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*Economic Culture in the Public Sphere:
Introduction*

This special issue deals with the question of how public understandings of economic processes emerge and change. It also addresses the question of how such public understandings influence economic change and continuity (Bandelj 2008; Zelizer 2010; Spillman 2011, 2012; Wherry 2014). The issue aims at improving our understanding of public assumptions about economic knowledge and practices, and public debates about economic policy, especially during moments of crisis but also in their development over long historical spans.

In this introduction we present several approaches to understanding how cultural processes influence debates on the economy in the public sphere, and suggest that their implicitly shared themes should become the explicit foundation for a new research agenda. We begin by providing an overview of existing perspectives on economic culture in the public sphere. By economic culture we mean the discursive and practical understandings of economic processes (both cognitive and evaluative), which are assumed or debated in the public sphere. We then introduce the five contributions to this special issue, showing how they relate to the topic. The topical breadth of the five articles illustrates how the investigation of economic culture in the public sphere can create new insights into the operation of the economy and the role of public assessments of economic processes. By understanding better how economic problems are defined, knowledge created and public attention shaped, sociology can also contribute to the practical imagination of alternative economic futures (Beckert 2013).

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I

Economic Culture in the Public Sphere

To examine how cultural processes make a difference for public understandings of the economy, we need to clarify what we mean by public sphere. Habermas (1989) defined the public sphere as a “society engaged in critical public debate” (52). He emphasized the role of media professionals and politicians in this process as well as lobbyists, advocates for marginalized groups, experts, moral entrepreneurs, and intellectuals (Habermas 2006). For Habermas the public sphere is generally inclusive but conceptually distinct from both the state and from the economy. Jeffrey Alexander’s (2006: 4) notion of the civil sphere is more circumspect, capturing “a world of values and institutions that generates the capacity for social criticism and democratic integration at the same time”. In this view, the public sphere is not merely discursive, but “filled with institutions, organizations of communication and regulation” (Alexander 2006: 4). Central to these are public opinion, mass media, and civil associations.

We take a rather expansive view of the public sphere. In our view, the public sphere describes the realm of institutional settings including but not restricted to state-sponsored settings in which issues of general concern are discussed and debated. Empirically analyzable cultural processes in settings ranging from professions to social movements define public issues relevant to the economy. These issues are sometimes debated and deliberated. This discourse and the cultural practices associated with it have repercussions for how the economy is run.

This examination of economic culture in the public sphere resonates with other lines of scholarship, which have emphasized the role of ideas, discourses and political cultures for economic outcomes as well as their active construction and reconstruction in practice. In political science, Vivien Schmidt (2010) recently advocated a discursive institutionalist approach, to distinguish it from rational choice, historical and sociological institutionalisms (DiMaggio and Powell 1991). Discursive institutionalism is “concerned with both the substantive content of ideas and the interactive processes of discourse in institutional context” (see also Campbell and Pedersen 2001). This focus on communication, ideas and discourse is also to be found in the work of scholars such as Mark Blyth (2002) who focuses on the “ideational turn”, or Colin Hay (2001; 2006) who delineates ideational institutionalism or constructivist institutionalism. Alexander Wendt (1987) emphasizes dynamics of ideas, norms, frames and narratives that facilitate change.

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Martha Finnemore (1996) adopts such a dynamic framework on a case of international activists who promulgate diffusion of international norms in developing countries, and Thomas Risse (2001) on a case of European leaders' reconceptualization of state identities and ideas about European integration.

Other political scientists have also pursued this line of thinking and showed how ideas reflect national political cultures and thus vary across nations and over time (Hall 1989, 1993; Heilbroner and Milberg 1995; Katzenstein 1996; Berman 1998; McNamara 1998; Hay 2001). Historical institutionalists pay attention to how ideas consolidated in policies have path-dependent effects for future economic action (Steinmo, Thelen, and Longstreth 1992; Thelen 1999). This means that, once institutionalized, they constrain the range of alternatives from which actors choose, locking actors into certain courses of action which may be difficult to reverse (North 1990). From a world society perspective, diffusion analysts think about how economic policies, such as privatization or corporate social responsibility, diffuse across national borders as part and parcel of world culture (Henisz *et al.* 2005; Kogut and Macpherson 2007; Lim and Tsutsui 2012).

