

Felipe Gonzalez

Universidad Central de Chile

Marcin Serafin

Max Planck Institute for the Study of Societies

Instytut Filozofii i Socjologii PAN

UNCERTAINTY AND THE SOCIAL ORDER OF THE ECONOMY: INTRODUCTION TO THE ECONOMIC SOCIOLOGY OF JENS BECKERT

Jens Beckert is a central figure among the second generation of economic sociologists who emerged following the discipline's revival in the 80's and the pioneering work of Mark Granovetter, Harrison White, Paul DiMaggio, Viviana Zelizer, Frank Dobbin, Richard Swedberg, and Neil Fligstein. Over the last 20 years his work has greatly contributed to the institutionalization of economic sociology in Europe. Since 2005 Beckert has been the director of the Max Planck Institute for the Study of Societies (MPIfG), one of the leading research institutes for economic sociology and political economy.

Beckert is currently one of the central theorists working in economic sociology. Social theory is concerned with three main questions: What is action? What is social order? What determines social change (Joas and Knöbl 2009: 18)?¹ Beckert has been investigating these questions with reference to the economy. He has written extensively on the concept of economic action (Beckert 2003; Beckert 2013b; Beckert 2016; Joas and Beckert 2001), the problem of economic order (Beckert 1996b; Beckert 2009; Beckert 2016), and economic change (Beckert 2010a; Beckert 2010b; Beckert 2016). What characterizes his theoretical work is that it starts out from the fundamental theoretical problem in economic sociology: Why should sociologists study the economy when a discipline called economics already exists (Beckert 1996a; Beckert 1996b)?

An introduction to his work can be done by looking at four articles that should be considered his programmatic statements (Beckert 1996b; Beckert 2009; Beckert 2013a; Beckert 2013b). In “What is sociological about economic sociology? Uncertainty and the embeddedness of economic action” (Beckert

Felipe Gonzalez, Faculty of Political Science and Public Administration, felipe.gonzalez@ucen-
tral.cl; Marcin Serafin, Max Planck Partner Group for Sociology of Economic Life IFiS PAN,
e-mail: marcin.serafin@ifispan.waw.pl.

¹ These three questions as the foundation of social theory were introduced by Hans Joas, who was Beckert's dissertation supervisor and later collaborator (see: Joas and Beckert 2001).

1996a; Beckert 1996b), an article stemming from his dissertation (Beckert 1997; Beckert 2002), Beckert laid out a theoretical agenda for economic sociology centred around the concept of uncertainty. The notion was borrowed from the economist Frank Knight, who distinguished between risk – a situation where individuals can assign a probability distribution for possible states of the world – and uncertainty – a situation where this is impossible (Beckert and Dequech 2006; Knight 2002). By making uncertainty the central notion for economic sociology, Beckert put forward a strong critique of the microfoundations of economic theory (i.e. rational choice theory). Up to that point economic sociologists had usually argued that people do not behave in the way economists assume they should. Real humans – compared to *homo oeconomicus* of economic theory – make mistakes due to their “bounded rationality” (Simon 1982); more importantly, they are often driven by social norms and values and not by economic profit alone. Actors are culturally, politically and cognitively embedded in society (Zukin and DiMaggio 1990). Beckert’s innovation was to introduce a more fundamental critique: he argued that not only do people deviate from the economic model of rationality, but that in situations of Knightian uncertainty, where the future is unknown and unpredictable, the model of rationality cannot even be treated as a *normative* model of how people *should* act. Since it is impossible for individuals to assign probabilities to the possible courses of action, they cannot rationally choose the best means to achieve given ends. According to Beckert the situation of uncertainty creates a “vantage point” for economic sociology, which is able to contribute to the study of the economy by looking at how *intentionally* rational actors – that is actors who are trying to make the best decisions possible – act in situations where rationality is impossible and what role different “social devices” play in shaping their behaviour. These “social devices” include: institutions, social networks, culture, habits, routines, social norms, conventions, social structures, and power relations. At the same time, by linking the problem of uncertainty to the Hobbesian problem of social order, Beckert was able to link this agenda to classical sociological theory.²

