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Interview

Frederick Wherry interviewed by Zsuzsanna Vargha

Frederick Wherry is Professor of Sociology and Co-Director of the Center for Cultural Sociology at Yale University. He is the author of Global Markets and Local Crafts, The Philadelphia Barrio, and The Culture of Markets. He is co-editor (with Nina Bandelj) of The Cultural Wealth of Nations, and general editor of the four-volume Sage Encyclopedia of Economics and Society. He has served (or is serving) on the editorial boards of the American Sociological Review, American Journal of Sociology, Sociological Theory, and The American Journal of Cultural Sociology. He is currently studying how immigrant and minority households become more equitably integrated into the financial system. Frederick Wherry has been serving as Chair of the Consumers and Consumption Section of the American Sociological Association. Prior to publication of this issue of Economic Sociology, we learned that he has been named Chair-Elect of the Economic Sociology Section of the American Sociological Association. Frederick.wherry@yale.edu

1 You started out by studying handicrafts in Costa Rica and Thailand, one outcome of which was your book Global Markets and Local Crafts (2008). How did you become interested in that topic, and how did the work you carried out shape your view of markets as objects of sociological study?

You think you are doing one thing and you end up doing something else. I thought I was going to do a project on social capital and community development – that is what I thought I was going to do. When I got to the field, some of the communities that seemed the most interesting to me were these artisanal communities, and so I moved from more of a community development, more generic topic of economic development at community level, to these objects that were being placed in different kinds of markets, but there was something more to these objects. So, when I was looking at the community level it was much more about the organization of production, there was a social capital story of how is it with some clusters: people within a community can just do more by virtue of their social ties and social arrangements. Here we have these objects that were actually being moved by intermediaries (and sometimes direct buyers) into different kinds of markets.

So I shifted my orientation from one that was emphasizing the dynamics of production as a sociological process and then putting these objects, intermediaries and other buyers into the mix and asking, how is the value of these objects generated, maintained and externally recognized? When I was doing this, and because I was in two different countries – being in different countries really helps – because some of the things that were being taken for granted in Thailand with regards to how outsiders could recognize claims about authenticity, about history and tradition, and about these artisans being well matched to the kinds of products they were making, those were claims that the artisans in Costa Rica could not take for granted. Because there was a different national narrative about what it means to be Costa Rican. So then I started thinking about how is it that by virtue of where you produce, where you’re trying to make a claim about the value of that work you cannot make any claim you like, and those claims are tied up with these national narratives of value. Those early experiences and findings shape how I approach markets now.

2 You saw the connection between the different actors, the objects they were producing and different notions of the nation, what it means to be authentic and what is economic value. These connections were different in the different countries.

Yes, because there is a different notion of what different people are good at doing, that buyers carry into the site. When you are in places like Costa Rica and people say “Indigenous art”? What is that for Costa Rica? Versus if you are in Guatemala you say “Indigenous art? People kind of get it.” You are in Costa Rica and you say it, and people are confused, towards the are external buyers. It was one of those things where the differences were so stark that it almost did not matter what the historical records said. What mattered was that each of these nations had put in a lot of effort in shaping the kind of message they wanted to put out about what kind of nation it is, what the people in that kind of place are going to be good at doing. For some types of thing people are: “Oh, but, you know, it’s just in their blood. That’s what they do.” But you are travelling to
France and you get a glass of wine and you say "Of course the wine’s good; it’s France. It’s just what they do." There are categories of products for which people just say "Oh, but of course it is going to be good if it is coming from there." I remember having this conversation with Nina Bandelj because she, with her work on Foreign Direct Investment – there you had national identity, being selective of opportunities in the market – and so, as I was reading that while I was writing my first book, and realized that we are talking about very similar things, but in what looked like very different spaces. So there she is with Foreign Direct Investment and here I am with artisanal product, and we were in Durban together for the ISA [International Sociological Association] meeting, and we said, “Let’s team up.” We ended up having all these informal conversations that then gave birth to idea of the edited volume, The Cultural Wealth of Nations. We wanted to do this together because there is something about the meanings of place that seemed to be shaping how people are finding good partners for particular kinds of things. In Nina Bandelj’s there were some countries that particularly thought that if you have an Italian company, they would be fine for design; they’re not so great for banking. They would prefer the Germans... These are gut reactions that had very little to do with any evidence that’s been considered before and after. People can take a lot for granted when they are thinking about what their next moves are and who is a good match for what they are...

