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## Article

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# It's worth the trouble. On valuation studies and climate change

Thomas Frisch, Stefan Laser, Sandra Matthäus and Cornelia Schendzielorz

## Studying climate change through the lens of valuation

**T**his article introduces the field of valuation studies and illustrates the theoretical and methodological potential it offers for analyzing climate change. Valuation studies (VS) is still an emerging, yet fertile research field that explores valuation practices and value orders as critical sites of social (trans-)formation (Lamont 2012). Valuation here can be defined as “any social practice where the value or values of something is established, assessed, negotiated, provoked, maintained, constructed and/or contested” (Doganova et al. 2014, 87). In the last decade, VS has consolidated as an interdisciplinary field of study that critically reflects the plurality of valuation practices. The field shares many features with economic sociology and brings together several researchers with such a disciplinary background. However, the status of economic valuation practices – in particular its relation to competing value orders, economies of worth and practices as, for example, civic order of worth and practices (Boltanski and Thévenot 2006) – is a controversial point of discussion in the field.

Investigating valuation practices helps to attune to the economic processes that are at the core of the climate crisis, and to exploit one particular avenue economic sociology has to offer to unpack climate change (Engels 2020), namely to define valuation practices as the object of the study. The strength of the valuation perspective becomes apparent when examining, for example, the enduring persistence of a fossil fuel-based economy, which – besides other factors such as transportation, agriculture, and food (espe-

cially meat), waste – remains the main source of global greenhouse gas emissions. In this respect, our goal is not to present a ready-made theoretical framework or agenda but to identify pathways for studying climate change through the lens of valuation. Therefore, we begin by turning to the example of decarbonization. From a valuation perspective, decarbonization can be framed as a complex and powerful process of de- and revaluation that triggers a series of questions such as: How are climate-related risks measured, objectified, and translated into economic value? How do corporations, investors, regulative bodies, or civil society engage in processes of assessing and communicating the value of a decarbonized economy? Which value judgments are inscribed and negotiated in recent proposals of a “New Green Deal”? Drawing on that discussion, we summarize the valuation perspective by working out three focal points and illustrate their benefits for climate change research.

## Setting the scene: Decarbonization as a process of de-, re- and evaluation

The (deep) decarbonization of the economy is one of the most prominent answers to the call for mitigating the devastating effects of temperature increase, sea-level rise, or extreme weather events. In its very essence, it requires nothing less than a radical transformation of the energy system away from coal, oil, and natural gas towards other sources. History reminds us that energy transitions occur over an extended period of time and at different speeds according to the sector or specific regions. Generally, it is not a matter of a few decades, but spans over more than a century (Fouquet 2010). Decarbonization, in contrast, needs to be faster and addressed globally. Particularly since the Paris Agreement in 2015 and the Sustainable Development Goals (SDGs), it has grown into a powerful political project.

Take, for example, the European Union and its programmatic statement, as published in the recent communication from the Commission on the Green New Deal: “The production and use of energy across economic sectors account for more than 75% of the EU’s greenhouse gas emissions,” the Commission argues. From this follows: “A power sector must be developed that is based largely on renewable sources, complemented by the rapid phasing out of coal and decarbonizing gas.” (European Commission 2019, 6) The European Commission emphasizes two important things here: fossil fuels are made responsible for global warming and they need to be replaced by renewable energy sources. This quote illustrates how the

valuation of one thing (renewable energy sources) is directly related to the devaluation of another (fossil fuels). Often, there are implicit valuations apparent, as in this context: the devaluation of another alternative, namely consuming or trying to consume (radically) less energy.

Despite the clarity of this programmatic statement, its translation into concrete policies and practical matters is confronted by a set of obstacles. For the sake of brevity, we will only point to three. First, there are different assumptions of what should be classified as a “renewable source,” for instance if nuclear power is regarded as one. When procedures are put in place to assess which energy sources are worth considering, thus pushing the classifications “alternative” vs “regenerative,” they implicitly carry evaluations and re-evaluations of energy sources. Second, despite a relatively long history of climate policy directed at decarbonization, fossil fuels remain at the heart of energy matters. This carbon lock-in (Unruh 2000) can be explained to a large extent by the long and cost-intensive innovation cycle of most carbon-intensive industries but also by fossil fuels’ role for stabilizing production systems (e.g., food, agriculture, as well as whole ways of living and consumption and cognitive models). Although fossil fuels have been devalored in decarbonization discourse, they are still in use and thereby remain an economically and financially exploitable value. Third, a major obstacle to a global solution is presented by the fact that the share of greenhouse gas emissions is distributed unequally between countries and within different segments of the population. Under these conditions, the effect of carbon inequality and the need for climate justice take high priority. The terms of this justice, of course, are deeply intertwined with social-economic as well as ethico-political values and their justification in globally heterogeneous orders of worth.