Since then his work has been aimed at integrating the different approaches that have developed within economic sociology over the years. This includes the cultural works of Viviana Zelizer, the structural approach of Harrison White and Mark Granovetter, and the institutional perspective of Paul DiMaggio and Neil Fligstein (see Fourcade 2007). This has led to the publication of the second, more recent, statement that is the “The Social Order of Markets” (Beckert 2009). As Beckert points out in this article, even though markets are central institutions in modern societies, very little attention has been given to them in sociological

² In his dissertation Beckert discussed at length how the problem of social order was developed in the works of Durkheim, Parsons, Luhmann and Giddens.

scholarship. Moreover, contrary to common belief, neoclassical economics too has not adequately theorized markets (Hodgson 2008). Modern economics does not provide a theory of markets; it *assumes* their existence instead of *studying* how and why they function. Economists never ask the simple question: what makes markets possible? Ever since Adam Smith, markets have been assumed to be the result of the natural propensity of individuals to “truck, barter and exchange one thing for another”. But as economic sociologists have been able to show, this is not the case. Markets are social phenomena (Aspers 2011; Bourdieu 2005; Callon 2008; Fligstein 1996; Fourcade and Healy 2007; Swedberg 1994; White 1981).

In “The Social Order of Markets” Beckert argued that markets should be studied as social fields. These fields can only function if three “coordination problems” are solved. These he called the problems of valuation, competition, and cooperation. The value problem refers to the constitution of the value of commodities in a market. In order for a market to function, actors have to be able to attach value and distinguish between different qualities of goods. For neoclassical economists, value is something that is reflected in price and is the result of individuals with given and stable preferences exchanging goods in the market. According to Beckert, value is something that can and should be studied as a social fact (Beckert 2011a; Beckert 2011b; Beckert and Aspers 2011; Beckert and Musselin 2013; Rössel and Beckert 2012). The second problem is the one of competition: markets are political arenas where actors are engaged in a power struggle over the rules of the game such as regulations and entry barriers (Bourdieu 2005; Fligstein 1996). The third problem is the one of cooperation between supply side and demand side. As Durkheim pointed out there is always a non-contractual element in a contract; actors engaged in an exchange have to be confident that the other party will not exploit them. This interaction is problematic, especially in situations of asymmetrical information: when one party has to make an advance payment; or when the quality of the product is uncertain. The problem of cooperation opens up economic sociology to the central problem of trust in the economy (Beckert 2006).

Having argued that the social world is characterized by fundamental uncertainty, in his most recent work Beckert has turned toward theorizing the notion of expectations. At the micro level, Beckert moves away from the idea that actors have rational expectations, as assumed by neoclassical economics, towards the idea of expectations as social fictions (Beckert 2013b, 2016). At the macro level, this has led him to rethink the notion of capitalism, which he has conceptualized as a system of contingent expectations (Beckert 2013b). His focus on capitalism as a specific social system should be seen as a way to bridge the divide between economic sociology and political economy, an idea that has been central to the research program developed jointly with Wolfgang Streeck at

the Max Planck Institute for the Study of Societies (Beckert and Streeck 2008). In line with political economy's recent turn away from looking at varieties of capitalism and towards the study of commonalities of capitalism (Deutschmann 2011; Sewell 2008; Streeck 2011, 2012); Beckert has focused on what he sees as the specific micro-foundations of the capitalist system. He has argued that the focus of economic sociology on actor perspectives is able to provide a solid micro-foundation for political economy, which has lost sight of the concrete mechanisms driving the dynamism of capitalism.

His thesis is that capitalism, "looked at from the perspective of social interaction, can be analysed as a system of contingent expectations" (Beckert 2013a). Beckert provides a theoretization of what he calls the four C's of capitalism – credit, commodification, creativity and competition – looking to the systemic and fragile character of the modern economy. On the one hand, capitalism's instable dynamics arise from the double contingency involved in actors' interpretations of situations. On the other, capitalism's strength emerges from its extraordinary capacity to create, stabilize, and readjust expectations. As a consequence, economic governance lies to an important extent in the political management of fictional expectations, a particularly difficult task aiming at shaping the images of the future structure.

