous encounters. First, Stephen Collier and Andy Lakoff recruited me for their research project on the genealogy of emergency management in the United States. I had already taken a course on neoliberalism with Stephen and had met Andy through Gil. Given my background in operations research and economics, they asked for my help on some nuclear war simulations that used operation research techniques. We entered a research collaboration that lasted for almost a decade. While doing research in the archives of a presidential office from the 1960s, the Office of Emergency Preparedness (OEP), I found a rather unexpected object: the input–output models of the U.S. economy. This was surprising, because I/O models were not supposed to be there. The United States was an advanced capitalist economy in which economic planning had failed, and I/O models were the linchpin of central planning. Yet, here they were being used to measure the economy's vulnerability to a nuclear attack.

At the time, I was also reading about the Latin American debt crisis and noticed that the entire discourse of crisis management was organized around the concept of "systemic risk." I was struck by the similarities between the discourses of systemic risk in finance and vulnerability of the economy to a nuclear attack. As I traced the systemic risk discourse to the present, I noticed that the tools that had been developed since the debt crisis to manage systemic risk in finance were either the same as or homologous to the techniques I found in the OEP archive.

Finally, my encounter with Tim Mitchell's work on the invention of "the economy" inspired me to build a theoretical framework that bridged these two disparate data points. Mitchell's argument that "the economy" is a relatively new governmental entity that was constructed only in the 1930s was very provocative. A central claim was the discovery of economic growth as a property of this new entity. Upon reading Mary Morgan's work on the history of macroeconomic thinking, however, I realized that the central problem of the period was the vulnerability of the economy to shocks. So, I thought I could trace the genealogy of the economy as a complex of vital and yet vulnerable economic systems. Economic vulnerability, I thought, could be conceived as a subjugated knowledge form, a la Foucault, that survived under the dominance of economic growth discourse.

In the end, I came back full circle to the question of economic planning, but only to find myself theorizing economic planning under macroeconomic management in its negative, inverse image—as a matter of preparing the economy and its vital subsystems to destabilizing catastrophic shocks that could be neither predicted nor prevented.

**G. M.:** ***Your upcoming book centers on the concept of systemic risk. Could you explain what systemic risk means within the context of macroeconomic governance?***

**O. O.:** This is a great question! It seems to have a simple answer, but it quickly gets complicated if we conceive "systemic risk" not simply as an object out there in the world, but as part of a governmental apparatus central banks use to manage the economy. From a realist perspective, "systemic risk" refers to the possibility of a destabilizing event, such as a drastic change in financial conditions, the failure of a financial institution, or even a settlement failure between banks, triggering a liquidity crisis in the money market. The money market is not just at the heart of modern financial systems, but it is also vital for their functioning. It refers to a series of interconnected markets through which financial institutions fund each others' profit-making activities. Financial institutions trading in these markets are tightly coupled with each other. Not only do a small number of participants owe each other short-term debts, but both the volume and average magnitude of trades are astronomic. The consequent interdependency means that a single payment failure can trigger cascading failures. If unchecked, this process, central bankers warn us, can result in the collapse of the financial system and cause an economic depression.

Policymakers and economists often provide this naturalistic description to justify bank bailouts. This perspective assumes that systemic risk is a universal phenomenon, an abnormality that one would find in any modern financial system. Systemic risk moves us beyond the moralistic politics of debt, which puts the onus of responsibility on imprudent actors. It implies that ultimately no actor is responsible for financial crises, since even a system with well-behaved banks can generate systemic risk with the right network structure in the money market and external disruption.

As much as we may welcome this postmoralistic perspective as economic sociologists, critics of bank bailouts claim that "systemic risk" is nothing but a socially constructed smokescreen. Monetarists were the first to attack systemic risk, as for them it was a pseudo-problem that masked a social error of not adopting the true science of monetarism. More recently, a heterogenous group of left-leaning liberal economists, lawyers, and activists began to claim "systemic risk" is deployed strategically to obfuscate the capture of policymakers and regulators by bankers.

How do we adjudicate between such divergent perspectives? My position has been to chart a postconstructivist path, inspired by Ian Hacking and Bruno Latour, that takes systemic risk seriously as an entity out there in the world while situating its production as a historically specific problematization that could have emerged only under certain conditions.

For instance, social constructionists are right to be suspicious. After all, contrary to the realists' claims, both the concept and bank bailouts are relatively new phenomena. As monetarists rightly point out, the central banking practice of providing emergency liquidity, i.e., "lender of last resort" function, was traditionally restricted only to healthy banks. Yet, ever since the bailout of Franklin National in 1974, the Fed has been bailing out failing banks. The fact that we cannot find a trace of the term "systemic risk" until 1980 neither in the archives nor in printed materials also supports the social constructionists. My *Socio-Economic Review* piece, "The Emergence of Systemic Risk," shows how the Fed and other bank regulators crafted the systemic risk concept to protect themselves from the political fallout of bailouts. In their hands, "systemic risk" did the critical boundary work of framing the problem as one of finance as opposed to governance.

What social constructionists get wrong is why policymakers began bailing out banks in the first place. My work shows that the story is much more complex than one of corruption and ignorance. It is an unexplored dimension of what Greta Krippner calls policymakers' "turn to the market." As Krippner notes, the postwar U.S. social compact was built on economic growth; yet, as growth dwindled by the 1960s, policymakers faced a three-faceted legitimation crisis. For Krippner, policymakers' turn to financial markets, therefore, was a legitimation strategy, and financialization was an unintended consequence of this strategy.

Krippner overlooks the degree to which both the turn to markets and financialization were part and parcel of a policy programme that a group of policy entrepreneurs were pushing for since the early 1950s. Most of these actors were policy-oriented economists based in the National Bureau of Economic Research (NBER) and the Committee for Economic Development (CED). Given the operational difficulties in the deployment of the newly built fiscal policy apparatus, these actors formed the Commission on Money and Credit (CMC) with the support of the Eisenhower administration. CMC subsequently launched one of the most comprehensive studies into the structure of the U.S. financial system and monetary policy to date. The final report, presented in-person to President Kennedy in 1961, advocated two key policies: 1) liberalization of the New Deal financial regulations to enhance economic growth, and 2) moving the central locus of macroeconomic management from the Council of Economic Advisors in the White House to the Fed. At the time, the Fed was managed by a group of policymakers who prioritized financial stability over growth. These actors, starting with the Kennedy administration, were replaced with progrowth macroeconomists.

In this process, two key developments made possible the emergence of systemic risk. First, the Fed discovered in the course of the 1966 liquidity crunch—the first financial crisis since the Great Depression—systemic risk in the money market in an embryonic form. A group of economists who had participated in the CMC study were already studying how the Fed could incentivize rural and regional banks to boost their lending. One of these economists participating in the study was Hyman Minsky, who has been celebrated as a critic of the Fed who had foreseen the 2008 crisis. Minsky had already written a paper for the CMC on the necessity of bailing out banks whose failure could trigger liquidity crunches. Based on Minsky's updated recommendations, the Fed built a Financial Emergency Lending Program, the bailout apparatus that the Fed still uses to this day. By launching this program in the spring of 1970, the Fed did not just put a permanent liquidity backstop to encourage banks to lend more freely. It also officially sanctioned the growth of money markets and thereby transformed systemic risk from an emergent problem that could have dwindled, with the right policies, into a structural feature of the financial system. By the time policymakers coined the term "systemic risk" to do the legitimizing boundary work, they had already participated in the construction of a financial system that was prone to liquidity crisis. Only when their strategy for managing liquidity crunches through bailouts began to threaten their institutional autonomy, they constructed the concept "systemic risk."