With these obstacles for political implementation in mind, it is striking but not surprising that many of the “mitigation” or climate policies have failed in

reducing emissions as required by the calculations of climate scenarios, such as the ones published by the Intergovernmental Panel on Climate Change (IPCC). In the context of this inertia, it is interesting to consider a development that Chiapello (2020) called the financialization of climate policy in the last edition of this Newsletter. In her analysis of an increasing importance of financial markets for climate policy issues, she understands green finance as the most recent configuration of a progressive privatization of global environmental policy that is full of limitations and far from being a universal remedy. Indeed, the delegation of responsibility for climate actions from political insti-

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tutions to the private sector poses some delicate questions, including whether it is a good idea to put the search for solutions into the hands of those who played a large part in causing the current climate crisis.

Regardless of how these questions are answered, it is essential to take a closer look at the role of financial markets and global corporations, i.e., it is worthwhile investigating how they take action and might or might not transform their business models (Wade and Rekker 2020). The last two decades saw an exponential growth of instruments, such as reporting standards for

climate-related activities<sup>1</sup>, initiatives and coalitions among businesses<sup>2</sup>, and events with diverse stakeholders that all feed into the debate on a (deep) decarbonization of the economy. As a result, we are confronted with a highly dynamic field, a proliferation of diversified actors with distinct interests and manifold interrelations between them. Getting back to understanding the call for a decarbonized economy as a process of de-, re- and evaluation, we argue that a valuation perspective is well-suited for investigating how different approaches and understandings of value interact under these complex and uncertain conditions (see also Engels and Wang 2018).

## How can valuation studies contribute to climate change research?

The lowest common denominator in the heterogeneous field of VS could be described as an awareness that the creation and attribution of value(s) is much more complex than their linguistic denomination, numerical numbering, or designation by means of key figures suggests. The following three analytical perspectives from VS could be of particular value to studying matters of climate change and their intersection with economic themes: investigating the processuality and performativity of valuation practices, unravelling the material embeddedness of value, and engaging with the contested nature of particular valuations.

First, scholars in the field suggest working out *the processuality and performativity of value determination processes*. Valuation practices provide an order for decision-making processes and establish hierarchies. At the centre of such research endeavours are hands-on valuation devices, that is, rankings, ratings, and prizes. Some scholars, such as Stark (2020), point to the fundamentally different logics behind these devices, which inform their specific performativity, i.e., their effects as a form of social action. *Rankings* then are the outcome of comparisons, where entities are displayed in a clear hierarchy based on predefined characteristics. Comparisons work in two ways: they aim at producing similarities based on decisions about which entities are compared with each other and then produce evaluative differences among those entities (Sauder and Espeland 2009). Consumers, for example, can compare energy suppliers – or better those having been categorized as such – based on their prices and sustainability commitment, while the new metering devices serve as powerful intermediaries that aim to rank the consumer's very own behaviour in real-time (Kragh-Furbo and Walker 2018). *Ratings* are the com-

parative practices at the heart of ranking lists, but they can also be mobilized as devices on their own, minus putting singularized entities into hierarchies. They, like rankings, tend to be assessments, based on previously made categorizations. For instance, the financial performance of a public company can be rated to facilitate the decision-making of investors. In this context, a growing interest in non-financial performance indicators – such as Environmental, Social and Governance criteria (ESG) or climate-related disclosure practices – presents a perfect empirical example for studying how non-economic values (such as biodiversity or the reduction of emissions) are translated into economic logics. *Prizes*, finally, are particular types of rankings, where the “winner” of a comparative endeavour gets all the attention and praise. VS has provided various studies on the cultural significance of prizes (e.g., regarding movies Helgesson and Muniesa 2013), but this is also of importance for climate change measures, especially considering winner-take-all markets and the assessments of experts that influence such markets (Lamont 2012). Actors work on and with valuation devices to stabilize social order. VS suggests scrutinizing both the designers and users of these devices. The methodologies thus explored can help to reveal the procedure of assessments and thereby enable to seize explicitly and implicitly inscribed values and interests, and to address possible ambivalences, discrepancies or even antagonisms.