3 These taken-for-granted typologies strongly shape economic actors’ decisions of who they are going to be partnering with. Is there a notion of “trust” that you prefer, or that is important in your work?

I don’t do much with trust. I did do some work with enforceable trust. So, thinking about third-party enforcement of whatever local understandings are about how things are supposed to go. And there was a sense that the reason that you could trust with that contract is that everyone is so closely tied to one another that you risk being ostracized. There are all sorts of ways that you can be punished outside of the contract by people who mean something to you. That was certainly what I was working with in artisanal communities and that would come up quite a bit. They all know each other.

4 You do not really need the concept of trust because you have the concept of the social network?

Yes. So either you can work with the concept of network or you can think about what Zelizer called a "circuit," where people are tied together, they have a shared accounting system, so they have a specialized language for what counts and why it counts, and a shared set of practices around how you are going to keep track of your resources. That is all being influenced by the types of social ties you have with other people. Zelizer circuits and her meaningful view of markets have been a big influence on my work.

5 That brings me to the question, what has been Viviana Zelizer’s influence on your work, and to what other theorists have you found it useful to relate? Weber and Bourdieu come to mind.

I had the distinct advantage of having this really great pairing of influences between Zelizer and Alejandro Portes. Some might say, isn’t that a very different pairing? They are kind of different, but one of the things they share is a very strong Durkheimian strand that connects them. When I think of Durkheim, I think of meaningful rituals, I think of how solidarity works. Portes says it is the “value introjection” that is a source of social capital, but when it comes to Zelizer, I am thinking about things that are still held sacred and how the sacred manifests itself in modern economies and exchange systems. So I have this very strange relationship with Durkheim by way of Zelizer and by way of Portes. Although, in some of the Portes, there is of course a lot of Weber and Marx, etcetera. I do not do nearly as much with Bourdieu. In part it is because, while I find the notion of many different types of capitals useful, for me, as an ethnographer, the capital notion flattens the meaningful activities of economic life too much. […] You get all these capital accumulations of different sorts, and these are accumulations that are qualitatively different sometimes. They may not look like it at first glance. Although field theory has really helped shape quite a lot of work, it is not something I do.

6 How would you sum up your sociology of markets, which you have set out in your recent book The Culture of Markets (2012), and in your numerous other papers and books?

We could learn a thing or two from our friends in Economics. They clearly see the economy as a dynamic between supply and demand. We’ve paid too little attention to demand, and we’ve not paid as much attention as we should to what is uniquely sociological about our studies of
markets. Why are we not examining the demography of branded commodities (e.g., Glenn Carroll), and why don’t we have more comparative studies of work conducted by advertisers and public relations firms? I wrote that book as a preliminary statement on how to advance that agenda. I was also explicit in bringing in questions of inequality. We’re good at it, you know. We ask, how are job candidates evaluated (and how do narratives about race and gender become encoded in those evaluations, when they do)? How are business partners selected and what makes some types of people appear to be good at doing certain kinds of things?

7 In your recent theoretical work (e.g. Theory and Society 2014), you introduce methods for cultural analyses of the economy, such as the “breached sequence analysis.” Could you explain what this is, and how these ways of looking at action help us avoid what you have called overculturalized and underculturalized analysis?