These ideas have been developed in his recently published book *Imagined Futures: Fictional Expectations and Capitalist Dynamics* (Beckert 2016). In this book Beckert argues that economic sociology and political economy have until now focused on how economic outcomes are shaped by the past. But, according to him, economic outcomes are shaped not only by the past but also by the future, or to be more precise, by how economic actors imagine the future will be. Throughout the book Beckert uses the notion of fictional expectations to investigate broad range of core topics of economic sociology and political economy: money, credit, consumption, investment, innovation, financial markets, and performativity.

**BEYOND EMBEDDEDNESS. ECONOMIC SOCIOLOGY AS
A HISTORICAL THEORY OF SOCIETY:****Interview with Jens Beckert**

For those less familiar with your work, could you describe the trajectory of your academic career? How did you become interested in economic sociology? How have your interests developed over the years?

From the beginning of my university studies I was very interested in issues related to the economy. I started studying sociology in the late 1980s at the Freie Universität Berlin and took several courses in the fields of organization studies, industrial sociology, and industrial relations. It is worth mentioning that the 1980s was a time when the last waves of interest in Marxist sociology were quite visible at the Freie Universität (this changed after the collapse of the Berlin Wall). I also studied business administration as a second major. My interest in economic phenomena became even more pronounced at the beginning of the 1990s when I went to *The New School* in New York. I read there some of the literature on socio-economics and in the emerging field of what became later known as the new economic sociology. I became interested in Amitai Etzioni's book "The Moral Dimension" (Etzioni 1988) and I read for the first time works by Mark Granovetter and Viviana Zelizer (Granovetter 1985; Zelizer 1988). You must remember that, although this work was already being published in the 1980s, there was not yet a field called "new economic sociology"; the field was still in the process of formation. What was important to me were the readers that came out at this time, many of them edited by Richard Swedberg (Smelser and Swedberg 1994; Swedberg 1990; Swedberg and Granovetter 1992). Later I spent a year at Princeton while writing my dissertation. In the mid-90s Princeton was the center of economic sociology with scholars such as Paul DiMaggio, Viviana Zelizer, Frank Dobbin and Bruce Western teaching there.

Besides economic sociology, my other interest was social theory. I studied with Hans Joas and I was very much interested in classical and modern sociological theory (Joas and Beckert 2001). In my dissertation, "Beyond the Market" (Beckert 2002), these two interests – the economy and social theory – came together. My dissertation was an attempt to reconstruct how important sociologists – that is Durkheim, Parsons, Luhmann, and Giddens – dealt with the economy in their theories. The time in Princeton was also important for

developing my further work. I wrote the article on uncertainty (Beckert 1996a, 1996), a topic that has stayed with me ever since.

After completing my dissertation I worked on a second monograph, a comparative historical study on the development of inheritance law in France, Germany, and the United States (Beckert 2004; Beckert 2008). Inheritance is a crucial economic and social institution which is vastly understudied in sociology. For me it was very important to carry out a comparative historical study. The book goes back to the time of the French Revolution. It opened my eyes to historical and cultural sociology and was very important for my subsequent work.

In the early 2000s my interests focused more and more on markets. So when I came to the Max Planck Institute in 2005 I decided to center my research group on the sociology of markets. One could say that I look at economic phenomena through the lens of market sociology.

In the programmatic statement “What is sociological about economic sociology?” (Beckert 1996b) you argued that the theoretical foundations of economic sociology must be found in the concept of uncertainty and a theory of economic action. Why do you see uncertainty as the central concept for economic sociology?

For me a crucial question has always been “why should there be an economic sociology at all?” Intuitively one can say that within the social sciences there exists the field of economics which studies the economy, so why should sociologists study this topic as well? There is a need to define an entrance point for economic sociology, and I believe that the most promising entrance point is the problem of uncertainty. What I mean by uncertainty is the notion of radical or fundamental uncertainty. If one goes back to the distinction made by Frank Knight between risk and uncertainty (Knight 2002), radical uncertainty is the situation in which you cannot calculate probabilities for future outcomes. If you take this problem seriously, then the question opens up how actors, who are intentionally rational, make choices if they cannot calculate optimal decisions. If one investigates economic decisions under uncertainty, bringing in sociology becomes unavoidable. This provides justification for why understanding the economy and intentionally rational action needs a sociological contribution.