**G. M.:** ***How does systemic risk differ from the broader concept of risk?***

**O. O.:** Systemic risk and risk are distinct ontological entities. As Michel Callon, Janet Roitman, and others argue, "risk" is a calculative device that helps actors to act in an uncertain world: They chart out probability distributions, imagine alternative futures, and assess which paths of action—given each paths' likelihood of realization—will yield the most favorable outcomes. Risk, therefore, is a category of economic action. Moreover, it is not merely a hazard that needs to be avoided. It is how economic worlds are built, especially when no single center of calculation can control other centers, be it the state, the market, or the firm. To put it in Luhmannian terms, risk is a "first order observation" through which economic actors observe each other as they coordinate and enact their actions.

In contrast, "systemic risk" is a governmental category in the sense that it assesses the security of the flows that constitute an economy as a complex of vital and yet vulnerable economic systems. So what kind of an observation is systemic risk? We can make a distinction between second and third order observations. The former aims to reflexively evaluate the consequences of economic actors' actions based on first order observations. When the observer is an economic actor, the action they take based on observation can be characterized as a speculative bet. Yet, if the observer is a state, the action takes the form of regulation. As a reflexive practice, regulation seeks to ameliorate local anomalies caused by the first and second order observations. At this scale, governing norms tend to be based on two principles, fairness and efficiency, and corrective interventions are limited to specific units, such as firms, markets, or sectors. Regulatory actors can of course have system-level goals such as promoting economic growth or stability, but they operate on an aggregative logic, assuming that the effects of regulatory actions can be aggregated.

Systemic risk, therefore, is the product of third order observations that allow one to observe the system as a whole and discern its systemic dynamics and characteristics, the most important of which are systemic interdependencies and the structural vulnerabilities they cause. While the second order of observation can be conducted by both economic or state actors, third order observations require a position within the state. This is partly because actors within a system do not simply have access to a position from which they can see the system as a whole. Even if they could, the act of seeing the system informs their first and second order observations, changing the very system one is trying to observe. The only way to avoid such infinite recursivity is to have a view of the system as a whole and position oneself outside it simultaneously. To sum up, if risk is a category of economic action generated out of first order observations, systemic risk is a category of governmental action produced by third order observations that observe the systemic interdependencies and vulnerabilities constituted by second order observations of economic and state actors.

**G. M.:** ***Your analysis of the Federal Reserve's policies contrasts with the commonplace analyses of macroeconomic governance, which often focus on the influence of financial interest groups. Instead, you bring to light the significant role of experts and the politics of expertise. Could you elaborate on how these experts and their political dynamics influence the Fed's policies?***

**O. O.:** There is no denying that both interest groups and political dynamics influence policy making. The question is what is the nature of such influence. Recent work by Daniel Carpenter and his colleagues show that state agencies are rarely "captured," and if they are, it is on the margin. Such capture stories are appealing because we are often presented with narratives in which capture seems to be self-evident. Yet, if we go back in time and study how a specific policy emerged in the first place, we find that there were valid governmental reasons. Only after a policy domain is built, can interest groups exert their influence on it. So, by starting analysis with undue influence, we systematically ignore the broader historical developments that make capture possible.

In my work the most obvious example of this is bank bailouts. Many assume bailouts are blatant evidence for capture. Yet, if we go back long enough and reconstruct how the Fed began to bailout banks back in the early 1970s, we see that the policy was advocated by economic experts within and outside the Fed. Moreover, the apparatus for providing emergency liquidity was built as part of a pragmatic problem-solving process within which policymakers were trying to get banks to lend more freely so that they could use monetary policy to manage economic growth.

Now, you may ask what about the politicians who were pressuring the Fed and the banks that were already engaged in regulatory arbitrage. I am generally hesitant to think of politics as external to expertise and policymaking. It is better to think of experts and political actors forming alliances to build networks of expertise, to use Eyal's term, within government agencies. These networks do not just transform agencies as certain actors, knowledge forms, and techniques are empowered over others. Because they extend beyond the state, they also allow new ways for external actors to influence policy. Michael Mann's infrastructural power is very illustrative. As he underscores, to build infrastructural power the state must delegate its authority to private actors, which in turn empowers these actors in unpredictable ways. Scholars who fixate on external influence often forget that the ability of external actors to use delegation to their advantage depends on the networks of expertise that constitute governmental apparatuses.

This is rather a long way of saying that we should not fall back into the endless bickering of the state autonomy debates. Mitchell's call for the study of the state as an "effect" of the apparatuses that crisscross the state–society boundary provides a powerful perspective that moves us beyond the false dichotomy of corrupt, vested interests and autonomous and rational bureaucrats. As Mitchell suggests, we should instead study the construction of apparatuses that simultaneously coproduce the state and the economy. Such a task naturally requires one to attend to both the expertise necessary to build and operate such apparatuses and the political dynamics surrounding such a process.

**G. M.:** ***Your work spans a considerably long time period. I'm interested in learning about the methodological challenges you faced and the strategies you utilized to conduct such thorough research. Could you share some insights on this?***

**O. O.:** Studying the coproduction of the state and the economy requires one to take a long durée perspective. My work starts with the invention of the "business cycle" in 1913, as a proto-problematization of systemic risk in an industrialized economy, and ends with the Dodd-Frank Act of 2010, when the strategies designed to manage first deflationary spirals in the industrial system and then systemic risk reach their limits.

The methodological strategy I followed has been inspired by Michel Foucault's archeological and genealogical methods, but I have also used Reinhart Koselleck's conceptual history as well as Bruno Latour's actor-network theory (ANT). Conceptual history complements the archeological method, as it demands us to pay attention to concepts. However, it takes one only so far. It is primarily concerned with discursive relations. To understand how systemic risk becomes intelligible as an object of discourse, we also need to consider primary and secondary relations—i.e., relations of knowledge and expertise on the one hand and of institutions and politics on the other. If archeology allows one to analyze these relations as a series of shifts from one stable matrix to another, genealogy provides us with the interpretive tools to uncover why the elements constituting such matrices, or apparatuses, could be stabilized. Finally, ANT offers us an analytics to study these processes at a granular level. Overall, these methodological approaches help us cut through the chaotic and infinite terrain of empirical reality and focus on ontologically important entities and the constitution of the relations between them. In practice, this means that one can study a period extending over a century by studying the successive construction of a series of apparatuses, made up of actors, knowledge forms, techniques of measurement and intervention, and objects and problems of government.