I have been influenced by how powerful and influential culture is for economic behavior. That is what led me to play with the idea of “breached sequence analysis.” In the Theory and Society piece, the notion is that there are these typical sequences, whereby we organize the transaction, things that you could just take for granted. But if there are other ways to organize it, that may be as efficient or more efficient, but seem to somehow violate what the normative understanding is about that type of transaction. Is it consequential for the outcome? Could we imagine bringing back the old-style ethnomethodologists? You can imagine asking how much sequence matters, and are there things that we can do at different stages of a process experimentally, and just to see whether there is a different response in terms of evaluation of quality, evaluation of a range of price that is reasonable for that transaction. Especially if, when we are paying attention to whether or not the reaction is just based on “This is new, I’m surprised, I don’t know how to react,” or is this something we can learn from, in the sense that there may be other ways to organize transactions themselves that may give us outcomes that we care about? There are people that talk about the need for more inclusive economies and concerns about inequality are widespread, at least in the public discourse. What we are not talking about at the same time is that people are engaged in a lot of different transactions, some of them are leading them into making decisions that may not be healthiest for them in terms of widening inequality. Are there ways of thinking about experimenting with these transactions so that we can see at what point might people make different decisions? But those are experimental questions that might be fun to ask.

8 With the idea that, depending on what it is that you change in that sequence, in the way that transactions are set up, the situation may just break down because it was a breach. But you will not know what triggers a breach until you experiment with it.

Yes. This is the kind of thing that is really relevant for your work [referring to Vargha’s research on financial interactions] because you are dealing directly with these customer transactions. When I saw your presentation [on assessing consumer risk preference], I thought “how much fun it would be if they thought that jiggling just this one moment in the interaction might have consequences for propensity to shuffle something over into savings or something else?” But it is about where you intervene in the sequence that may feel as if it is a natural kind of, “Let me pause and think about this other thing,” or it may just be an inconvenience. Or something that just wrecks the whole thing. So, part of it is trying to ask, “What would happen if we became more experimental with things that we typically take for granted, like these standard transactions and financial institutions, etc.?”

9 The social studies of finance and economic sociology which pays attention to the infrastructure and the social-technical side, these approaches help us even more to think of transacting as a kind of sequence that has different parts and can be tinkered with.

But the nice thing about the sequence, too, is that it would, as I discuss it, make some of the useful work happening in the social studies of finance, it would bring some cultural analysis into it. The sequence itself may have a name, but there are some typical ways that people talk about these different stages, and some reactions that people have that are immediate, there is an emotional tenor to the reaction. It also means something, and we actually care about what it means as well as about what the outcomes are.

So I think this is a great moment for economic sociologists to say: “we actually have so much more to say than what gets said about what’s going at banks and about what’s beginning to happen with these online financial platforms.” There is a lot of action out there and we should be more assertive in that space, along with our colleagues in Consumers and Consumption.
Would you like to say a few words about the overculturalized and underculturalized analysis?

It is basically a re-statement of Zelizer, and of Granovetter. So the Granovetter: he brings up Wrong's oversocialized and undersocialized views of human action and the marketplace, and getting away from values driving everything to the individual idiosyncratic actor, just on his or her own, and then you had Zelizer, a wonderful, useful essay about markets being completely submerged in culture in a way that was not necessarily productive for advancing a sociological analysis of a market, and so trying to steer a course between some of these larger meaning structures and the creative dynamic interaction interplay. And so one of the warnings, of course, that I would issue on underculturalized views of markets is that sometimes people say: "Oh, well, some of the market that you study, clearly there's culture going on because they're artisans," or "clearly there's going to be meaning going on because it is household finance."

So they are telling you that you are seeing cultural things because of your object of study?

Yes. It is by virtue of the object of study and therefore there are other objects of study in which, culture just isn't there. It is an underculturalized view and it is one that takes for granted why the instruments and objects that are being used in those markets are being seen as legitimate and why people seem to have agreement around how they are going to use those instruments and objects. And that is taking us into the realm of meaning that is intersubjective and that has force in shaping the course of action. Of course, once there is enough agreement, it all seems as if there isn't this consensus holding everything together, and if there is a consensus, they would say it is only because something was technologically superior and therefore it won the day. There is always a way to get meaning out of the way. And when we do that, it gets in our way, because it takes something off the table, from analysis, and it prevents us from asking whether or not a set of market processes or outcomes could be thought of in a radically different way. So we get in our own way and, if you think about where innovation comes from, innovation comes from looking at something and saying: "Everyone has said that there is no meaning here" and I say that there is something that you didn't know, that you didn't want to call meaning; I call it meaning and now I make a little tweak to it and now we call it innovation. I mean, essentially I'm going to recombine it with something and people are going to see it. And so we get in the way of sort of better understanding how innovation might emerge, especially for objects that seem as if they are settled objects [reference to Ann Swidler – ed]. This is one of the reasons why I am pushing against this underculturalized view, because, otherwise, we are settling things that are not settled. We are just taking them, we are just removing them from the possibility of doing useful analyses, making useful interventions about how might this thing be changed.

