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For a cultural sociology of economic life

Jeffrey C. Alexander

In this essay, the author analyzes social science thinking about the capitalist market from instrumentalism to institutionalism and the recent turn toward more cultural economics, and propose to enlarge the latter opening via the 'strong program' in cultural sociology. Nineteenth century' big thinkers' conceptualized the market as if it were entirely deracinated, based on alienation and pure calculation. The profession of economics subtracted the social critique from this dismal understanding and converted the dismal science into mathematical predictions and production functions. The new economic sociology exposed the institutional framework of market decisions, emphasizing social networks and status competition. Cultural economic sociology has challenged institutionalism, showing how social meanings, not just institutional position, determines economic value. The next step is to demonstrate that the market itself depends on cultural meanings. The strength of a market depends upon narrative projections of future economic conditions. An optimistic scenario creates confidence and sparks investment. A pessimistic narrative creates fear and leads investors keep their money tight. Confidence in the future depends on constructions of 'character': will economic actors constrain themselves by acting in a sober and moral way or will they be hedonistic, indulging in short-term satisfaction? This cultural-sociological theory is illustrated with reference to Keynes' General Theory about the 1930s Great Depression and U.S. Federal Reserve chairman Ben Bernanke's policy vis-à-vis the current Great Recession.

KEYWORDS: market; economic sociology; strong program in cultural sociology; narrative; Keynes; Bernanke

In recent decades, culture has been pushing its way onto the center stage of debates, not only in the human sciences but in everyday life, where we find proposals to buy, sell, teach, and learn the 'culture' of just about everything, from sex to business to travel to wine drinking.[1]

Despite its popular and scholarly ubiquity, however, culture remains a fuzzy concept and its relation to putatively noncultural domains badly understood. Central to these disputes is whether or not culture has 'autonomy'. The issue of autonomy can be understood as a debate between the more traditional 'sociology *of* culture', which undermines autonomy, and a more recent 'cultural *sociology*', which opens it up (Alexander & Smith 2003, 2010). To believe in the possibility of a cultural sociology is to subscribe to the idea that every action, no matter how instrumental or coerced, is embedded in a horizon of affect and meaning. This internal environment imbeds action, presenting a culture structure in relation to which actors can never be fully reflexive. Emotionally laden meaning is an *a priori* to action; it provides the broad patterns within which particular decisions will be made (Alexander 1988). Meaning is an 'ideal' resource

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that simultaneously enables and constrains. It provides both for the routine reproduction of preferences and social structures, and for their creative transformation as well.

For cultural sociology, institutions – no matter how impersonal or technocratic – have an evaluative foundation, a core of meaningful ideals that shape their organization and goals and provide the structured context for debates over their legitimacy.[2] By contrast, for the sociology *of* approach, culture does not do the explaining but is something to be explained, by forces outside the domain of meaning. For sociologists *of* culture, explanatory power lies in 'hard' variables of social structure and in rational and impersonal calculations of cost and benefit. Structured meanings become superstructures, ideologies driven by more 'real' interests and more tangible social forces. Motivations that are not calculating and maximizing but driven by passion and meaning-making are treated as residual categories, as unpredicted and unpredictable deviations from the mean. Culture becomes a 'soft' and dependent variable. Its autonomy is lost.

If meaning is important, we need to engage a strong, not a weak approach to cultural process. To understand strong meaning, one analytically uncouples culture from social structure. This decoupling brackets social action off from time and place, viewing it for heuristic purposes as if it were following a literary 'text' (Ricouer 1971). The very possibility of practicing cultural sociology depends on the ability to establish such analytical autonomy. To reconstruct the cultural text hermeneutically in reference to which an action becomes meaningful is to find action's internal structure. To be able to do so, we must expand social science theories and methods to include tools from the arts and the humanities. We need such concepts as code, symbol, narrative, and performance.

Once we have reconstructed action's internal structure – once the meaning of social action is uncovered – then the independence of the culture variable is secured. Only after this analytic autonomy of culture is established can we put culture back into time and space, ascertaining its 'concrete' autonomy and tracing the complex interdependencies that identify causality in real social life. The independent variable of culture becomes mediating, as much the caused as the causer. Only after we have understood how culture is patterned internally can we understand how the external environment of action affects it. Analytic autonomy allows concrete autonomy to be established in a multidimensional way (Kane 1991).