**G. M.:** ***Could you share with us what's on the horizon for your research? We would love to hear about your future plans and projects.***

**O. O.:** I have been working on a coauthored paper with Julian Jürgenmeyer, a postdoctoral fellow at the Max Planck Institute for the Study of Societies. The paper traces the repurposing of Open Market Operations (OMOs), modern central banks' standard policy tool, in the Fed's inaugural decade. Facing political backlash in the wake of World War I, policymakers, we argue, invented OMOs as a survival strategy that translated Wall Street's particular interests into a hegemonic vision of secular prosperity. We underline the importance of OMOs' repurposing as a stabilization tool for the Fed's Krippnerian turn-to-the-market. We thereby show not only that infrastructural state–finance entanglements predate neoliberalism. Our paper also offers an alternative genealogy of "the economy" with its origins in the Fed's hybrid governmental practices that constituted a new governmental interface between the state and finance. The paper is now in the second round of review in SER, and we hope it will come out soon.

I envision moving forward in two interrelated directions. First, I am planning to expand my interest in systemic risk more broadly as a study of how we can manage techno-political problems that cannot be managed through market-based neoliberal strategies. I am particularly interested in the intersection of systemic risk and the climate crisis. The U.S. government has framed the climate crisis in terms of the systemic risks to the global financial system and the U.S. economy. I would like to compare this approach to the ones developed in Europe and Turkey. The second line of research I would like to pursue is the rise of flexible labor markets as a macroeconomic management strategy in response to the macroeconomic shocks of the 1970s. I aim to study flexibility as a modular technology of governance that can be mobilized between different scales, such as the economy, the market, and the firm, in the name of generating economic resilience.■

# ON PLATFORM LABOR AND RACIAL CAPITALISM: AN INTERVIEW WITH ANGÈLE CHRISTIN

Angèle Christin is an associate professor in the Department of Communication at Stanford University. She studies how algorithms and analytics are changing work practices, expertise, and organizations. She is currently writing a book on social media influencers.

Michelle Rabaut, Ph.D. candidate in sociology at the University of Michigan, interviewed Angèle Christin about platform labor and racial capitalism.

**Michelle Rabaut:** ***Thank you so much for joining us for our spring issue! Your recent coauthored article, "The Influencer Pay Gap: Platform Labor Meets Racial Capitalism," published with Yingdan Lu in New Media & Society broadly examines how racial capitalism undermines collective action among platform workers. Can you provide a brief overview of the central mechanisms that fragment platform workers' sense of solidarity and discuss the potential for building durable online labor movements in the future?***

**Angèle Christin:** Thanks for having me! There is a lot of opacity right now about how much platform workers—including influencers—get paid, because digital platforms don't share their data. In the case of influencers, this opacity is compounded by brands, which are also notoriously secretive about how much they pay creators for sponsored content and marketing campaigns.

According to the PR releases of digital platforms, this opacity isn't an issue. Platforms often highlight how they "help" members of low-income racial and ethnic groups bypass traditionally biased hiring procedures: Thanks to gig work, people can log in and be their own bosses, so really there is no need to make compensation data public. Yet recent scholarship by Tressie McMillan Cottom, Veena Dubal, and Ruha Benjamin shows that platforms are actively engineering precarity and reproducing racial and gendered hierarchies through their compensation schemes.

Here I'm particularly inspired by McMillan Cottom's analysis of "predatory inclusion" and how it applies to digital platforms. She argues that the seduction of platform participation functions as a lure to bring in marginalized users and extract value from them. This fits into a longer tradition of studying racial capitalism, including scholars like Cedric Robinson, Gargi Bhattacharyya, and others, who analyze how racial and economic dynamics are intertwined.

Racial capitalism helps us to understand the extractive dynamics of social media creation. Aspiring influencers of color consistently believe that they're going to become the next James Charles or Kim Kardashian, so they leave their day jobs and devote themselves to social media creation, only to realize that the system is stacked against them, because brands still often prefer to work with white influencers representing white beauty canons to an affluent white audience. Influencers of color relentlessly produce content, interact with their followers, provide engagement to platforms and brands… all for often minuscule and discriminatory compensation.

Most influencers of color are deeply aware of these inequities. Yet many of them still embrace—like so many influencers—the entrepreneurial rhetoric of "being one's own boss," "knowing one's worth," and "advocating for oneself." This entrepreneurial ideology—which, as I said, is often promoted by platforms themselves—is highly individualistic and often fragments solidarity between platform workers. Some of these tensions show up in the @InfluencerPayGap comments.

**M. R.:** ***I found your use of crowd-sourced data from the @InfluencerPayGap Instagram account particularly innovative and exciting for providing new insights into racial disparities in influencer compensation given the lack of transparency on this information from brands and agencies. How did you arrive at this data source? What do you see as the strengths of this data source? Do you see crowd-sourced data as a solution to the lack of transparency of platform industry dynamics, and if so, what is the role of researchers in generating these data sources?***

**A. C.:** In my previous projects, I spent a lot of time doing organizational ethnography—hanging out in office spaces, shadowing workers, and getting coffees and lunches with people. In my experience, people often end up talking about compensation—at the coffee machine, in the hallways, they discuss who gets paid how much and why. And they figure out when there are big discrepancies, and they can protest or talk to their union if there is one when it doesn't seem fair.

At first, I thought that the problem with platform workers was that there wasn't a coffee machine to talk about compensation issues. Indeed, most digital platforms actively discourage communication between workers (whom they typically don't call "workers" but "users" or "partners" instead—that's part of the problem). But I realized that this wasn't true: Platform workers have turned to crowdsourcing and social media to share information on compensation and rates, while also raising broader issues about precarity and injustice. Several of these worker crowdsourcing initiatives have already been studied by academics—like the Turkopticon project—but social media accounts of this type haven't been studied as much. This is what got me interested in the @InfluencerPayGap account.

The @InfluencerPayGap initiative was launched in 2020 by Adesuwa Ajayi, a Black woman working at a marketing agency who wanted to raise awareness about racial inequities in influencer compensation. The account gained popularity very quickly, and I learned about it from several influencers and marketers I was interviewing for my broader project on influencers. When I saw how informative the posts were, I began thinking about analyzing them to triangulate what influencers and marketers were telling me in interviews. I worked with Yingdan Lu, who at the time was doing a Ph.D. in communication at Stanford and had a lot of experience with visual social media data, and we began the analysis.

In terms of pros and cons… It's complicated. On the one hand, the posts are obviously nonrepresentative in many ways: They're anonymous; we can't check for accuracy; they come from Ajayi's network, etc. At the same time, in the absence of systematic data from platforms or brands, this is among the only options for getting a sense of the compensation dynamics taking place in this space. Also, the account became a vibrant social space, where influencers shared a lot about their experiences as influencers, the emails and DMs they receive from brands, and their hopes for the future. As Yingdan and I read through the posts and comments, we became interested in the texture of these exchanges. That led us to adopt a mixed-method approach to analyze them.

