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economic sociology_the european electronic newsletter

Provided in Cooperation with:
Max Planck Institute for the Study of Societies (MPIfG), Cologne

Suggested Citation: Engels, Anita (2021) : Note from the editor: Climate change and contested (economic) futures, economic sociology_the european electronic newsletter, ISSN 1871-3351, Max Planck Institute for the Study of Societies (MPIfG), Cologne, Vol. 22, Iss. 2, pp. 1-3

This Version is available at:
https://hdl.handle.net/10419/232525

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economic sociology
_the european electronic newsletter

Volume 22 · Number 2 · March 2021
econsoc.mpifg.de

22.2

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Note from the editor

Climate change and contested (economic) futures

Anita Engels

This is the second of three issues of the Newsletter that will be dealing with the topic of climate change. The first issue has spurred lively comments – from surprise about the plethora of topics and perspectives that economic sociology has to offer on climate change, through a perceived need to engage more in public (economic) sociology, to the idea of creating a European network of economic sociologists working on climate change. Reaching out to invite new authors for the next issue was a great pleasure and brought me interesting new insights.

My own work in the past months has been dedicated to the first version of the Hamburg Climate Futures Outlook, which will appear sometime in the spring of 2021. For this Outlook, which is planned to appear annually, a large number of scientists from various disciplines[1] try to get to grips with the question of how plausible it is that the Paris climate goals will be achieved by 2050. What are the realistic chances that a deep decarbonization of society will have taken place by then, leading to a net-zero greenhouse gas emission state of the world? Economic processes play a decisive role in finding an answer to this bold question, and economic sociology offers a good lens to look at the transformative (or inhibitive) power of (financial) markets and the highly convertible face of capitalism at large.

I am grateful for the contributions to this Newsletter, which explore important aspects of these economic processes in an ever-

changing yet conspicuously stable society. The contributions highlight relevant perspectives on climate change, namely questions of mitigation, adaptation, and compensation. They look at central aspects such as re- and devaluation, collective sense-making of crises, risk management, insurance regimes, and the geographies of voluntary carbon markets. This Newsletter issue emphasizes the contested nature of the climate futures that we envision in the present and that will be constitutive for the climate future we will experience in the years to come. In other words, the contributions to this issue demonstrate that economic sociology is at its core about social conflicts and dynamics of contestation.

The first contribution is provided by Véra Ehrenstein (University College London) and Alice Valiergue (Maison des Sciences de l'Homme du Pacifique, MSHP; Center for the Sociology of Organizations, CSO). For this article, the two authors have drawn on many years of fieldwork and empirical data on the voluntary markets of carbon offsetting. Their text highlights how these peculiar markets link, for example, reforestation initiatives in Kenya and filtered water in India with carbon-intensive activities of private consumers or corporate actors in Europe and North America. The authors suggest that the study of these markets can contribute to a broader and more critical reflection in economic sociology on the rise of private governance and voluntary regulation through the construction of new markets embedded in public policies and moral discourse. For sure, these markets are contested, especially because proponents try to constitute them as "concerned markets" which align economic activity with some aspects of the common good, in this case climate change mitigation and local development. The authors also highlight the selective geography drawn by the development of such markets and show how actors who are constructing them look particularly for locations that are "not-just-yet-sufficiently-developed." The text provides a historic perspective on how voluntary offsetting has been constructed as a market in the context of early UN climate negotiations, developed a life of its own by being adopted as part of corporate sustainability management practices, and from there has repercussions back on the UN framework itself.

A more programmatic paper comes from a team of authors who meet regularly in the scientific network "Towards a society of valuation?" funded by the German Research Foundation (DFG). Thomas Frisch (University of Hamburg), Stefan Laser (Ruhr University Bochum), and Sandra Matthäus and Cornelia Schendzielorz (both from the Humboldt University of Berlin) discuss the general contributions that valuation studies can generate when applied to the topic of climate change. Valuation studies is an interdisciplinary field that critically reflects the plurality of valuation practices, with close links to and some overlap with economic sociology. The text uses the example of decarbonization to suggest a number of fruitful research questions on processes of de- and revaluation, e.g., in the context of climate-related risks, economic value in a decarbonized economy, and recent proposals of a "New Green Deal." The authors come to suggest three analytical perspectives within valuation studies that are of particular relevance for the study of climate change and its intersections with economic themes: investigating the processuality and performativity of valuation practices, unraveling the material embeddedness of value, and engaging with the contested nature of particular valuations.

The third contribution is by Lisa Suckert and Timur Ergen (both from the Max Planck Institute for the Study of Societies, Cologne). They use the example of the first oil crisis in 1973/74 to show how crises can be an engine of socioecological transformation if and to the extent that they develop a capacity to discursively open up the future – in this historic case, to a state-led restructuring of modern society's energy supply systems, particularly in the field of renewable energy. The authors rely on extensive archive material to reconstruct the "crisis"; however, drawing on economic sociology's emphasis on imagined futures for bringing about socioeconomic change, they focus on how perceiving a crisis involves engaging with alternative futures and contesting established expectations.