Indeed, you have been very vocal about pushing back against the kind of arguments that culture is just overlay, or specific to certain markets, or that is not really what moves markets. For example, your work on the social characterizations of price [Sociological Theory 2008] approaches price from the viewpoint of consumer moralities.

This is related to another question, the role of consumption in markets and in economic sociology. Currently you are the Chair of the Consumers and Consumption Section of the American Sociological Association [after the interview we learned of Frederick Wherry's election to next Chair of the Economic Sociology section]. Your own work typically spans the sociology of consumption and economic sociology, whether you are looking at handicrafts or lending communities. Arguably, consumption has been rather outside the purview of economic sociology, and it has often been treated as secondary to production and organizations, and derivative of these or even of markets. How do you think about these connections or non-connections between consumption studies and economic sociology?

That is something I actually love to talk about, just be warned! One of things we forget is that when Zelizer was elected as first chair of the ASA Economic Sociology Section, there was a piece that she wrote in the Newsletter in which she noted that these studies of consumption, production, and distribution were at the core of economic sociology. One of the things that she did there was that she called explicitly for consumption as one of those core arenas. It is a very Polanyian move.

One of the things you see on the consumption side, is that there is always a core group of Bourdieu-type work that is pretty helpful. There is also a core group of work on the meanings of objects and a much more neo-Durkheimian approach. And then you've got your – I think where the consumption section and economic sociology converge most is that in any kind of sociology there was not a whole
lot of patience for critical studies of markets, and part of that was a reaction to... we were trying to make sure we were not coming across as being social commentators rather than analysts, social scientists, and so there was a real hesitation to do anything that might sniff of something that might make it into the popular press. Whereas I think in the Consumers and Consumption section, you both have some of the kind of work that you would see in economic sociology typically, which are also people who have more of an activist aspect, so you have the public sociologists, some of them not doing the kinds of work that in the core of economic sociology would be considered rigorous enough and detached enough. There seems to be a distrust of any work that looks to be too passionate on the part of the researcher. So I think what the Consumers group has done is that “We shall all co-exist.” And “we shall learn from one another.” You can imagine that you can take, depending on the kind of work you are doing, some of the concerns raised by people who are much more public and critical analysts, and you can apply a sort of a standard methodological, analytic framework to it and see what you come up with. So there are people out there, they are in the trenches, they find things. Research means to look again, so you can just go and look again, but in a different way and I think that is a healthier way to operate as a [ASA] section, because we do not need to control everything that everyone else is doing.

There is now, I think, enough, a core group of social scientists in the sector who are doing things that are recognizable to their colleagues in cognate fields in social science that we are not at a moment where we are worried about our legitimacy as a Section, as a sub-field. But if we are thinking about making the work that we do more publicly relevant, and if we are thinking about making friends with people who can help us be a little more innovative and a little bit more risk-taking in the topics that we choose, it is a good idea to have some critical sociology broken ground. At least, that’s what I think.

13 In terms of economic sociology, what did you think when you were working more and more as an economic sociologist, about the field’s de-focus on consumers?

The consumers, yes. “Who are they? And why do we care?” So there are people, Alya Guseva [current Chair of the ASA Economic Sociology Section – ed] for example, who say “There are consumers out there that use credit cards; it’s a thing!” And Akos [Rona-Tas – ed]; I mean, there are people who are talking about economic actors who are recognizable to most of us as the typical economic actor, people who do things like “I’m using a credit card.” So the hard part is that it feels as if we are in a moment where people are concerned about things like household finance, financial inclusion, and you would think that the section that would be leading, that we would just sort of be dominating this, that it would be the sociologists. So, our economist friends are good, and they are trying, and some of them in this space are really sociologically friendly. There is the “US Financial Diaries” project that Jonathan Morduch runs. He is fantastic, he has collaborated with sociologists. You would think that we would have a lot more discussions and engagements with people like Morduch and that we would be doing it on a regular basis.