I have developed this problem further in an article entitled “The social order of markets”, where I state that the problem of uncertainty can be analyzed in the form of different coordination problems, which I call the problems of valuation, competition, and cooperation (Beckert 2009). If you look carefully at the literature that has emerged over the last twenty-five years in economic sociology, quite a few authors used the concept of uncertainty, some explicitly others implicitly. Explicitly it is used for instance in the work of Akos Rona-Tas on credit cards (Guseva and Rona-Tas 2001), or the work of Joel Podolny (2001). More

implicitly one finds it in the works of Harrison White (2002). For White the question of coordination of actors in the economy is how stable reproducible role structures in markets can emerge (White 1981). This needs to happen to reduce uncertainty. I would still maintain today that the concept of uncertainty provides a fundamental theoretical starting point for economic sociology. Economic sociology needs a systematic starting point, it needs to proceed from a theoretical problem. Uncertainty is such an issue.

The problem that you mention about fundamental uncertainty is also the problem of how social order is possible, which you frame in the sociological concept of double contingency. Parsons and Luhmann also started from this particular problem but they developed it in the form of a system theory. You on the other hand suggest that this problem must be addressed with an action theory. Why do you see action theory as the starting point for a theoretical foundation of economic sociology?

The observation is certainly right. In my dissertation Talcott Parsons and Niklas Luhmann are two of the authors I have dealt with in detail. When I was writing the article on uncertainty, both authors were an important influence. However, I was always interested in action theory. This is in part also because I learnt from studying economics that it is crucial for the explanation of outcomes to have a micro-foundation. One needs to explain how macro-phenomena relate to micro-interactions. This doesn't mean that all unintended consequences or macro phenomena can be reduced to agency, but it is necessary for a sociological theory to make the contribution of agency to social outcomes intelligible. In the early Talcott Parsons you find the very same intuition. With regard to Luhmann it is true that his work was very much influenced by phenomenology and his early theory had a foundation in action theory.

We can see in your work references to classical and contemporary authors coming from a variety of sociological traditions and levels of analysis, such as system theory, field theory, network analysis, and pragmatism. How do you integrate these different backgrounds into your work? To what extent have they influenced your development as an economic sociologist?

I have never defined myself as a Weberian, Durkheimian or Bourdieusian, "applying" the work of one of these "grand" authors. Instead, I take a much more pragmatic attitude toward theories. I am attentive to concepts that will help me understand the problems that interest me. Certainly what brings the different influences together is a strong interest in action theory. This includes the question how action is shaped by social structures, such as institutions,

networks and cultural frames, and how actors interpret a situation. There is also a normative strand which is important for my work and this is where the pragmatist part comes out more strongly. I never believed in a sociology in which actors are seen as being determined by social structures. Of course, the social environment of actors has an influence on how they act. But what interests me is how, through the interpretation of the situation, actors shape their environment in contingent ways. It is this interaction between structures and agency that I find thought-provoking and I make use of concepts and theories which are of help to conceptualize this issue.

In your most recent work (Beckert 2013a; Beckert 2013b; Beckert 2016) you conceptualize this relationship between structures and agency in the economy by introducing the concept of “fictional expectations”. Could you tell us about this development in your theory and how it relates to your previous work on uncertainty?

This relates quite closely to the issue of structure and agency. In the article from 1996 I argued that actors rely on “social devices” to cope with the problem of uncertainty. Today I believe that this underestimates the role of agency in the economy. Actors faced with complex decisions develop imaginaries of how their future will look like before they take a specific decision. In an investment decision, for instance, the entrepreneur “experiences” the outcome in imagination before the first dollar has been spent. Under conditions of uncertainty, however, it is impossible to understand these expectations as rational in the sense that they would foreshadow an actual future present. Instead the expectations create a world of their own. In this sense I speak of “fictional expectations”. Expectations are relevant for decisions and at the same time they are contingent or undetermined – they could always be different. This opens also an important avenue for a core political understanding of decision making in the economy. Actors are interested to influence the expectations of others. Competition is largely about the deliberate shaping of the expectations prevailing in the field.

At the Max Planck Institute you have been working with Wolfgang Streeck in bringing economic sociology and political economy closer together (Beckert and Streeck 2008). Could you tell us more about this project?