**M. R.:** ***In the article, you interrogate how an influencer's metrics—presumably neutral, objective, and democratic—are used by marketers to legitimize racial pay gaps for sponsored content. Can you talk about the role of predictive algorithms in the racialization of metrics? What do you see as potential solutions to this "automated racism" (a la Benjamin 2019), and how can we develop practices and discourses that account for the ways technology reproduces structural inequalities?***

**A. C.:** I'm always fascinated by the allure of metrics, and how it clashes with the complex and contested meanings and emotions that we constantly project onto them. Digital and social media metrics were already at the center of my previous book on journalists (*Metrics at Work: Journalism and the Contested Meaning of Algorithms*, Princeton University Press, 2020). But I felt that I had missed something in that previous project about how social media metrics are both mobilized as objective, standardized indicators of popularity and interpreted along gendered and racialized lines.

The posts shared on the @InfluencerPayGap account come with similar tensions. For brands and marketers, social media metrics (i.e., number of followers and views, engagement rates, conversion rates, and so on) seem to provide value-neutral ways to assess an influencer's reach, impact, and fit for a given marketing campaign. At the same time, these metrics themselves are shaped by a range of structural forces.

For instance, social media algorithms often fail to promote influencers of color, queer influencers, and influencers sharing political content; their content is often wrongly suspended or demonetized. These influencers are also more likely to be harassed and bullied online, which comes at a big cost in terms of mental health and can lead them to forgo their social media activity for long stretches of time. All of this shapes their metrics.

In addition, the influencers' resulting metrics themselves are constantly questioned and interrogated by suspicious marketers and brands: Are they real? How many of those followers and views are from bots? There is a whole industry of "bot detectors," software that brands rely on to assess how "real" the metrics of any given influencer are. Brands are more likely to turn to these programs when they are already suspicious of an influencer's reach or when they want to justify paying an influencer less than what the influencer wants over the course of a negotiation. Unsurprisingly, these are also highly racialized and gendered processes. We find that influencers of color are significantly less likely than white influencers to see their negotiations with brands succeed.

**M. R.:** ***As you state in your article, calls for more interdisciplinary research on racial capitalism and platform labor are gaining momentum. What future directions in this line of research would you like to see? Do you***

***have any research plans to expand upon this topic and project?***

**A. C.:** The interplay of metrics, racial capitalism, and digital platforms is a vast and important topic. Right now I'm really interested in the question of solidarity, and what it looks like to mobilize workers for social and political change in the context of platform fragmentation and the entrepreneurial ethos of gig labor. There is so much further work to be done in mapping the dynamics of racial exploitation and extraction across digital platforms!■

# ON GIG WORKERS AND CAPITAL MOBILITY: AN INTERVIEW WITH YOUNGRONG LEE

Youngrong Lee is a Ph.D. candidate in sociology at the University of Toronto, and her research interests include work and labor, social movements, and gender. Her dissertation project is entitled, "The Contested Making of Gig Workers: A Comparative Study of Global Capital in the Gig Economy in Seoul and Toronto." In this international and comparative ethnographic research, she investigates the transnational implications of the gig economy on precarious and multifaceted work and organized labor from an intersectional perspective of gender, race, citizenship, and class.

Zhen Wang, a Ph.D. student at the University of Toronto, spoke to Youngrong Lee about how the social, economic, and political subjectivities of gig workers are activated by global platforms' capital mobility and the significance of the variations among these relationships.

**Zhen Wang:** ***Your recent article "After a Global Platform Leaves: Understanding the Heterogeneity of Gig Workers through Capital Mobility" in Critical Sociology provides a rich account of how the social, economic, and political subjectivities of gig workers are activated by a global platform's capital mobility and the heterogeneities in these responses between "dependent" and "less dependent" gig workers. What would you say are the most surprising findings in your research, given your knowledge of this literature?***

**Youngrong Lee:** It might be too obvious to sociologists who look at social problems within a broader context and history. However, I found it surprising to learn there are more continuities between the older problems and the gig economy than apparent novelty in the gig economy. There is definitely a fascinating newness, such as the use of algorithmic control. However, what became clearer as I was studying and meeting people in my research is rather the stark similarity with existing modes of labor control, precarity, and long discrimination in the labor market. For instance, the effects of capital mobility represented by Foodora's (a food and grocery delivery service) departure revealed an unmistakable resemblance between traditional workers and gig workers. Also, without explaining the existing discrimination in the labor market, the analysis of Canadian gig work was incomplete.

Another surprising finding was the unexpected resilience of gig workers following Foodora's exit, as shown by the continued organization of these so-called independent contractors. It probably also came as a surprise to platforms who thought that they could easily wash their hands of "local problems."

**Z. W.:** ***In your article, you say that "less-dependent workers are those whose subjectivities are in-line with the dominant platform ideology: side-hustlers who enjoy supplemental incomes and flexible schedules. From the perspective of platforms, these workers are easier to convince to apply and easier to let go***

***since the weight that they carry is lighter than dependent gig workers who cannot simply forget and move on." In your opinion, how does this cohort of gig workers complicate the sociological discourse on gig work as a whole? What are the things to keep in mind for future research in this field?***

**Y. L.:** This is a great question. Over my recent years of research, I realized that it is almost impossible to understand gig workers as a whole group from a classical perspective of labor relations based on the labor–capital dichotomy.

When I began to be interested in gig work, the first subject that particularly fascinated me was the rhetoric in Uber and Lyft advertisements, in which they portrayed and highlighted their drivers' other identities, such as being a father, cook, designer, DJ, and so on. They emphasized these nonlabor related identities, namely nonworker identities, to convince prospective workers that driving could be "fun," something like a hobby or leisure. As they downplayed and obscured the labor involved in driving for Uber/Lyft, they were striving to decouple labor from platforms. Some Uber drivers I interviewed in Upstate New York, where I studied at that time, also subscribed to the idea. It was interesting to see how these drivers differentiated themselves from driver-workers, who needed this job for their livelihood. They did not seem to consider themselves to be workers. It was so striking that I wrote a paper on how platforms created a 'customer' identity from workers through such rhetorical appeals (which is still sitting on my laptop after a painful rejection from a journal..! I hope I will get a chance to redevelop it, someday). After I changed my fieldsite to food delivery platforms in Toronto and Seoul, similar to chauffeur platforms, I met many interviewees who also considered gig work to be something else—something fun, enjoyable, and nonessential to their core identity, but not labor. Like the drivers I spoke to in NY, couriers in Toronto and Seoul also remarkably concurred with the platforms' rhetoric.

My point is that some workers in the gig economy escape from labor–capital relations. Many

sociologists have examined gig workers who hold a worker identity, depend on it for their livelihood, and resist platforms' oppressiveness. However, the field of the gig economy is also an assemblage of various individuals with heterogeneous and unidentical identities, which is also shown in the literature. Although they didn't consider themselves to be workers, I refer to them as "workers" in my work because they are still in the labor relation regardless of their interpretation. I still ponder though, what would be a better tool to examine this group—as the way they perceive their own position matches the platform's rhetoric and reflects the dissatisfaction and aggravated labor market at the same time. Gig work might be one of the easiest to access alternatives for individuals who do not want to or are not able to get a job from the conventional labor market. How can we make sense of and situate this group of workers in order to have a more holistic view of the changing labor market? I think future researchers need to keep paying attention to the ambiguities found in the changing world of work.