Viviana Zelizer, Nina Bandelj and I were doing this volume called Money Talks and Morduch is in that volume, and we have got a number of other folks who are in that volume. It should show up in the spring 2017 catalogue at Princeton University Press, so we are really excited. It was one of those moments where we had the symposium at Yale, brought all these different folks together, some from law, some anthropology, political science... and it was just so refreshing to all be in the same room, because we were talking about things of common concern and we weren’t so far off from one another. We thought, “We actually have an opportunity here to engage usefully in this discussion of household finance and financial inclusion.”

14 You were recently part of a White House panel on financial inclusion, organized by the National Economic Council. What kinds of discussions were on the table, and where did you see your expertise as economic sociologist make a difference?

Last fall, out of the blue I get this invitation that says “The National Economic Council are hosting a roundtable on financial inclusion at the White House. Can you make it?” It was one of those moments where you’re sitting in a room and some of the statements that people make, there is a clear assumption about what motivates people and it is an assumption in which social relationships are wholly absent. Now, this is not everyone of course who spoke, but some significant people who spoke and we thought, that is not how we understand human behavior and interaction. Relationships actually count, they matter and so the useful thing is that I was in a room where, clearly, this emerged as an unsettled issue about how people make decisions, and what are some of the key policy interven-
tions that might be useful for bringing people more into a secure financial situation? When they extended the invitation to me, they had noted that they had read an op-ed I had written in The Times on payday lending, and they had looked at some other stuff, and they thought they wanted that voice at the table and... I think I made some friends there. So there were maybe two other social scientists there, but most of the other people were from industry, so people who were doing some innovative work: from the banks, or some of these new online platforms for payment systems. So I think there is an emerging vision of “Can we have a more just transaction system, whereby those who are the least advantaged are not asked to pay exorbitant amounts just for basic transactions, financial transactions?”

That was part of the discussion. Another part of the discussion has to do with how we think about family security. Are people going to be OK when they get old? When you are thinking about financial inclusion some of the things seemed obvious in terms of predatory lending and the lack of small-dollar loan opportunities at a moment in which people’s incomes are much more volatile than they have ever been. The Aspen Institute is doing this new initiative called EPIC. It stands for Expanding Prosperity Impact Collaborative. There is a real concern with increased income volatility, so the recognition there is that, for a number of months each year, you have 25% less coming in to the monthly coffers than typically comes in. So when you have these constraints, binds, what do you do? When you are thinking about a household that already is, as they say, struggling to make ends meet from month to month, or week to week, and you know that you are going to have two-point-some months in which you’ve got 25% reduction in how much is coming in that month, what are you going to do? Your expenses are volatile, so in addition to trying to keep up with your basic expenses for the month and getting everything to kind of cancel out because you are living paycheck to paycheck, some months you are going to have these lumpy expenses. What are you going to do?

So part of it is trying to think about, are there better ways to think about consumption smoothing, and how do you think about the services that are available for consumption smoothing, and what is the role of the state, under what conditions does the state get in the way of innovative service offerings? But, with all of this is, people talking about service offerings and you start digging down into... for whom? What are the assumptions about why someone is going to use your service? And what matters to consumers? And that’s where the trains start coming off the track. Because, in the policy world, there is still a core set of people who are committed to only a modified version of what an economic actor is and what motivates such an actor.

Is it now more influenced by behavioral economics, still the individual actor, but with biases?

Yes. So now they are buying into the biases part, but their thinking is more about, if there are biases, we just need to figure out how to fix people, or how to trick people not to follow their bias.

So you came in and you said...