The End of Meaning and the 'Dismal Science' of Science Economics

Social science research and theorizing on the economic have produced prototypically weak programs, the absence of passionate meanings in what Thomas Carlyle (1849) called the 'dismal science' of economics seeming to reflect the cold and hard facts of modern economic life. These weak programs have taken two sharply different paths, one classically liberal, individualist, presentist, and 'small bore', the other radical, collectivist, historical, and 'big picture'.

A grand narrative about the debilitating consequences of the economic was painted by nineteenth century theorists of capitalism who viewed modernity as a tragedy, and it has been elaborated by their epigone who describe modern men and women as never having recovered from this fall. These theorists of historical declension declared the death of meaning, not just the death of God but of the sacred itself, and have taken the emergence of the market, with its calculating relations of instrumental rationality, as the paradigmatic representation of this tragic condition, its historical cause, or both.

In traditional societies, according to this narrative of decline, the world was meaningful, ordered by tradition and made holy by religion. There were fixed prices for the few goods that were alienable, but most of life's goods thankfully were not. With the coming of capitalism, Marx and Engels declare in *The Communist Manifesto* (1962 [1848]), 'all that is holy is profaned' and the selling of labor power that allows wage labor fundamentally alienates men from moral feeling. In *Capital*, Marx (1962 [1867]) writes that 'a commodity is, in the first place, an object outside us'. It follows that commodification – the process by which people and things become part of markets – strips goods of subjective distinction and cultural difference. The 'fetishism of commodities' ensures that alienation rules over the entirety of capitalist social life.

A century later, in the shadow of the Great Depression and Nazism, Karl Polanyi (1957) elaborated the Marxian jeremiad, proclaiming that the 'great transformation' to early nineteenth-century capitalism had made impersonal and anti-human markets the measure of land and labor and that, as a result, the moral regulation of modern economic life became impossible. An even broader pessimism, in which capitalism figures as paradigm rather than cause, was earlier initiated by Tonnies (2002 [1887]), who described the movement from warm and fuzzy *Gemeinschaft* (community) to cold and Hobbesian *Gesellschaft* (society). Weber (1927 [1904–1905]) expanded this narrative to the 'rationalization' of Western society as such. Simmel (1978 [1900]) brought the tragic story to bear on money, describing how the medium's generality and abstraction aggressively embodies modern objectivity and prevents singularity and personality from being expressed.

This sense of the utter coldness and inhumanity of capitalist markets, how they have denuded modern society of the possibility of sustaining meaning, permeates the modern sensibility of the social sciences. It also provides the intellectual context for the emergence of an axiomatic and mathematical science of economic life, even if modern economists rarely share the moral apprehensions of the intellectuals who painted the big picture.

By the early nineteenth century, economists already were making predictive models about calculating individuals and strategizing firms, aggregating these instrumental decisions into market logics that operate with the force of nature's physical laws. Economic thinkers then and now conceptualize individual action in terms of 'utility functions', a mathematical way of modeling and measuring how actors seek to maximize their interests. What such de-idealized actors are said to maximize has mostly been pecuniary. In 1803, Jean-Baptiste Say insisted that 'it has never been pretended that money is the measure of all things', but he went on to acknowledge that for the nascent science of economics this was precisely the point, for money 'is the measure of value' (p. 191). As economic science matured and its practitioners became more confident, they expanded utility functions well beyond the pecuniary, applying them to tastes and goods of every conceivable kind. Making utility functions for everything from racial prejudice to human reproduction, Gary Becker and Guty Becker (1997) provide a sanitized and liberal version of Marx's prophecy about the slippery slope of commoditization. Rather than making meaning invisible, their work suggests culture can actually be put into an economic form, that the laws of supply and demand can be applied to what starry-eyed idealists once thought were off limits. While more orthodox practitioners see Becker as going outside the economic 'to take into account all sorts of motivations observed in real life',[3] the opposite actually is the case. As Akerloff and Kranton observe, Becker's approach actually 'focuses on how prices and income, *not tastes*, affect behavior'. Culture, in other words, still remains a dependent variable. While behavioral economics would seem to question the arid restrictiveness of so expanding utility maximization, it continues to treat non-rational actions as 'deviations from perfect rationality', writing new utility functions that take account of such human 'failings' as present bias, loss aversion, and habit (Akerloff & Kranton 2010, p. 28).