**Z. W.:** ***The divergent attitudes towards the union from dependent and less-dependent workers after Foodora's exit are quite striking. What do you see are the important takeaways for researchers investigating labor***

***unions and labor movements in general from your article's findings?***

**Y. L.:** This is related to my previous answer to worker identities. I mentioned above that the discourse based on class consciousness can only partially explain gig work. Similarly, unions and labor movements are generally premised on the antagonistic relation between capital/employers and labor/workers. Using only this frame, our knowledge of the gig workers' labor movement is limited.

However, the gig economy is composed of various types of heterogeneities. Because of the economic heterogeneity, organizing in the gig economy can be challenging; in fact, workers are generally only marginally organized/unionized in the gig economy. Some non-unionized workers displayed their hostility against unions. However, there is also heterogeneity, for instance, in the means of labor, such as bicycles, cars, walking, electronic bikes, etc. I found it creates another set of varied workers' attitudes, even against other workers. It was noticeable in my fieldwork in Seoul. Some workers, utilizing bicycles or on-foot to deliver food, showed weak solidarity with workers using motor scooters, and motor scooter workers did not consider those workers as peers either. Working for the same platform alone does not unite the workers because platforms don't produce identical experiences. I think it casts light on the new task in labor movements: What is the base, and how can we build worker solidarity in the gig economy, despite such kinds of heterogeneities and variety?

**Z. W.:** ***In your research, what role do you think Canada's labor market, demographics, and economic system play? What are some important considerations when we think about gig work/workers in various national contexts?***

**Y. L.:** As a comparative sociologist who is currently revising a manuscript comparing two gig workers' unions in Seoul and Toronto in full swing, I think about this all the time! A transnational perspective is becoming essential since the gig economy has been globally prevalent and ever-growing.

I say, "the gig economy is a globalized phenomenon," but actually, this doesn't really say much about how it operates unless we look at the local reality of gig workers. My answer here is very much connected to what was discussed in my first answer. The deskilling project on racialized and migrant workers in the Canadian labor market considerably shaped the gig economy and gig workers' experiences in Toronto. This finding resonates with some parts of Europe and the U.S.A., who share a similar reality in terms of migrant labor and where migration has been crucial in their social organization. However, a different narrative is underscored in the South Korean context: Gig workers, who are mostly working-class men, are continuously marginalized due to the work being a traditionally and socially stigmatized delivery job. Each gig economy reflects the uniqueness of each society. In this sense, we must ponder specific elements—sociopolitical context, histories, and legal structure, which all shape the gig economy and workers' experience in different local contexts.▪

# ON ANALYZING INNOVATION IN CULTURAL INDUSTRIES: AN INTERVIEW WITH EREZ AHARON MARANTZ

Erez Aharon Marantz is a senior lecturer in the Sociology and Anthropology department at Tel Aviv University. He holds a Ph.D. in Sociology from New York University. Dr. Marantz is an economic sociologist who explores how social positions and institutions shape actors' outcomes and ability to change the business environment in which they operate. In his studies, he bridges insights from sociology, organizational theory, and economics, and relies on various methods, such as network analysis, computational text, archives, and interview data. His studies have been published in journals such as *the American Journal of Sociology*, *Social Forces*, *Poetics*, and *Social Problems*. He is currently studying the Israeli hi-tech industry, concentrating on the development of the relationships between various types of equity investors and their role in shaping the type of organizations entrepreneurs develop.

Yasemin Girgin, Ph.D. student in the Department of Sociology at Boston University, talked to Erez Aharon Marantz about his research, methodology, and teaching.

**Yasemin Girgin:** ***Thank you for joining us in this issue. Could you tell us your story of becoming an economic sociologist? What prompted you to pursue a career in this field?***

**Erez Aharon Marantz:** Hi, thank you for having me. I often think about what made me focus on economic sociology as my main field of research. It's hard to trace back your own footsteps. I guess I was always interested in economics, and specifically markets. Something about the dynamics of buying and selling has always fascinated me. When I first enrolled in university, some people told me that economics is all about math, and I wouldn't like it. That was obviously awful advice. But it did steer me to sociology, so I guess even bad advice can lead to good things. Fast forward a few years, I was starting my dissertation at NYU sociology, and was very confused about what type of research I wanted to do. And then I took a course in organizational theory that focused on sociological research on organizations and network dynamics, and I was hooked. I was mesmerized by how these studies revealed sociological processes in markets in such powerful ways that even economists could not ignore them. The ability of economic sociologists to show the importance of human-made institutions and social positions in market dynamics strongly resonated with me and has captivated me ever since.

**Y. G.:** ***I had the opportunity to read your recent Poetics article on status and cultural innovation in the American television industry. The article shows how the impact of status on individual innovation varies depending on the instability of the status system. How might the findings inform our understanding of broader social phenomena, such as economic stratification and cultural production, beyond the specific context of television producers?***

**E. A. M.:** Thank you for reading my paper! One of the things that Gino Cattani, my co-author, and I, wanted to show in the paper is that the impact of status on economic actors' actions depends on changes in the status system itself. Previous studies were ambiguous on the effect of status on innovation. Some argue that actors with high status were more likely to innovate. But others indicate that it is actually low-status actors who innovate. Our study suggests that both arguments can be true. When the status hierarchy is stable, and actors' positions in it are reproduced over time: High status creators are more likely to create innovative cultural products than their medium and low status peers. However, when the status hierarchy is unstable, low status creators produce more innovative products than creators with higher status. We often think that status hierarchies affect economic actors the same way across markets and time. But status systems can change, and this impacts the experience of the actors that inhabit them. We show that cultural creators' ability and inclination to innovate is shaped by whether they, and other actors in their social world, expect them to stay in their status position, rather than simply by their current position.

I think that one important implication of these findings is that we need to think of cultural industries, and economic arenas more generally, as dynamic institutions rather than static structures. Not only do they change constantly, but the actors we study experience change and are shaped by the prospects of change. So, our accounts must incorporate change and how our subjects experience it (or the lack thereof) and react to it as a social process.

**Y. G.:** ***What do you think are the most significant theoretical and methodological challenges economic sociologists who study cultural industries face? How do you address these challenges?***

**E. A. M.:** Oh, that is the million-dollar question, right? I think there are three things I want to highlight. First, the hardest challenge of any sociological account is how to connect the experience of social actors with the dynamics of the larger structures they encounter in their daily lives. The old agency–structure duality continues to propel much of the theoretical developments in our field and the type of methods we use. I don't think there are easy solutions here. One of the ways I try to stay sensitive to this dilemma is by including in my research interviews with the actors I study. Most of my research is based on the analysis of large datasets. So, I always try to complement my statistical analysis by having a better understanding of the perspective of the actors I study. I find that this helps me get a less "structural" understanding of the dynamics I focus on.