“Actually, people don’t need to be fixed; the services need to be fixed.” So, in addition to biases, people also have moral and family commitments. There are commitments that you are going to meet because, if you have a kid, you think that when your kid graduates, if you’ve ever gone to a graduation ceremony you’ll see extended family, and people are yelling and carrying gifts, and it’s as if they’re at a ball game because this is a rite of passage: that person is moving from one stage of life to the next, and this actually means something. So a lot of times when you think that people are unnecessarily getting themselves into trouble, what they’re doing is still meeting family commitments. They have relationship ties and they have relationally marked parts of their funds — even funds they don’t yet have — to make sure they meet these kinds of commitments. So a better question is, how can we help people meet commitments that they see as obligatory without harming themselves too terribly when they do that? That’s a matter of discussion rather than saying “You just need a better educational fix,” or “you need to be nudged out of it.” There are some things you are not going to be nudged out of.

And that [contribution at the National Economic Council] was helpful, and that is when you see who your friends are, and it is remarkable how friendly people in industry are to these types of acclimations. Because when you are in industry, you do not actually care about defending a particular theoretical camp. You care about doing something which you see as resonant with what you yourself see with your client base, and you are trying to make sure that you are doing everything that you can to, on the one hand to make money, but also some of them think of themselves as also doing some social good, quite frankly,
and so I think some of the sociological explanations they hear, these seem to resonate with them.

17 That is very interesting. You would think there would be a categorical unwillingness to understand, by referring to the idea that “if you can’t afford it, don’t do it.” That would be the harsh budgetary reasoning, so it is good to hear that some people are receptive.

You have studied the question of financial inequality, especially with regard to minority and immigrant households. You have written on payday loans, financial inclusion and empowerment, and studied movements such as the Lending Circle with Anthony Alvarez and Kristen Seefeldt, in your project funded by the Russell Sage Foundation’s Behavioral Economics Program. How did you become interested in these questions, can you say a little bit more about this work, and how you approach finance?

Yes, and a lot of those things [above] are emerging out of this work I am doing with Anthony Alvarez and Kristin Seefeldt. One of the things that happened with us is that we were fortunate in that a project that we are working on is at a non-profit called the Mission Asset Fund. The founder of that non-profit and its executive director, he worked with Cordray at the Consumer Financial Protection Bureau because, when Cordray came in, they established a consumer advisory board to the CFPB and they appointed him, Jose Quinonez, as the chairperson of that consumer advisory board, so he was sitting atop this set of people who are representing credit unions and all sorts of other folks who are doing really innovative work on financial inclusion, and he is also just a good guy. What he did with this “Lending Circles” idea is that he was a Masters student at the Woodrow Wilson School [of Public and International Affairs, Princeton] and took a reading course with Alejandro Portes where he read about the informal economy and social capital. So he is reading about the informal economy and while he is out in California, he is hearing about all these people of color who do not have bank accounts, people of color who do not have credit histories, they are not seen as credit-worthy, they do not show up as paying bills on time, and he asked himself: “But, wait a minute – I grew up in this community. I know that people do take out loans and they pay them back and they pay them on time! But they do it informally.”

So then, the light went off to say people are involved in a number of credit-worthy activities that demonstrate that they are reliable, but they are just not getting any credit for it. So how do we formalize some of these informal practices so that people can do things that they feel comfortable doing and they simply get credit for it? He gave us access to staff members and for several years I would just go back and forth (before this project started) and just hang out with the staff and follow them around. As you know, that is really a joyful thing to do. Then we did this interview component and last summer we interviewed 58 of their clients. Actually, almost all interviews were done by a PhD student at Stanford, Marlene Orozco, who is really incredible. Marlene gives me confidence that our field is thriving.

We were able to talk to Mission’s clients both about their participation in the Lending Circle, and more generally about “Can you tell me about the last time that you needed to find a short-term loan? Where did you do it? Have you ever used a payday lender? Or anything like it? When was the last time? What was it like?”