I think that for economic sociology this is one of the most exciting paths to pursue. When I came to the Max Planck Institute in 2005, I started working with Wolfgang Streeck, a sociologist with a strong background in political economy. His interests focus more on macro-phenomena, looking at the interaction between macro-outcomes and institutional structures (Streeck 2009; Streeck

2012). His work stands in the tradition of historical institutionalism. So you see the combination: he is looking from macro-phenomena to the institutional level and I am looking from the micro-level to the institutional level. At the same time we are both investigating economic phenomena in their social contexts.

What I see as a fundamental problem for quite a bit of work in the new economic sociology is that it doesn't include the macro level. If we want to understand economic dynamics it is crucial to include social developments writ large. Research projects in economic sociology should be organized more around the question of how capitalism as a social and economic system is operating, how it is changing, and what social dynamics it creates. The stronger connection to political economy could bring economic sociology out of a situation where many very interesting case studies have been conducted without demonstrating how this knowledge helps us understanding general economic and social developments. The strong interaction with political economists that we develop at the Max Planck Institute is an incredible opportunity for the further development of the field.

What is economic and sociological about economic sociology?

An important division of labour between economics and sociology was established by Talcott Parsons – economists dealt with means-ends and scarcity, while sociology dealt with values. To a great extent the revival of economic sociology implied a break with these boundaries. After almost thirty years of accumulated research and debates within economic sociology, how do you see its relationship with economics?

One first needs to say that neither economics, nor economic sociology exists as a monolithic block. It means the relationship between these two fields depends on which economics and which economic sociology we are talking about. So for instance I would say that the network approach in economic sociology connects quite easily to mainstream economics; indeed, many economists have taken up network studies from sociology.

If I try to answer the question from the perspective of the kind of economic sociology that I am interested in, the relation with mainstream economics is a complicated one. Economic sociology is much less interested in abstract model building based on non-realistic assumptions and tries instead to understand economic phenomena based on empirical observations. Mainstream economics operates on the basis of rational choice theory. In my work I attempt to pursue an alternative to this. One may argue that the relationship with behavioral economics is easier, but this is true only in a limited way. It is true in the

sense that behavioral economics shares the conviction that actors do not always act rationally. But the findings from behavioral economics are in most cases trivial. That norms of fairness play a role in economic interactions is something that sociologists have known for at least a hundred years and is hardly news. Behavioral economics is also unsatisfying from a sociological perspective because it explains deviations from the rational actor model by referring to psychological factors which are ultimately traceable to the hardwired structures of our brain. As a sociologist I want to explain social facts with social facts and not with psychological facts. I think that the relation between economics and economic sociology will remain very distant as long as economists refrain from placing more emphasis on the social forces operating in the economy and turn away from a sociologically meaningful theory of action.

In your view, what defines the economic sociology? In your work you deal a lot with markets. Would you say economic sociology is the sociology of markets?

Certainly in my work markets stand out as a dominant topic. I believe that this is justified because markets are simply the most important institutions of contemporary capitalist economies. But this does not mean that economic sociology should be limited to the sociology of markets. Economic sociology has always had a very strong affinity to organization studies. The investigation into firms is a crucial field in economic sociology. Indeed one cannot understand markets without understanding firms. Nevertheless I maintain that markets should be the vantage point for understanding capitalist economies, because firms need to orient their decisions and structures towards their opportunities on markets.

There are clearly also other very interesting topics. One of them that interests me – even though I have never worked on it – is reciprocity. There is quite a lot of highly interesting work in the Mausean tradition.³ This work is partly related to markets, but most importantly it shows that there are other forms of allocation of goods even in modern societies. Of course house-holding would be another example where the economic dimension of non-market forms of exchange comes prominently into play.

As a last point, coming back to political economy, I would say that it is crucial for economic sociology to conceptualize the relationship between markets and the state. The state is the most central institution regulating markets, and no understanding of contemporary economies is possible without understanding the role of the state. This is the case in parts of economic sociology, for instance, in the works of Neil Fligstein (2002), Greta Krippner (2011), Frank Dobbin (1997), or Bruce Carruthers (1999), but nevertheless economic sociologists need to be reminded again and

³ For this type of work in economic sociology see for example Healy (2006).

again of the significance of the state and the operation of the political system for the explanation of economic outcomes.