Anita Engels is Professor of Sociology at the University of Hamburg. She has worked on the topic of climate change since the mid-1990s, when she graduated from the University of Bielefeld. Initially she applied the perspectives of STS and the sociology of science to climate research, climate discourses in society, and science-policy interfaces. After finishing her doctoral thesis in 1999, she switched to the perspective of economic sociology and worked on carbon markets. She did empirical research on companies in the EU Emissions Trading Scheme and later on the emerging Chinese carbon markets. Her research covers the whole spectrum from basic research to transdisciplinary methodologies such as Real World Laboratories. Currently she conducts a long-term qualitative panel study on high-emitting companies in high-emitting countries, asking if, why, and how fast companies are entering pathways towards deep decarbonization. The study is built on a cooperation between colleagues from sociology, sustainable finance, business studies, and law. Anita Engels co-directs the Hamburg Cluster of Excellence Climate, Climatic Change, and Society (CLICCS, DFG EXC 2037) and the German-Brazilian Klimapolis Laboratory at the University of São Paulo. *anita.engels@uni-hamburg.de; Twitter: @Engels_Klima*

They highlight collective sense-making that is generated in multilayered interpretative struggles. The outcomes were numerous experiments with alternative structures of modern energy systems – the technological, institutional, and ideational linkages of many can be found also in the current contested attempts to restructure energy systems in response to climate change. These reflections on past crises and on how crises can open up the future lead the authors to draw two conclusions for the question of climate change: first, radical transformation in response to climate change depends on whether it is collectively interpreted as a "veritable" crisis; second, it is important to analyze the multilayered conflicts that emerge around the collective sense-making of the causes, consequences, and remedies of climate change.

David Levy (University of Massachusetts, Boston) and Nichole Wissman-Weber (University of San Diego) present a case study on the organization of climate adaptation in Boston which reveals the contested nature of emerging risk management regimes. Being a harbor city, Boston is a highly relevant case for adaptation to urban climate risks, as the city is recognized as fourth in the US in terms of value-at-risk, a perception which has placed adaptation policies high on the agenda of local agencies. Based on observations of meetings and interviews with a range of actors, the authors identify competing imaginaries touching on questions such as which actors and what frames are engaged in the planning and decision-making processes; what conflicts arise regarding risk management mechanisms and priorities, for example, between resilience and economic growth; and who will benefit from climate adaptation resources. The authors identify in the Boston region an emerging risk regime that they call *progressive-instrumentalist,* which has as its central promise the reconciliation of economic growth and resilience through technical analysis, consensus around scientific assessments, multi-stakeholder governance, business and financial innovation, and creative urban design. This analysis goes hand in hand with the earlier case presented by Ehrenstein and Valiergue, as it also points to the call for a more collaborative approach by business and government that mobilizes and adapts regulations, markets, and private capital.

Finally, Rebecca Elliott (London School of Economics and Political Science) turns our attention to what happens when neither mitigation nor adaptation seems possible, as is the case when dramatic losses occur and are attributed to climate change via sea level rise, floods, or wildfires. In many cases, compensation happens – *if* it happens – via disaster relief or foreign aid. Climate activists also try to push for climate litigation as a means of making energy corporations or other carbon emitters responsible for anticipated or past damages. Elliott introduces the topic of insurance as yet another way of providing compensation. She emphasizes that the issue of compensation via insurance raises questions that are typically dealt with in the context of the moral economy of climate change: What kind of losses and whose losses are compensated, but also what are the limits of compensation? How can a sense of security, an emotional connection to home and place, be compensated by monetarized values? These questions hint at perspectives typical for economic sociology such as commensuration, economization, and valuation as examples of economic practices that come into play if insurance for climate damages is offered. Similar to the authors before, she also links these topics to the question of contested boundaries between public and private, state and market, and to processes of imagining future markets or market-like technologies and arrangements that unfold performativity in the present.

Mitigation, adaptation, and compensation thus all have economic processes at their core, they require economic practices, and they all involve the construction of specific climate futures. Even if the many resulting regimes or "solutions" appear technical and a-political in the end, they go through a long process of contestation and conflict. Dealing with climate change is, above all, a political struggle rather than a technical application of neutral instruments, and it touches upon the relation between the public and the private, the role of the state, and different versions of moral economies. Economic sociology is well-equipped to make these conflicts about climate futures visible and comprehensible.

Endnote

1 The group works together in Hamburg in the Cluster of Excellence "Climate, Climatic Change, and Society (CLICCS)" (DFG EXC 2037; see https://www.cliccs.uni-hamburg.de/).