Second, many of the earlier theories in economic sociology centered on collectives, such as networks, fields, organizational ecologies, or social worlds. But as the subfield developed, our accounts became increasingly focused on individual actors, their decision-making, opportunities, and outcomes. While these pathbreaking studies underscore important dynamics, I think it is time economic sociologists returned to studying the role of collectives in economic arenas. I think that community dynamics and collective action have not been given enough attention in economic sociology. These are issues that I hope to tackle in my future studies.

Third, we are all experiencing a dramatic technological revolution that has a profound impact on economic and cultural arenas. The challenge of understanding the impact of these technological advancements has mostly fallen on economic sociologists who draw on actor network theory, and related literatures. It seems to me that it's time for other economic sociologists to confront this mounting challenge and the endless questions it raises. This means not only studying new types of markets (such as online marketplaces and platforms) but also exploring how different technologies impact market institutions in diverse ways, sometimes positively and other times negatively. I think the sensibilities, theories, and tools of economic sociologists make them especially potent to answer these captivating questions. But we might need to be less critical of the new technologies we encounter and think more deeply about how we can capture their impact.

**Y. G.:** ***How do you design your courses? Are there any particular topics or readings that strike the interest of students and stimulate thought-provoking discussions?***

**E. A. M.:** That's a hard one. I think that the subjects I teach, such as the sociology of markets, entrepreneurship, and innovation, are quite different from most of what students that study sociology encounter in their courses. So that gives me a little bit of an edge. I like showing my students how they can use their sociological imagination to get a better grasp on phenomena that they usually don't think of as having anything to do with sociology. Many of my students are often amazed that sociologists have something to say about prices, organizational performance, how deals are made, and technological innovation. I try to get away from simplistic theories of power and talk more about mechanisms, such as networks, status, categories, and morals in markets. I feel that it gives students a fresh perspective that they appreciate and stimulates them to think harder about economic processes.

I also think there is something interesting about remaining ambivalent and highlighting open questions that we just don't have good answers to. So sometimes I just present them with opposing camps on some subject, and that usually ignites a nice discussion as they try to come to grips with the unknown.

**Y. G.:** ***What suggestions and tips would you give to doctoral students?***

**E. A. M.:** First of all, a dissertation, just like all research, is a journey. You can't expect to know everything in advance, and some questions will take a long time before you can answer them. In my experience, a key challenge for me is developing focused research with a clear contribution. For me, it really helps to have some anchors—things that I know for sure that are going to be part of my research. For example, you might have a method (e.g., ethnography, archival research) you are certain you want to apply, or a phenomenon you want to explore (e.g. status, networks, or market categories), or a specific case (e.g., the labor market of theater directors or a specific historical event). In either case, find these anchors and be clear to yourself that these are the things you would like to include in your research. Then think about why these things are important to you. This exercise enables you to think more clearly about the things you are interested in and the type of questions you would like to pursue. This exercise helps me to better understand what I want to study and why. Anchoring myself helps me to better understand to which literatures I want to contribute, formulate research questions, and hopefully have more impactful contributions.

Another thing I find that helps me focus is finding 5-6 papers I like that deal with the same subject, and try to think how I can contribute to these papers. Again, this exercise helps me anchor myself so I can develop my research in a more productive and less haphazard way.

Finally, don't be afraid to talk to as many people as possible about your research. Don't hesitate to show people drafts of your studies and ask for their comments. Good research is a collective effort. We can't solve all the problems and answer all the questions ourselves. Let other people highlight your strengths and show you how you can improve your weaknesses. The best papers you see in journals were read by numerous people before they were sent for review. Don't be shy about using your social capital.

**Y. G.:** ***What is on the horizon? Could you tell us about your future research plans?***

**E. A. M.:** I have a few things in the mix. All of them are quite different from my dissertation. One research project I'm especially excited about is on equity investors in the Israeli hi-tech industry. I have a few papers I'm working on in this field. The first, with my friend Erez Maggor, deals with how equity investors influence the ability of young startups to develop into large firms.

The second, focuses on the integration patterns of foreign equity investors in the Israeli eco-system. I'm especially interested in how Israeli entrepreneurs view investors from different countries differently, and how collective dynamics shape these views. To do so, I draw on research on how immigrants are treated by populations in their host countries and the formation of social boundaries.

The third paper deals with boundaries within the equity investment industry. I look at how collectives of investors emerge and when and how boundaries between collectives reproduce or are bridged by investors. So here again, you can see my interest in the role of collective action and collective goods in the formation of economic ties. ▪

# BOOKSHELF: AN INTERVIEW WITH MICHEL ANTEBY ON *THE INTERLOPER*

Michel Anteby is a professor of management and organizations at Boston University's Questrom School of Business and Sociology at Boston University's College of Arts and Sciences. His research looks at how individuals relate to their work, their occupations, and the organizations they belong to. More specifically, he examines the practices people engage in at work that help them sustain their chosen cultures or identities. In doing so, his research contributes to a better understanding of how these cultures and identities come to be and manifest themselves. He is the author of the newly released book *The Interloper: Lessons from Resistance in the Field* and two monographs: a study of illegal factory production *Moral Gray Zones: Side Productions, Identity, and Regulation in an Aeronautic Plant* and an ethnography of faculty socialization at the Harvard Business School *Manufacturing Morals: The Values of Silence in Business School Education*.

Erika Brown, a Ph.D. student in sociology at Texas Woman's University, interviewed Michel Anteby about the themes in his new book, *The Interloper: Lessons from Resistance in the Field*.

**Erika Brown:** ***Congratulations on the release of your new book, the Interloper! As I read through it, I reflected on the field of research, specifically ethnography, but I enjoyed the connections that I was able to make to a variety of topics. As the author and creator of this book, what do you hope that people will take away? How do you want the work to be remembered?***

**Michel Anteby:** Thank you! My main hope is to encourage field researchers who feel their attempts to access a research site or examine a given topic get derailed to not blame themselves too much and instead reflect more on the forms of pushback they face. What might feel in the moment like a failure often contains more diagnostic power than we typically imagine. So, the book's key take-away is for us to pay closer attention to this pushback, more systematically document and analyze it, as well as better understand what it can reveal. Put otherwise, field resistance can be a form of access in itself!

**E. B.:** ***A key theme that resonated during my reading of the text was resistance. You wrote extensively about how groups, people, and systems can erect challenges for interlopers through "covert resistance." Despite these obstacles, interlopers can resist those efforts and uncover rich truths about those groups they are researching. Can you***

***please talk about resistance and how researchers overcome it by using it to their advantage?***

**M. A.:** The resistance we sometimes encounter in communities we study—namely, the efforts deployed by any social group to maintain the status-quo—can point to what matters most to their members. I'm not sure we can overcome this resistance, but we can, at least, embrace it and try to see whether it follows a pattern. It's easier to uncover such a pattern when dealing with open forms of resistance (e.g., redacted text in released documents after a Freedom of Information Act request) than with more covert forms (e.g., attempts to hide behavior). In all cases, however, resistance can prove illuminating and not just an obstacle to be left behind as quickly as possible. As an illustration, the silence I experienced from some school members while conducting an ethnography of faculty socialization at Harvard Business School foreshadowed in an uncanny way my study's findings about how the school promotes moral relativism by silencing its own faculty.