The dismal but ingenious science of economics provides a mathematically elegant, if culturally impoverished, reflection of some realities in modern economic life. Inside markets, persons do make cold and rational calculations, and market effects present actors with an external environment that seems to resemble implacable natural laws. The broad rationalization of modern life, so deftly painted by the big picture thinkers, has allowed the profession of economics to spread its wings.

But if the imperialism of economics is neither surprising nor reprehensible, this cannot be said for the docile manner in which some leading thinkers in adjacent disciplines have allowed themselves to be colonized. The expanding reach of economics has been complemented by the development in political science and sociology of theories that convert motives and meanings into utility functions on their own disciplinary sides. Pierre Bourdieu's description of social action as 'unconscious strategy', for example, converts cultural meanings into utilitarian means via the concept of 'cultural capital'. Meanings are ensconced in 'fields', each field establishes particular goods about which instrumental calculations of gain are made, and intra-field domination depends on converting ends into sufficient means.[4]

But Bourdieu is less cause than symptom. In recent decades, quasi-economic, rational actor models have expanded broadly in sociology and political science. The avowed aim is scientific: it is hoped that by deploying utility functions the mathematical rigor of economic science will be achieved. Yet there is in such work an implicit morality as well, a cynical conviction that for modern social actors nothing is sacred. Meanings don't matter; means are everything. When the eponymous 'production of culture' approach applies rational action theory to cultural goods, its creators suggest that 'the symbolic elements of culture are shaped by the systems within which they are created [and] distributed' (Peterson & Anand 2004).

According to such weak programs, culture becomes a form of capital. A strong program in cultural sociology, by contrast, would treat capital as culture. It would examine how the meanings of social life establish markets, inspire investment, motivate work, and make material consumption profitable and worthwhile.

Weakly Cultural Challenges to Economic Hegemony

A significant if foreshortened step in this direction began more than three decades ago, when the so-called 'new economic sociology' emerged in the US. It challenged the individualism of economic science, insisting that calculations about utility are made not only in relation to markets but to collective forces of a sociological kind (Granovetter 1975). This intellectual movement has been remarkably influential, despite (or because of) the evident weakness of its cultural program. New economic sociologists have demonstrated that economic actors put loyalty to family, friends, place, and religion ahead of merely economic understandings of cost. The problem is that they explain such non-maximizing decisions by non-cultural variables. Mark Granovetter, a pioneer of new economic sociology, takes his concept of economic 'embeddedness' from Polanyi, but he identifies non-market forces with networks and organizations not, as Polanyi had, with morality and tradition.[5] Granovetter's weak program has been elaborated in a series of studies that provides details of how extra-market social structures function as external environments for instrumental actions. For Podolny (1993), firms resist market rationality because they strive to maintain established status relations. For Fligstein, markets are fields of structured, institutionalized exchange, in which suppliers 'are able to produce a status hierarchy' that allows them to 'dominate the market' and to 'reproduce themselves on a period-to-period basis' (2001, pp. 30– 31).[6] Such a weakly cultural, neo-institutionalist program paradoxically reinforces the insistence on instrumental action and external environment that characterizes both economic science and modern economic life.

Restoring the Sacred to Economic Relevance

In recent years, the new economic sociology has itself been sharply challenged by a strongly cultural program, one that much more radically de-centers the position of the economic. The pioneer in this intellectual revolution is Viviana Zelizer, who has carefully documented that passionate meaning-making never was displaced by modern economic life. In her most important work, *Pricing the Priceless Child*, Zelizer (1985) argues that the 'commercialism effect has its precise counterpart' in 'a reciprocal "sacralization" process by which value shapes price, investing it with social, religious, or sentimental meaning' (1985, p. 21). In a detailed historical case study, she shows that the immensely profitable market for children's life insurance did not precede but follow upon a new cultural sense of the 'sacred' moral and emotional value of children. In other writing, Zelizer confronts the notion that money is transparent and neutral, demonstrating that it is a medium marked with all sorts of personally and socially significant meanings. The red thread that runs through Zelizer's (1994, 2005) decades of research is that economic exchange expresses social meaning, not the other way around.