Economic sociology has been a particularly productive sub-discipline of sociology and many of the scholars working within this field have made important contributions to organization studies, the sociology of knowledge, field theory, sociological institutionalism, and cultural sociology. What do you think about the relationship between economic sociology and general sociology? What has sociology gained from economic sociology?

Let me start with answering the question the other way around. Economic sociology is part of the sociological enterprise which means that concepts developed in sociology are applied to the study of the economy. This also holds true for the methods used in economic sociology. Having said this, the discipline of sociology, I think, can learn from economic sociology about one important part of society. But I would also say that economic sociology does not emphasize enough the significance of the analysis of the economy for understanding social dynamics in a broader sense. If we think of our society as a capitalist society, this implies that the dynamics of it have to a large extent to do with the dynamics of the economic system. Economic globalization, competition in markets and the operation of the financial system have profound effects on societies: processes of dislocation, changes in demography, changing family structures, new mobility demands on actors, and structures of social inequality. Based on its knowledge of the economy, economic sociology has the potential to aim much higher and develop a theory of society. Unfortunately, few economic sociologists are thinking in this direction. The danger of not doing so is that economic sociology will become a subfield for people interested in the economy but will certainly contribute little to our understanding of societal dynamics. This however should be the project of sociology.

Contemporary debates in economic sociology

Regarding debates within economic sociology, in October 2012 there was a joint ASA and ESA conference in Moscow. You, together with Patrik Aspers, were responsible for section on "New theoretical perspectives in economic sociology". What do you see as the main current trends and the main debates within economic sociology today?

Quite a bit of very good work has been produced on financial markets in recent years. This work has been largely motivated by the financial crises of

2007 and 2008. This is an important topic and, since the financial crises will stay with us in one way or another, it is a topic that will remain important. The current work on finance and financialization is also most closely related to political economy.

Other important topics relate to the issue of uncertainty and the three coordination problems I have already mentioned. There is a great deal of interest concerning the valuation of goods, questions of price formation, and how quality categories are established in markets. These are issues where a long tradition of sociological knowledge can be applied very fruitfully to economic phenomena. Scholars such as Marion Fourcade (2011) or David Stark (2011) are doing fantastic work in this field. The same holds true for a number of scholars in France. The subject of confidence and trust – it stands behind what I call the problem of cooperation – plays a crucial role in the operation of financial markets and the monetary system. Again, there is also excellent work on this topic.

Furthermore, the performativity approach certainly remains important even 20 years after the first papers on it have been published (Callon 1998; MacKenzie, Muniesa and Siu 2007; MacKenzie and Millo 2003). It is part of a cognitive turn in economic sociology.

There is one additional topic I want to mention although it plays no more than a marginal role in economic sociology today. This concerns the issue of illegal markets. I find it remarkable that there is hardly any work in economic sociology on illegal markets (Beckert and Dewey 2017). Work is available on the informal economy, but even this work has a more marginal role. Almost all research in economic sociology proceeds from the assumption that the interactions taking place in the economy are legal, although we know that this is simply not the case. In many ways we cannot understand the development of the legal part of the economy without having an understanding of its illegal counterpart and the relation between the two. Uncharted territory exists here for economic sociologists, which should be explored. The sociology of finance, for instance, would be a more interesting field of study if it paid more attention to illegal activities in financial markets and to the question of how powerful actors attempt to exploit grey zones between legality and illegality.

Since the revival of economic sociology the notion of embeddedness has been one of its central (if not the core) concepts, but at the same time it has been understood in different ways. The debate seems to go back to different readings of Karl Polanyi. One way of reading Polanyi is the “always embedded” approach, for which the economy is always embedded in social relations and the role of economic sociology is to study them. This is clearly characterized in the work done e.g. by Viviana Zelizer (2010). The other – we can call it the “double movement” reading

of Polanyi – argues that a self-regulated market system becomes disembedded and destroys the social foundations on which it has been built, and characterizes more the work of political economists. You have written extensively on the notion of embeddedness (Beckert 1996, 2003, 2006). How do you see the concept and how do you read Polanyi? Is it necessary to go “beyond embeddedness”?