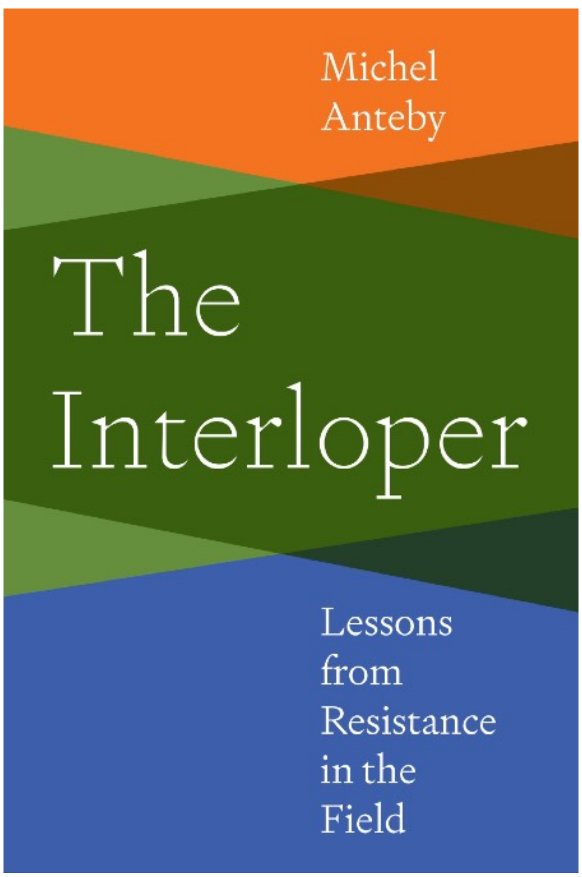
**E. B.:** ***The current school of thought is that ethnography requires a situation where the door opens and researchers are welcomed into spaces. Your work problematizes that notion, by suggesting that open doors do not always signal access. Can you please provide insight into the forms of resistance that researchers can face even after they are invited in?***

**M. A.:** Field access is an ongoing negotiation. Even once in a field, field participants continue to exhibit time-tested behaviors that reflect their daily lives and can constitute resistance. The book's empirical chapters spotlight six forms of field resistance (such as hiding and shelving) and how these forms resonated with key challenges in each setting (at the U.S. Transportation Security Administration and Disneyland, respectively). When conducting research at TSA, for instance, the fact that screening officers were hypersensitive to being seen by researchers mirrored their high-level of discomfort with the installation of CCTV cameras above their workstations at the time. The form of resistance that these officers exhibited (i.e., trying to hide from us) echoed their attempts to escape the managerial gaze (their main concern). Noticing and reflecting on forms of resistance prior to and after entering a field can therefore help us sharpen our analytical lenses.

**E. B.:** ***As I read, I thought about how certain populations of people are excluded from research and spaces because of gender, race, ability, sexuality, etc. As you wrote the book, did you see any parallels between the general covert resistance that disenfranchised people often face in broader social contexts? If you did, how did this insight shape your writing?***

**M. A.:** I do believe that disenfranchised people who have dealt with more resistance than others might be quicker to pick up on and better able to analyze pushback when doing fieldwork. The book's coda details how my growing up gay in a seemingly straight family likely developed my ability to notice the spectrum of resistance (such as denials, hiding, and silencing) that I later experienced in my fieldwork. But beyond my personal trajectory, the book's broader argument is that many of our field interactions need to be understood as the crowning of journeys partly already traveled rather than happening in a vacuum. In the same way that some of us might be particularly attuned to forms of resistance, others might be skilled at noticing other forms of field reactivity, such as types of embraces by participants. This suggests a real benefit to encouraging a diversity of scholars to examine any given field so they can each hone in on what they are uniquely positioned to see. Implicitly, it's also an argument against the illusion of replicability in ethnographic research.

**E. B.:** ***It was refreshing to see you call out specific instances of resistance that you encountered in your work, because silencing is prevalent in academia. What gave you the courage to name names and expose those who exhibited the behaviors that you wrote about?***




**M. A.:** One of my secret hopes is for the Interloper to become a reassuring companion to all derailed field researchers and to allow them to see in the hurdles they run into more than just annoyances. Ideally, readers will realize that what they thought was personal might not fully be, and that what seemed unique to their attempts might prove more widely shared. If being comforting requests some form of courage, so be it! But I did not envision this book project as courageous: It simply felt right for me to write. The more we share our setbacks, the more normalized they become.

**E. B.:** ***One of the quotes that stuck out most to me was: "But they ultimately are also traitors to themselves, since properly socialized interlopers will need to do violence to themselves in order not to forget what should never be publicly revealed." You said this in the context of forgetting as a method of resistance, but can you please share your thoughts on the hazards of being an interloper and the personal toll that it takes on researchers? How do you manage this reality?***

**M. A.:** One hazard I see of conducting fieldwork is that our desire to fit in can sometimes blind us to what we are trying to document and discover. As you rightly note, if we become skilled at being part of the crowd we study, we can also mimic them so well that we then lack critical distance. (Anthropology has long noted this tension.) Good fieldworkers are perhaps people able to maintain an insider/outsider balance allowing them to intimately know what happens in a setting yet also extrapolate from it. This means that good fieldworkers never truly belong, except perhaps to their community of academic peers. And I suspect that I've managed this tension, over the years, by developing strong friendships within the community of fellow fieldworkers.

**E. B.:** ***In many ways the book reads as a reflection of academia in general. Is this work an indictment of the barriers that the ivory towers erect beyond the context of research?***

***Do you view your work as a metaphor for larger issues?***

**M. A.:** I'm glad that the book triggered these reflections for you. It's clearly a book written from the margins about the majority and interrogates what can be learned from efforts deployed by majorities to maintain the status quo. In the case of academic careers, barriers to entry and continuation are immense: Many obstacles litter those journeys. When a hiring or promotion committee member claims not to be able to support a candidate because of a specific reason, it often reveals more about that given member than the applicant per se. Whether we agree or not with the stated reason, it's critical to shed light on those dynamics and interrogate them. Because the majority's dynamics often prove hard to justify, they tend to get buried, hidden or dismissed. I strongly believe that tracking what's not said, disclosed, and is kept out of a discussion is critical to social inquiries. If anything, the book is a metaphor about the need to refocus our attention, in our contemporary world, on what's (intentionally or not) kept off our radar. In a society that increasingly thrives on directing us to see what others want (e.g., via algorithms and more), the burden is on us to pay attention to what might matter, regardless of how gatekeepers engineer or not its saliency.■

# NEW PUBLICATIONS

## BOOKS

Ghaziani, Amin. 2024. *Long Live Queer Nightlife: How the Closing of Gay Bars Sparked a Revolution*. Princeton, NJ: Princeton University Press. Online.

Meyer, David R. 2023. *The Networked Financier*. Oxford, UK: Oxford University Press. Online.

Shestakofsky, Benjamin. 2024. *Behind the Startup: How Venture Capital Shapes Work, Innovation, and Inequality*. Oakland, CA: University of California Press. Online.