Zelizer's intellectual children have continued to clarify the virtues of strong over weak programs in the economic-sociological field. In a contemporary ethnography of the Philadelphia barrio, for example, Frederick Wherry documents how the re-branding efforts of community and arts activists have reversed the depressed area's slide into economic oblivion. Wherry (2011) challenges 'cynical' scholarship that claims 'no good could come from capitalism' and that 'attempts to use the arts and tourism to promote economic development could only result in the exploitation of the neighborhood, sowing the seeds of the community's destruction'. From such an economistic perspective, 'to brand the neighborhood is to commodify it', which means 'money becomes king'. Protesting that 'people's lives are drenched with meanings', Wherry observes 'meanings are not simply switched off when people interact in commercial markets'. For Philadelphia's Hispanic artists and activists, the barrio's 'transformation means revival and redemption – the return of life, the cleansing and nurturance of an anemic spirit'. Wherry demonstrates how branding infuses meaning into economic life.

Rene Almeling (2011) finds a similar process of value infusion in the rapidly expanding business of fertility, which markets donated eggs and sperm. While healthy eggs from hygienically attractive young women fetch large sums of money, sperm donations from men are sparsely compensated. Arguing against the natural force of supply and demand, Ameling finds that 'cultural understandings of biological sex differences' explain the difference in price: 'Egg donation is characterized as an altruistic gift, while sperm donation is framed as an easy job', one in which young men 'get paid for what they're already doing'. Deeply entrenched contrasts between sacred and profane sexuality, and the meaning of women as compared with men, determine how this giant new health industry sets fertility's price.

The Profane Culture of the Economic

The strongly cultural version of economic sociology has restored the internal environment of economic action and mounted a formidable, empirically sustained challenge to the argument that economically-relevant meanings disappeared with the emergence of modern capitalist life. The next step is to bring meaning-analysis to bear on the economy itself. We must be careful not to throw the economic baby out with the economistic bathwater. 'How does the market deal with those aspects of society', Zelizer asks, 'that are regulated by sentiment and value, not price?' (1985, p. x). The implication is that markets are meaningful to the degree they ignore efficient and mundane considerations, establishing prices by sentiment and value alone. But a strongly cultural economic sociology should not eschew the mundane, the impersonal, the calculating. Restoring a sense for the sacred borders of the economic need not obscure the equally cultural foundations of its profane heart. Market pricing and investment also can be understood in a cultural way.

Profane markets are everywhere and show no signs of ever going away. The same can be said for the dismal but mathematically elegant science that seeks to model them realistically. It has been immensely liberating for cultural sociology to pose sacred value against mundane markets, but markets are cultures too. Values are not only particular, personal, intimate, and sacred; they can be universal, impersonal, affectively neutral, and mundane. In the modern capitalist economy, men and women frequently feel they are up against impersonal forces that have determinate force. This is an omnipresent fact of real economic life. Can this bracing and sometimes frightening external environment of action itself be understood in a cultural way?