Sociology explores how debates in the public sphere help actors navigate uncertainty in the economy, providing encouragement to make risky moves or reassurances to play it safe. We need to understand the relationship between societal-wide assumptions and debates about markets and the state (Krippner 2001; Somers and Block 2005; Block and Somers 2014; Fishman forthcoming) and widespread beliefs about markets and morality (Zelizer 2005; 2010) that shape expectations, policies, and goals, that make resonant various action strategies, and that modulate the pace and potentialities of economic transactions (Campbell 2002). Somers and Block (2005, p. 260) coined the term ideational embeddedness "to characterize the power of such ideas to shape, structure, and change market regimes". Suttles (2010) shows how the very idea of "the economy" can be dated quite precisely, and how it is imagined quite differently at different times of crisis. Jacobs (2012: 391) traces the multiple ways "the material logic of financial crises is embedded in a cultural [...] logic of symbol and ritual". Bandelj (2008) distills economic culture from public debates about foreign direct investment in national newspapers. She responds to a call by Fiss and Hirsch (2005) to interrogate debates in the public sphere about economic and political power arrangements. The institutional and professional origins of policy ideas which gain public currency is also an important sociological

concern, as in Hirschman and Berman's (2014) recent analysis of ways in which economic advice may be consequential, or not.

Extensive scholarship also interrogates the interrelationship between political and economic culture. Dobbin (1994) studied nineteenth-century railway policy in the US, the UK, and France, noting that although all these countries were comparable in terms of technological development and interest politics, the industrial policies that they adopted with regard to railroad development were quite distinct, and followed fundamentally distinct logics and conceptions of rationality persisting in these countries' political cultures. In a similar vein, Jens Beckert (2008) studied the development of inheritance laws in Germany, France and the US arguing that these are a result of different political cultures and understandings about the nature of property, the state, and family. Marion Fourcade's (2009) work on the construction of economic knowledge in the US, France, and the UK, also follows in this tradition. Fourcade finds that, in England, the discipline of economics developed out of a political culture which valued small, cohesive societies that exerted much influence over the genesis of national policy. In France, economics was shaped by the administrative exercise of public power. In the US, it was the dominance of market institutions and the success of economists in influencing society and policy that shaped the particular contours of its economic development (*cf.* Babb 2001 for the case of Mexico).

As these studies illustrate, research on economic culture in the public sphere is typically based on the assumption of a natural equivalence between nation-states and ideas about how the economy should be organized. While this assumption is often valid, we do not assume that the examination of economic culture in the public sphere is restricted to the nation-state as a unit of analysis. As the contributions to this special issue demonstrate, exploration of economic culture in the public sphere will likely lead scholars to examine both subnational and transnational settings as well. The extent to which national settings dominate these discussions should be an empirical question (Spillman and Faeges 2005) and we can expect wide empirical variation.

Economic Culture: The Contributions to the Special Issue

A research agenda exploring economic culture in the public sphere should include attention to several dimensions of

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meaning-making—economic practice, knowledge, and discourse—and consider the full range of empirical sites in which meaning-making about public economic issues takes place. The articles of this special issue offer exemplars for initiating this broad understanding of economic culture in the public sphere. They offer examples of the institutional and practical production and diffusion of economic knowledge and normative practice, and the ways they are embedded in public discourse.

In “Theorizing Efficient Markets” Simone Polillo analyzes how the internal dynamics of specialized professional fields legitimize economic knowledge, by comparing the success of the “efficient-market hypothesis” (EMH) in financial economics with a similar intellectual innovation, the capital assets pricing model. The former, unlike the latter, developed a coherent network lineage promoting it and making it central to scholarly debate. This coherent cultural production was sustained in part by methodological reliance on frequentist statistics, which presumed and created a greater sense of shared, objective knowledge. Polillo’s argument pushes us to examine the specialized professional politics generating assumptions about economic culture in the public sphere, and to attend to the symbolic meaning of methodologies for heightening or lowering boundaries within and across professional and political fields. When we consider how some forms of economic knowledge become naturalized in public discourse, Polillo suggests we need to investigate the influence of professional networks and the symbolic value of methodologies.

Like Polillo, Rachel Harvey investigates the specific cultural content of an apparently arcane professional subculture, which has been influential in setting the parameters of economic culture in the public sphere. But whereas Polillo illustrates how such subcultures may be important sites influencing economic knowledge which becomes naturalized, Harvey draws attention to the normative foundations intrinsic to such subcultures. In “A Hollow Cultural Core? An Inquiry into New Institutional Approaches to Incentive Based Regulation”, she challenges theories which over-emphasize reputational mechanisms curbing opportunism by market-makers, and fail to recognize value-rational commitments. She analyzes the normative order and collective responsibility in market-making practices essential to the functioning of the London Gold Market, a subculture long central to the international monetary system. Harvey’s argument suggests that we need to ask about the moral as well as the cognitive,

and the practical as well as the theoretical, when we investigate sources of taken-for-granted assumptions shaping public discourse.