Second, climate change is a very *material matter* (e.g., Latour and Weibel 2020; Knox 2020), which can be approached through VS by *unpacking values that are embedded in natural, technological as well as socio-cultural environments* (Moore and Patel 2018; Geden 2016). The approach urges scholars to consider materiality and nature as environmental conditions or, in fact, as co-producers together with human action, sociality, and its symbolic meaning. This is an endeavour to challenge and critically reflect dichotomous fronts and asymmetries between subject/object, nature/culture, and the like. We see this as a constructive perspective to grasp an interdisciplinary, multi-sited, and highly complex phenomenon such as climate science. Various subtle and not-so-subtle valuation practices shape the making, consideration, and so-called application of climate research. “Carbon capture and storage (CCS)” – i.e., efforts to transport carbon dioxide to storage sites in deep underground reservoirs instead of the atmosphere – is one compelling example that emphasizes this issue. CCS is controversial but also charged with hope, for example, when positioned for the reappraisal of entire landscapes. Consider the Ruhr district in North Rhine-Westphalia, Germany, a former hub of hard coal mining. It used to fuel the industrialization of a vast economy. After “phasing out” the

coal industry and shutting down the last mine in 2018, scientists, planners, and investors have been screening the old underground facilities from the vantage point of carbon-capturing and similar strategies in order to redirect or rethink emissions from industrial activities. However, the discussion is complicated by the “storage” and “capturing” of old groundwater, which is seen as a constant danger and overshadows “progressive” storage technologies. Some tunnels, deep in the earth, are nonetheless already used as thermal energy sources to supply offices and homes with heat (see [www.gw-ruhr.rub.de](http://www.gw-ruhr.rub.de)). The underground infrastructures have to be shielded to ensure proper functioning, while other-than-human interferences are taken into consideration via experiments and models. In other words, it turns out that different production systems and their temporalities are intertwined in a complex way, meeting underground. Hundreds of millions of years old subterranean mountains of the carbon age are, once again, being treated with sophisticated measures, involving the mobilization of various actors, very particular forms of knowledges, and with consequences that are difficult to comprehend. The example of the Ruhr district here points to a large, yet still sparsely researched topic: wasting practices as essential parts of economic actions, infrastructures and systems. Put differently, the entanglements between waste and value offer fruitful sites for creative and critical investigations (Greeson et al. 2020). VS provides tools to examine such processes in detail, but empirical studies also help develop the field's perspective.

Third, *valuation is open to contestation, subject to negotiation and fundamental for legitimizing decisions*, all of which can be put to the test. For instance, from a VS perspective attempts to mitigate climate change such as emission trading can be understood as a “social process” (Abbott 2016) of assessment, in which a value is assigned to the assessed object, namely the emission unit. Social processes are negotiation processes in which different representatives face each other in their respective roles with their specific interests. In general, the interests, goals, and concerns of the various participants are in conflict, when for example delegates of nation-states, lobbyists of affected companies, and administrations that organize and align these negotiation processes come together. It should not be forgotten that these actors also have their own conceptions of how these processes can be successfully coordinated and moderated. As these kinds of assessments

are often deeply embedded in specific socio-material contexts, a critical investigation from a VS perspective may allow analyzing which values are promoted, contested, and legitimized, which ones interfere with each other, and how these values are negotiated and weighed against each other in the light of an upcoming decision. These insights may help to reflect on the design and reorganization of climate-relevant assessment procedures, such as adaptation expenditures in different countries and settings (cf. [climaps.eu](http://climaps.eu) 2018; see also Wissman-Weber and Levy in this Newsletter). Here, VS can directly connect with discussions from French pragmatism and convention theory, since there are plenty of thematic and personal overlaps. In *On Critique*, Boltanski (2011) proposed looking at critique in two ways: One, social scientists should analyze and take seriously the actors and their own critical capacities. Learning from their entanglements is presented as an invaluable source for critical reflection, which in a second step can be used to enlarge upon broader normative questions. This two-fold approach may help to inquire about the performance of valuation devices as well as about its legitimacy more broadly. In this regard, a sound procedurality to which the participants comply, implying the circumspective involvement of heterogeneous actors, can serve as a powerful means to produce and provide legitimation for decisions reached. However, such an analysis can also contribute to a fundamental redesign or rebuttal of proposed reforms, of which there are many in climate change politics.

## It's worth the trouble

Valuation Studies offers a promising heuristic for the social sciences to engage in climate change transformation, perhaps even to become involved in the further course of the transformation itself. We have introduced three entry points for future research: investigating the processuality and performativity of valuation practices, unravelling the material embeddedness of value, and engaging with the contested nature of particular valuations. At the same time, the discussion provides a solid ground for exploring fundamental theoretical-methodological questions that advance the social sciences in a more general way. It's worth engaging with the intricacies of climate change, and valuation studies may supply means to do so.

## Endnotes

- 1 Examples are the Greenhouse Gas (GHG) Protocol, the Carbon Disclosure Project (CDP), the Global Reporting Initiative (GRI), or the Task Force on Climate-related Financial Disclosure (TCFD).
- 2 For instance, the World Business Council for Sustainable Development (WBCSD), the Science Based Targets Initiative (SBTi) or the We Mean Business Coalition.

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