The concept of embeddedness has been crucial for defining economic sociology. One does not have to call it embeddedness, but in the end the approach is about the social contexts shaping economic action. For me this is also what the broad notion of embeddedness entails. If one looks at the development of the new economic sociology, especially in the United States, the understanding of embeddedness has often been a much narrower one. This goes back to the article by Granovetter (1985), where embeddedness is associated with the network approach. This is an understanding of embeddedness which does not do justice to Polanyi.

One way ahead is to simply broaden the concept. This has been suggested many years ago by Sharon Zukin and Paul DiMaggio (1990). They distinguish between different versions of embeddedness: political embeddedness, cognitive embeddedness, cultural embeddedness, and structural embeddedness. In this view networks are only one type of embeddedness. I would say one should always consider the different forms of embeddedness when explaining economic action. But then there is a more principled point to which you alluded by referring to the idea that the economy is “always embedded”. There is no economy that can operate without, for example, institutional structures. To have competitive markets you need anti-trust laws to keep competition open. A law is an institution and can be defined as an expression of institutional embeddedness. But what Polanyi had in mind is not embeddedness in this sense. He is rather talking about the limitation of the free market. This, however, brings us to a much more historical and also dynamic view of the concept. It becomes possible to see embeddedness as a variable where markets can be either more curtailed or more organized as free markets. Based on this understanding of embeddedness, one can ask questions such as: In what historical periods are markets more or less embedded? Why is this the case? How do these developments come about and what consequences for social development emerge from them? Such a perspective aims much more towards a historical theory of society. This is a theory which understands current configurations of the economy from the historical trajectories in which they have developed and the political struggles from which economic configurations emerge. It is by understanding economic configurations, not out of an efficiency logic, as mainstream economics or institutional economics does, but from political and cultural struggles. I find this much more appealing than to simply state that networks or institutions are important for the

operation of contemporary economies. It also shows that embeddedness, in the Polanyian sense, is not something that we can simply take for granted. Instead it can vanish. In the end it is a political project to embed the economy in a way that it is compatible with social developments that are normatively desirable.

So for you it is more than just the idea of protecting capitalism from itself?

This is of course one element of it, but it is only the economic dimension. This would be a functionalist perspective. What I mean beyond this is that embeddedness points also to the potentially destructive forces that derive from unfettered markets. This is a normative project in the sense that economic development cannot be reduced to economic efficiency but that we need to reflect also upon criteria of social justice and concepts of “the good life” which should inform the regulation, or the embeddedness, of the economy.

Focusing more on the normative aspect of economic sociology, there has recently been much debate about the need for a “public sociology”. This debate, started by Michael Burawoy, has also reached economic sociology (Swedberg et al. 2007). Do you think economic sociology should play a public role?

Yes, but this applies not just to economic sociology, but also to sociology as such. Sociology is a discipline which has its roots in the Enlightenment. One crucial idea of enlightenment thinking is to inform people – by knowledge gained from science – about the social forces which operate in a society and which influence their lives. The hope is that this will help people to be more able to influence the social structures to which they are subject.

If you look at the development of sociology over the last 30 years you can see a diminution of the public role of sociology. The current economic and political crisis opens up an opportunity for sociologists to regain a more prominent public role. I claim they can do this mainly by investigating the economy. For a more public role of sociology, economic sociology is crucial because the organization of the economy is so central to all other spheres of social life. However, to play a public role, we need an economic sociology in the sense that I sketch it: interested not only in understanding of how economic exchange depends on social structures, but also in how these structures emerge and change in political struggles and how societies are influenced by the dynamics of the economy. I wish that economic sociologists would understand this more clearly.

Would you say that your work on inheritance law represents this type of public sociology (Beckert 2008)? Why do you see inheritance as a public issue?

Inheritance is an important topic because the bequest of wealth from one generation to another is a crucial instrument through which social inequality is perpetuated. There are also other institutions which have this effect, especially educational institutions, but inheritance is the most direct institution of reproducing inequality intergenerationally. It is striking that sociologists are paying so little attention to this topic. To answer your question more directly: I observe that journalists and political groups with very different political orientations become quite interested in the topic of inheritance. This is because the question of how to regulate the bequest of property is a pertinent social and political issue. What I try to do when I talk to journalists is to somehow – using Albert Hirschman’s (1984) word – “complicate” the discourse. I try to make a contribution to inform the public debate that is often based on fears and lack of information. In this sense this work is intended to also play an enlightening role.

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