Trying to go away from judgments and just trying to figure out, “Why did you go there? What was it like? What about pawn shops, what about this, what about that? Tell me about the last time your family members asked you to take out a loan for them (that happens a lot) and you said no. Tell me about the last time you almost said no, but said yes. Tell me about the last time you said yes straight away.” And trying to get a sense of when people are thinking about why they are going to take on debt, even high-cost debt: “What is it that makes it feels like it’s an obligation; that you just have to do it?”

And so we are trying to get a better understanding about what people’s priorities are, rather than what we think that their priorities ought to be. We feel really fortunate to be able to work with the Mission Asset Fund because they are trusted by their clients, and so we are at a non-profit where the organization is trusted and you are trying to get people to come in for an interview and some of the people – they had some of their clients who were undocumented – to come in and get someone who is already nervous about their papers to talk to a stranger. That requires a lot of trust with the organization for them to feel comfortable coming in and then when they sit down, ready to unload, you know, because they told us good things and bad things. You are talking to clients and they are telling you the good, the bad. We told them that there are no consequences, even if you said something negative about this organization that wanted your loyalty. They seemed to take that at face value, that, in fact, they could say what they needed to say, and what they were going to say.
might help the organization as they think about improving services, etcetera. But then they could talk about what is going on in their own lives, and talking about money can be very emotional. It is one of those moments where you really, you’ve got grown-ups who are talking about feeling that they couldn’t be the kind of parent they wanted to be. And this is all tied to their finances in the sense of: “For me to be a good mother or a good father, at least I need to be able to do these good financial things.” So that was the other thing, sort of the meaning of how they were budgeting and how they were earmarking their budgets. It was not about mathematical optimization. It was about relationships. And what it means culturally to be a good parent. So that was an inspiring set of conversations. The other fun thing, too, is that I find that after we talk about some of the findings that are coming out of this work, we are setting up soon to do a webinar, I think it is some folks with JP Morgan Chase and others who are sort of thinking about... and I’ve had some other interesting conversations with policy people, foundation people, even some of the foundations that are attached to banks and they have research arms and people, they are really grappling with these issues and they are looking for, you know: “Can someone tell us something that we are not thinking about right now?” And so they do not need an emaciated version of an economist. They don’t need that; they need someone who understands economics, so that we are not talking around each other, but they are trying to figure out what it is that this other person brings to the table that we are not really thinking about, or not able to think about systematically, given the way that we work.

So some of that, I think, has helped when they are designing services, when they are designing new instruments or interventions, this meaning stuff actually matters to them on the design side. On the delivery side they say, “Oh, yeah, meaning gets you in all sorts of trouble on delivery.” So they say, “Who do you turn to for that?” Some people who work in marketing who are basically sociologists and anthropologists who are trying to fill in that gap but... here we are.

It brings me great joy to have a SASE in which morality is back, front and center. In fact, a lot of the public debates about everything from how much students owe for college tuition, to how much someone pays in taxes, versus how much people are earning at the bottom versus the top. Even the wealth disparities – these are not discussions about whether or not having less means that you are hungry, or it is not about, “OK, students owe a lot when they leave some of these colleges, but they get jobs.” These are moral arguments; this has moved into “There are some things that are right and there are some things that are just not right.” And the public debates... and then when I talk to friends... or you think about interviews you’ve done with people who were business owners, a lot of what they talk about in their interactions is, it’s a moralized language. Even these debates about small-dollar loans and financial inclusion are in the moralized language of “Who is a deserving debtor?” Which is partly how I ended up writing that paper in Sociological Theory on the social characterizations of price.