Market as Narrative and Character

The Great Depression of the 1930s was an objective crisis that destroyed the external environment of action for hundreds of millions of actors. It brought the wheels of commerce to a halt, created mass unemployment, and led to debilitating political instability that greased the wheels of war. In his *General Theory*, Maynard Keynes (1964 [1936]) tried to help the Western world think its way out of the crisis. He gave irrational action a prominent place and exposed the subjective environment of the modern capitalist economy. Keynes writes that the 'equilibrium level of employment' is 'the level at which there is no inducement to employers as a whole either to expand or to contract employment', that this 'will depend on the amount of current investment', and that 'the amount of current investment will depend on the *inducement* to invest' (p. 27, italics added). According to rational actor theory and economic science, such inducement should not be a problem, either in practice or in theory. It can be predicted by a utility function and, as Keynes puts it, measured by 'the schedule of the marginal efficiency of capital and the complex of rates of interest on loans of various maturities and risks' (pp. 27–28). This is not, however, what actually happened in the 1930s, when investment remained stagnant for years on end. Keyes came to realize that the inducement to invest cannot simply be a product of rational calculation, that it might not be a utility function, and that it probably cannot be measured precisely at all. The very notion that there *is* an empirical schedule of capital's marginal efficiency is a cultural construction. The 'practical man' of business has, in fact, no clear idea 'of what the sales proceeds from a given output will be'; he has in mind only 'a bundle of vague and . . . various possibilities' (p. 24, n. 3). This bundle 'makes up his state of expectation', and it is via such expectations 'much more than through interest rates' that estimations of the marginal efficiency of capital are made (p. 24, n. 3, and p. 145).

The subjectivity of expectations explains objective economic crisis. Writing of 'the dependence of the marginal efficiency of a given stock of capital on changes in *expectations*', Keynes suggests it is 'chiefly this dependence which renders the marginal efficiency of capital subject to . . . violent fluctuations', of which the Great Depression presented a case in point (p. 143, italics added). What Keynes identifies as 'confusion' in the minds of investors has its origins in the fact that the present and the future cannot be rationally, logically, or scientifically linked (p. 141 and below, italics added). While Investors want to know the '*prospective* yield' of capital, only the current yield can be known empirically. So it is not the current rate of interest but 'the expectation of the future' that 'influences the present' (p. 145, and below, italics added). Keynes describes this future expectation as a '*theoretical* link between to-day and to-morrow;' in cultural-sociological terms, it can be described as a narrative arc between the present and the future, one that is subjectively established and emotionally believed. While 'the influence of the future' is what we must take 'direct account' of, the paradox is that it cannot be known objectively, but only in a figurative, culturally-mediated way. The 'state of long-term expectation' reflects neither rational action nor its external objective environment. It is the product of a narrative arc drawn on the economy's inside.

> The outstanding fact is the extreme precariousness of the basis of knowledge on which our estimates of prospective yield have to be made. Our knowledge of the factors which will govern the yield of an investment some years hence is usually very slight and often negligible. If we speak frankly, we have to admit that our basis of knowledge for estimating the yield ten years hence of a railway, a copper mine, a textile factory, the good will of a patent medicine, an Atlantic liner, a building in the city of London amounts to little and sometimes next to nothing . . . Philosophically speaking . . . our existing knowledge does not provide a sufficient basis for a calculated mathematical expectation. (Keynes 1964 [1936] pp. 149–150, 152)

Because 'the state of confidence, as they term it, is a matter to which practical men always pay the closest and most anxious attention', Keynes (1964) believes that any effort 'to revive the marginal efficiency of capital' is 'determined' not by objective forces but 'by the uncontrollable and disobedient psychology of the business world' (pp. 148, 317). Such economic action is 'unreasoning', but it is 'legitimate where no solid basis exists for a reasonable calculation' (Keynes 1964, p. 154).

More than any other twentieth century economist, Keynes understood the irrational as having a central role to the economic decision making of economic actors, from investors and businessmen to governments and banks. Steeped in the expressive and bohemian culture of Bloomsbury and Cambridge, Keynes understood such irrationality in terms of consciousness, in individualistic and psychological terms. After the cultural turn, we can understand irrationality more textually, as a matter not of consciousness but language. Needing to know but not being able to know the future – this conundrum is solved by the construction of narrative, a cultural story that has a beginning and an end, with the present tucked in the middle.[7] The future can only be known via narrative.