Surak, Kristin. 2023. *The Golden Passport: Global Mobility for Millionaires*. Cambridge, MA: Harvard University Press. Online.

Wilkis, Ariel and Mariana Luzz. 2023 [2019]. *The Dollar: How the US Dollar Became a Popular Currency in Argentina*. (trans.) Wendy Gosselin. Albuquerque, NM: University of New Mexico Press. Online.

## JOURNAL ARTICLES

Campos Ugaz, D. 2024. "Framing Welfare Expansion: Citizenship, Collective Memory, and Fiscal Dilemmas in Mexico and Peru." *Socius*, 10. Online.

Fang, Jun. 2024. "The Culture of Censorship: State Intervention and Complicit Creativity in Global Film Production." *American Sociological Review*. Online.

Hallett, Tim, and Matthew Gougherty. 2024. "Learning to Think Like an Economist without Becoming One: Ambivalent Reproduction and Policy Couplings in a Masters of Public Affairs Program." *American Sociological Review* 89(2): 227-255. Online.

Jasso, Guillermina. 2023. “Fifty Years of Justice Research: Seven Signposts Past and Future.” *Social Justice Research* 36(3):305-324. Online.

Kahn, Walker Nelson. 2024. “Safe as Houses: Financialization, Foreclosure, and Precarious Homeownership in the United States.” *American Sociological Review.* Online.

Kline, Zachary D. 2023. "The rise of market-based “choice” programs: 100 years of social sorting in social welfare services." *Sociology Compass* 17(12). Online.

Manduca, Robert. 2023. “'I Was Open to Anywhere, It’s Just This Was Easier:' Social Structure, Location Preferences, and the Geographic Concentration of Elite College Graduates." *Qualitative Sociology*. Online.

Mijs, Jonathan J.B. and Adaner Usmani. 2024. "How Segregation Ruins Inference: A Sociological Simulation of the Inequality Equilibrium." *Social Forces* (in print). Online.

Thomas, Jacob Richard. 2023. "Bureaucratic and Organizational Amenability to Racial Diversification: How Points Systems Replaced White-Only Immigration Policies." *International Journal of Sociology*, 53(2): 103-131. Online.

**BLOG POSTS & ARTICLES**

Hénaut, L., Lena, J. C., & Accominotti, F. (2024, April 10). Polyoccupationalism: “how many occupations do you identify with?” may be the new opening survey question. Work in Progress. Online.

Vuolo, M., & Schneider, L. E. (2024, March 18). Do criminal record questions on job applications prevent people with records from applying?. Work in Progress. Online.

## 19th Annual De Jong Lecture in Social Demography

October 15, 2024

Dr. Dean Spears, associate professor of economics at University of Texas-Austin will present: The World’s Population May Peak in Your Lifetime. What Happens Next? If global average birth rates fall below two, the consequence would be long-term depopulation. Is this likely? How should policymakers evaluate the prospect of widespread depopulation? How might stabilization be better or worse than depopulation? If there should be a response to depopulation from governments, philanthropies, or society, what should it be? This talk brings facts from demography, economics, and other social sciences and invites the audience to join a big conversation about a smaller future. Dr. Ashton Verdery and Dr. Megan Sweeney will participate as discussants. The free lecture will be held in State College, PA and will be livestreamed. Please register online to attend in person or livestream.

# SECTION OFFICE HOLDERS

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# EDITORIAL COMMITTEE

Dr. Gökhan Mülayim received his Ph.D. in Sociology from Boston University. Working at the intersection of economic and cultural sociology; organizations, occupations, and work; and urban studies, he studies how the so-called extra-economic is being translated into the economic. He looks specifically into how peculiar goods and services are being economized, and how the markets for those goods and services are being constructed. Using ethnographic research tools, his dissertation examines the economization of security as a political, social, and affective good and service in the market for private security in Istanbul. He received his B.A. with honors in political science and international relations, and his M.A. in sociology from Boğazici University in Istanbul, Turkey.

Dr. Meghann Lucy received her Ph.D. in Sociology from Boston University. Her interests are in inequality, consumption, economic sociology, cultural sociology, and medical sociology. A recent project examines the roles of overconsumption and divestment in discourses of the self, class, and gender through a case study of "Tidying Up with Marie Kondo." Other research investigates the medicalization of overaccumulation, that is, of hoarding disorder. In this work she evaluates the extent to which socioeconomic status of individuals and neighborhoods influences how cities define, detect, and either treat or punish hoarding behaviors amongst residents.

Ya-Ching Huang is a Ph.D. student in Sociology at Boston University. Her research interests include economic sociology, culture, morality, health and healthcare. Her dissertation project on pediatric palliative care hopes to understand how clinicians, parents, and policymakers ascribe meanings to the quality of life of children facing life-threatening or life-limiting illnesses. Through this research, she aims to reveal how these perceptions influence decisions about the involvement of pediatric palliative care, the coordination of care provisions, and access to care services. Additionally, her other research investigates the production and distribution of homemade cloth masks amid the COVID-19 pandemic.

Yasemin Girgin is a Ph.D. student in Sociology at Boston University. She is interested in economic sociology, work & organizations, analytical sociology, and social psychology. She holds a B.A. from Middle East Technical University and an M.A. from Boğaziçi University, both in Sociology. In her M.A. research, she studied role diversification patterns and relational dynamics of inequality in the Turkish acting field. Currently she works on talent evaluation processes in creative industries, ideologically motivated urban transformations, and socioeconomic & political impacts of natural disasters.

Michelle Rabaut is a Ph.D. candidate at the University of Michigan whose work falls at the intersection of cultural and economic sociology. She is broadly interested in social media as a new technology of subjectivity, promoting certain forms of subjecthood while devaluing others. Her current research explores the cognitive and emotional labor of maintaining a social media presence and how this labor shifts across platforms and identities. Her past research has covered a range of topics such as urban farming, poverty governance, domestic violence, and sexual assault on college campuses.

Zhen Wang is a Ph.D. student in Sociology at the University of Toronto. Her research interests include organizational studies, financialization, sociology of banking, and sociology of risk. She received her B.A. in Accounting and Finance from Boston University Questrom School of Business in 2016. She then obtained her CPA and worked as a tax accountant for several years before returning to academia and earning an M.A. in Sociology from the University of Toronto. Her previous experience working for a public accounting firm and dealing with clients from the financial sector inspired her Ph.D. research, and she currently studies the behaviors of smaller regional banks in the U.S., particularly in terms of risky conduct, and how they both resemble and differ from big Wall Street banks that presently dominate economic sociology discourse.

Erika Brown is a Ph.D. student in Sociology at Texas Woman's University. She is a community-focused scholar who interrogates the lived realities of Black people under the financial system in the United States. Erika earned a B.B.A in Finance from the University of Texas at Austin and an M.B.A from the University of North Texas in Marketing. Her work draws on her experiences as a Black woman, a twenty-year veteran of corporate America, and a former employee in the field of FinTech. Her research interests include personal finance, financial (mis)education, financial (il)literacy, and wealth inequality.