How do particular versions of economic knowledge accrue political authority? Stephanie Mudge's "Explaining Political Tunnel Vision: Politics and Economics in Crisis-Ridden Europe, Then and Now" contrasts the role of party- and nationally-embedded economists in the making of the Keynesian era with the role of the "European economist-technocrat" in the articulation, implementation, and defense of austerity in Europe since 2008. Mudge explores the rarefied international professional circuits which support this new authority figure, and which help explain the surprisingly conservative economic culture of recent European crisis politics. Mudge makes the point that a focus on expertise and parties, and not just states, is central to our understanding of economic culture in the public sphere.

What is the impact of authoritative economic knowledge in public discussion? Sascha Münnich's "Thieves, Fools, Fraudsters and Gamblers? The Ambivalence of Moral Criticism in the Credit Crunch of 2008" shows that this impact is not only cognitive but moral and evaluative. Examining public debates of financial capitalism following the crisis, Münnich shows that far from delegitimizing financial markets, moral critique appealed to criteria based on core assumptions of prevailing economic models. Economic models provided justification for assessing events and actions as deviant, and in the process their own legitimacy is reproduced. Authoritative economic knowledge becomes entwined with powerful moral evaluation, and economic culture in the public sphere is influenced by the often-unnoticed normativity of the rational market model.

And finally, what are the effective boundaries of economic culture in the public sphere and possibilities for change? Nicole Lindstrom analyzes the ongoing tension between national and transnational pressures in public sphere discussion of economic policy. "Whither Diversity of Post-Socialist Welfare Capitalist Cultures?" shows that Estonia and Slovenia first tied their different economic policies to distinctive national identities, highlighting the influence of political identity on economic culture. However, the economic crisis amplified the critical voices of transnational advocates of liberalization in Slovenia more than it encouraged the voices of austerity critics in Estonia. Lindstrom shows that ideas and cultural practices influencing public debate about economic policy remain nationally distinctive, and should be set in their national historical context. However, they are also influenced by transnational contexts, especially in smaller states.

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Nevertheless, domestic politics and path-dependent practices may contribute to more continuity than change in collective ideas about national economic development.

Financial economics; the London Gold Market; economist-technocrats; critiques of financial capitalism; transnational influences on national economic culture—while apparently disparate, all the articles of this special issue examine processes of meaning-making which influence public sphere discussion and debate on the economy. They advance inquiry on economic culture by attention to repertoires of economic practices, production of economic knowledge, and/or economic discourse. The authors draw attention to professional networks (both subcultural and transnational), politics, normative methodologies, cognitive technologies, and various institutionalized processes of diffusion. In doing so, they reveal not only the content but the origins and shaping of economic culture in the public sphere.

How is economic knowledge created and diffused? What professional and political processes and practices account for dominant understandings of economic action in public discussion? How do those dominant understandings influence moral claims in public debate? And how do historical turning points, key events, and new voices in public discussion shift the tenor and resonances of economic culture in the public sphere? Contributors to this special issue offer contextually specific answers to these general questions. Although grounded in different scholarly traditions and vocabularies, their investigations share an underlying concern with understanding the factors influencing public assessments of economic processes and their political consequences. These various scholarly approaches can be seen as part of a larger project aimed at understanding how public discourse and the economy are linked. Economic culture in the public sphere should be recognized as a central and shared concern of economic and political sociology, as well as comparative political science. Several developments in conceptualizing culture in economic action, and much recent research on the role of ideas, offer significantly enriched resources to pursue this agenda. Beginning with the close analysis of symbols, discursive categories and normative practices evident in public discussion and debate, scholars have set that analysis in the context of the broader repertoire of ideas, network relations, institutional histories, and performative processes involved in that meaning-making.

Understanding specific and consequential meaning-making practices in this way moves scholars significantly beyond flat, stereotypical assumptions about economic ideologies supporting existing economic powers. It is not that such support is not pervasive—as some of the articles included in this issue demonstrate—but rather that apparently stable ideological resolutions are actively created and implemented in conflicted processes with outcomes at times unresolved. Improving our understanding of institutionalized economic practices, production and dissemination of economic knowledge, and underlying assumptions and public debates about economic policy offers a rich research agenda. It also encourages fresh and resonant articulations of under-examined possibilities for the development of the economy.

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