Knowledge and confidence about the future – so rationally impossible but so culturally necessary – remains central to our contemporary economic life and times. Seventy five years after Keynes wrote his *General Theory*, in the midst not of the Great Depression but the Great Recession, US Federal Reserve chairman Benjamin Bernanke offered testimony to the Joint Economic Committee of the US Congress about financial markets and investment opportunities. Although Bernanke agrees that 'sizeable deficits are unavoidable in the near term', he argues that maintaining the future confidence of 'financial markets requires that policy makers move decisively to set the federal budget on a trajectory toward sustainable fiscal balance'.[8] At some point, Bernanke explains, 'the markets will make a judgment', not about 'our economic capacity but our political ability, our political will, to achieve longer-term sustainability'. Right now, 'the markets are essentially signaling a lot of confidence that our political system will deliver a sustainable trajectory of fiscal policy'. But 'if we don't do it', he warns, 'or we give a strong indication that we're not going to be able to do it, then it would not be something that we have to worry about in 2040' but 'something we have to worry about' right now. Business investment will be withheld, interest rates will rise to create more objective inducement, and the economy will become an (even more) precarious place.

Bernanke speaks here about the market as an audience. On the one hand, the market is an impersonal force that can ruin individuals, destroy companies, and bring nations to their knees. On the other hand, market response reflects a judgment about the moral qualities of those economic actors who wish to act in its name. Estimations of economic capacity depend on the perception of certain virtues, on the display of decisiveness and of the political will to impose self-discipline, performances that will be accepted as promises of future restraint. If the market-audience believes economic performers possess such qualities, it will be confident that currently high deficits can eventually be reduced. The market will then publicly signal potential investors, whether private capitalists or states.[9] If markets symbolize in this way, investors will have the confidence to place the capital they are currently hording back into stocks and bonds. If character is judged worthy and signals are sent, then material investments will be made.

The known present and the opaque future can become connected by the proper narrative arc, a 'sustainable trajectory of fiscal policy' that allows interests rates to remain low for a sustained long time. Only with such a narrative in place can a new external environment for economic action be built. Productive calculations of advantage can then be made in healthy markets by masses of future actors with virtuous characters but without names.

Economic actors, whether institutions, markets, states, or individuals, engage in performances that project meanings. Because their decisions about investment depend upon confidence in a bright future, they need an optimistic narrative that structures the moment-to-moment interpretations of the meaning of economic life. It is via interest rates that such narratively structured expectations take a direct and concrete economic form. Interest rates determine investment, but they are themselves a sign and not only a determinant. Interest is a metaphor for confidence in the prudence of economic actors large and small. It translates expectations about economic futures into cultural idioms about confidence or pessimism, and these become transmogrified into monetary calculus and material loss and gain.

It is such stories about prudence and character, as much as any scientific disagreement, that typically have divided political left from political right. Neo-classical theory tells conservatives that downturns are ended by market measures, that higher unemployment will eventually drive down wages and make investment more profitable. On such supposedly purely economic grounds, conservative politicians and economists oppose extensive unemployment insurance, minimum wages, and government intervention that aims to 'artificially' restore business confidence and to rescue 'bad' investors. Such conservative reasoning is, however, more than simply economic; it is as cultural as scientific. Conservatives speak of government intervention as creating 'moral hazard'. Viewing economic action and policy as a conflict between moral constraint and hedonism, they are inclined to see economic contraction as a punishment for individual and governmental excess. When nations are brought to their economic knees – think Iceland, Greece, and Ireland – this is a moral judgment upon their hedonism and irresponsibility. 'We need to save, not spend', conservative pundits warn. 'Governments can't spend their way out of a recession!', right wing economists proclaim.

After American voters dealt a shellacking to liberal Democrats in the November 2010 congressional elections, conservative columnist David Brooks headlined his *New York Times* column 'Sin and taxes'. Scoffing that 'liberal Democrats show no sign of accepting significant spending cuts to the programs they regard as their movement's greatest achievements', Brooks links this putatively disastrous economic policy to a broad narrative of cultural decline, declaring that 'the US, more than any other country, is immobilized by a *shift in ethos* of its leadership class' (Brooks 2010, italics added, and below). For centuries, American were 'constrained by a mentality inherited from the founders'. Because leaders believed themselves to be 'flawed and fallen creatures', governments 'did not run up huge peacetime debts'. Because we sinners 'can't quite trust ourselves', we must practice 'self-restraint'. The current economic crisis has befallen us, Brooks would have Americans believe, because this traditional 'ethos has dissolved'. There is a 'new mentality' aimed at achieving 'people's happiness' in a manner that is 'free from moral anxiety'. Such moral hedonism leads to the economic policies of spend, spend, spend.