So there is a sense that there is a deserving and an undeserving debtor. There are some people who should be able to get a short-term loan – or a long-term loan – they should be able to get it very easily, they are deserving. Sometimes that language of deserving is cloaked in a more technocratic sense of reliability. But often it is, “There are people who spend too much, they are not responsible, they lack self-control, etcetera, and they are undeserving.” It used to be “poor” – now, it is the deserving or the undeserving debtor. Because when you are participating in a financial system, often you are being extended a credit card and you’ve got a credit history. So it is about whether or not you deserve to be able to take out a short-term loan even if you are paying too much for it. So the fact that they have made this moral term and focus on the meanings of economic action and the meanings of market-based interactions, I think that bodes well for an interpretive, meaningful sociology of the marketplace.
Yes, business is less automated and if you also look at the debates that the regulators have... there are so many different offices that are regulating the one thing – you learn this the hard way – and you might have three regulatory offices lined up to say: "Poor people should be able to get loans at a reasonable rate," and you have another one that blocks it and says: "Actually, poor people just need to learn how to live on less. If you can’t afford it, you can’t afford it." Then you need to just have more control and it does not matter that these proposals are trying to get your interest rate down to 37 or so percent, it does not matter that APR is much better than 400 percent. They just do not want them to do any of it. They think: “If you can’t do it like everyone else, it’s too much.” So they are making moral arguments about the poor and their money, so this is also a good occasion for returning to Zelizer’s Social Meaning of Money book and looking at those two chapters on poor people’s money. Because that is where a lot of the moral debates happen around what types of money should be issued to poor people, what types of restrictions should be placed on it. Should they have money at all? And what is the public imagination of how they are using that money? And there’s a sense of this frivolous spending and this is like, I was very happy to see Joseph Cohen’s piece in the Journal of Consumer Culture where he said there is this myth of the consumer society and people spending on all this stuff, and when you look at the data, they are not spending it on jewelry or electronics, that is not what has been going up. What has been going up is childcare and rent, education. So if you have a relatively flat income and it has been flat for a while and the only thing that is going up is how much you have to pay for childcare, how much you need to pay for rent and whatever your education expenses are... Voila! You probably need a loan every now and then to bridge. This is not rocket science, yet there is a sense that people simply are not living within their means and this is much more about helping them to discipline themselves, so you are doing them a favor by teaching them the “value of sacrifice.”

20 When you look at minorities’ problems and immigrants, do you think this is a heightened moral site where these arguments are played out?

Yes, it is a heightened moral site and there are lots of narratives about “brown” people and the way they use money... there are lots of narratives out there and images out there for that. The other difficulty is that, given the big differences in wealth accumulation by race and the number of relatives that you will have in the black or Latino household who are not doing as well as you are – they are working, they are just not doing very well, financially – who then will need a favor, who will call upon you for assistance. And so with the safety net being shredded in the US over the years, families become safety nets for their extended kin, and that need to be the informal safety net is heightened in communities of color. Rourke O’Brien has a piece out in Social Forces that is really good on this topic. He says when you look at black and white households holding income constant – so, even when you can have the same income as your white counterpart – you have negative social capital affecting how much you have left over to put into assets and to do asset building. Because you have more family members, relatives, who are going to need short-term or longer-term loans, and when a family member is living paycheck-to-paycheck, gets an unexpected expense, they may have every intention of repaying the loan... probably not going to happen. Or even if it does happen, it comes in such small payments – this is another thing that we found that people talk about, they say “When you’re getting a bunch of small payments in, because it’s such a small payment, you’re not sure exactly where you’re going to put it.”

21 You don’t treat it as a repayment.

You don’t treat it as a repayment because it is just a little bit here or there, so it is just like a little extra spending money. So, even when you have relatives who are trying to make sure that they are meeting their obligations, the way they repay you, it does not end up going where you want it to go.

22 And that is exactly why it is so important that you are vocal in pushing back on that, in those types of large sample size statistical studies that would almost cherry-pick these individuals and compare them on variables holding others like income constant. Whereas you have different lengths of circuits beneath each one of them, which are filled with these meanings about who you care for, and how you valorize those relationships with these loans.

Yes, and so that has been great to have those conversations with Anthony and Kristin. I used to go solo on all my work when I first started and now, doing this collaborative work, it has just been such a gift because at each stage someone has some experience or some other kind of work
they have done that pushes your head in a different direction, and it forces you to do revisits to a place and a set of understandings that you thought was settled. It’s not settled. So that has been really fantastic.

Zsuzsanna Vargha: This sounds like a fruitful experience. Thank you so much for the interview.

Endnotes

1Editor of Socio-Economic Review, former Editor of Economic Sociology, the European Electronic Newsletter

References