The left's response to such conservative 'economic' reasoning has often failed to persuade. One reason is that its own economic views are presented as a rational and scientific antidote to the right's anxious moral concern about the meanings of social life. Three weeks before 'Sin and taxes', the liberal, Nobel prize winning economist Paul Krugman entitled his own *Times* column 'Mugged by the moralizers' (2010). He links the Democrats' imminent defeat to conservative devotion to 'sentiment that resonates' rather than to facts that make sense. 'If you point out that their arguments don't add up', Krugman suggests, 'they fly into a rage'. You can't 'try to explain' anything to conservatives because 'they don't know' the real laws of economic life. Three months later, faced with the conservative triumph and the still stagnant economy, Krugman continues to evoke scientific rationality. 'How can we expect voters to appreciate fiscal reality when politicians consistently misrepresent that reality?' he asks, and concludes that 'in a better world, politicians would talk to voters as if they were adults' (Krugman 2011).

Such well-intended efforts to root egalitarian social policy in scientific rationality – as if economics has discovered natural laws like gravity and moral wishes have nothing to do economic facts – is as misleading as it is ineffective. Voters are adults, and it is not only natural but edifying to be concerned about how economics relates to moral things. Economics is not a science. In its two centuries of intellectual history, neither the general theories of left and right nor their predictive models have ever been falsified. For economists, the world is flat and round at the same time. There have always been diametrically opposed positions, and there have always been 'data', lengthy descriptive statistics and reams upon reams of multivariate equations facing each other on each and every fiercely antagonistic side. There is no more consensus among economic historians about why the US came out of the Great Depression of the 1930s than there is about proper economic policy today. Either government spending got us out, or FDR's policies significantly impeded, if not completely blocked, the 'natural' forces of recovery. Go fish.

Neither economics as a discipline nor economics as a social practice can escape from moral argument about the cultural values that should govern self and social life. Prudence and caution are universal values, and hedonism, while powerfully attractive and often aesthetically pleasing, is widely considered dangerous, with nihilism lurking just behind (Miller 1998). The left must not get on the wrong side of this age-old argument. Keynes (1963) knew this. Spending borrowed money would allow governments not only to restore economic confidence, he admonished, but to save culture. He explained it is necessary to stimulate materialism for civilization to be saved.

NOTES

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2. For a cultural model of institutions that is closely related to the approach taken here, see the recent work of Roger Friedland (2011)
3. See Akerlof and Kranton (2010, pp. 32, 33) and below. Culture does become an independent variable in the new proposal that Akerloff and Kranton make for a post-behavioral 'identity economics', but they model culture in terms of clear-cut norms and psychological internalization rather than in terms of more meaning-sensitive concepts from the humanities. Their model strangely echoes the Parsonian approach to culture that came under withering, and largely justified, attack from such pioneers of strong program cultural sociology as Clifford Geertz a generation ago.
4. For unconscious strategy see Pierre Bourdieu (1977); for cultural capital see especially Bourdieu (1984). For an extended critique of such concepts from the perspective of cultural sociology, see Alexander (1996).
5. See Granovetter (1985), and for an example of a morally-based, critical sociology of markets from Polanyi's perspective, see Margaret M. Somers (2008).
6. This characterization of Fligstein's model as 'structured, institutionalized exchange' is from Lyn Spillman (2011). Paradigmatic statements in the new economic sociology were first brought together in the influential *Handbook of Economic Sociology*, edited by Neil Smelser and Richard Swedberg. Spillman criticizes the second edition of this volume (2005) for its 'relatively peripheral recognition' of culture, noting 'economic sociology's bias towards the social organization of production, distribution, and finance in industries, organizations and networks'.
7. For a classic statement, see White (1980).

8. Chan (2010). The first phrase is Chan's, the second is a quote from Bernanke, as is all that follows.

9. When Michael Spence (1973) conceptualized 'signaling' as a way parties in an economic exchange can communicatively overcome the objective problem of asymmetric information, he drew from the symbolic interactionism theory of Erving Goffman, who developed a more micro approach to the cultural dimension of social life than the more neo-Durkheimian, strong program.

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