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Article

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economic sociology. perspectives and conversations

Provided in Cooperation with:

Max Planck Institute for the Study of Societies (MPIfG), Cologne

Suggested Citation: Beckert, Jens; Fligstein, Neil; Wansleben, Leon; Burgwinkel, Tobias (2024) :
Economic sociology for an age of ecological crises: Interview with Jens Beckert and Neil Fligstein,
economic sociology. perspectives and conversations, ISSN 1871-3351, Max Planck Institute for the
Study of Societies (MPIfG), Cologne, Vol. 26, Iss. 1, pp. 6-9

This Version is available at:

<https://hdl.handle.net/10419/306504>

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Economic sociology for an age of ecological crises.

Interview with Jens Beckert and Neil Fligstein

In the tradition of new economic sociology, how have the topics of climate change or other environmental issues been taken up?

NEIL. Generally, economic sociologists haven't been that engaged with this issue. People interested in the environment have formed their own community. There are a lot of people who have been working on these issues since at least the 1970s. But they're very intellectually isolated from much of sociology. I don't think that they have absorbed much economic sociology. So they have had their own ways of speaking about the nexus between the environment and the economy. But what's happened is that the climate crisis is becoming more and more central in societies and politics. It's like Max Weber said: People study topics that are culturally relevant in their own times. I think that's why it's a topic on the rise in economic sociology and political economy. Economic sociologists have increasingly started to turn towards ecological issues, particularly climate change. We have a lot of tools for that, both from the political economy side and from the markets side

JENS. I agree with this. It's interesting to see that the first *Handbook of Economic Sociology*, edited by Smelser and Swedberg, had a chapter on the environment, written by Johannes Berger. So in a way the topic was there, but it never had any significant impact in eco-

nomic sociology. Like Neil, I would say that the tools developed in economic sociology can be usefully applied to the topic of climate change and environmental issues. To the perspective focusing on markets and political economy, I would add micro perspectives, for instance those coming from science and technology studies (STS) that look in detail at how measurements and categorization take place. The tradition of economic sociology offers interesting insights that can be fruitfully applied to issues of climate change.

NEIL. I would add that the sociology of consumption will be a part of this as well. But I agree that STS approaches are important because a lot of what's going on out there turns on measurement, and how to measure, and what to measure, and how to think about it. There are all kinds of contestation about that. That's someplace that we can really try to evaluate whether something provides a real measure, or a measure that's a fair measure, or a measure that's a reproducible measure. Measures can often be smoke screens. So, for example, there are more than 100 different ESG measures [indices measuring firms' compliance with environmental, social, and governance criteria, lw]. They can be used by mutual fund companies to entice investors who are being told they are doing good as well as investing in their future. But because of the heterogeneity of the measures and the lack of standardization, many individuals are not aware that they are being sold a product that might have little to do with doing good.

There exist strong traditions in Marxist literature, called ecological Marxism and political ecology. These scholars talk a lot about the role of the economy in producing environmental crises and climate change, and they expose the structural power that the economy has over political actors. How do you see the relationship between this literature and new economic sociology?

NEIL. One of the dominant ways in environmental sociology to speak about the economy is to invoke the idea of the treadmill of production. This idea says that as long as economies grow, they will depend more and more on the exploitation of resources and more environmental degradation. There is good empirical evidence that this is true. A Marxist interpretation of this is that capitalism is thus the problem, and as long as capitalism exists, you are going to have large-scale ecological damage. Obviously, this is a very macro and structural framing of the problem. The question for me is: Is capitalism capable of transforming itself? Recently, the expert predictions have been revised downward from a 4.5 degree Celsius increase in temperatures by 2100 to a 2.5 degree Celsius increase. This revision is almost entirely the result of the transition towards re-

newable energy that is underway under capitalism. Some of the people identifying as eco-Marxists have started to recognize this. Their renewed criticism is that this, of course, is not enough of a reduction, and it's going to be unequally distributed. Some people are going to benefit, and some people are going to get hurt. I think these are important parts of the debate and discussion, particularly around the kinds of unequal distributions of the costs of climate change and environmental degradation.

Let me push you a bit harder on this. From one angle, one could say that economic sociologists have focused so much on the details of markets that they have missed this picture of the economy undermining its ecological conditions of existence. On the other hand, you can argue that eco-Marxists have not been able to say much new because their views on environmental exploitation remain the same, whereas economic sociology would be more interested in variation. How do you see this, Jens?

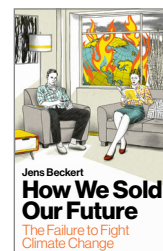
JENS. First of all, I think it's true that the macro picture didn't appear much in recent economic sociology. One has to go back to the history of the new economic sociology. In Granovetter's article from 1985, there was a deliberate attempt to distance the new economic sociology from macro approaches and Marxism in American sociology of the 1970s. It was a research program aiming at understanding the social foundations of markets mostly on a micro and meso level. This was a very productive research program. But by doing so, the larger picture was lost out of sight. This has changed already, especially with the financial crisis. After 2008, economic sociology already engaged much more with macro developments. One can see this especially well in the literature on finance. The field has moved, and today economic sociology is probably better prepared than 15 years ago to address the climate crisis. I believe that you really need both. We need to be able to locate the pieces of the puzzle within a bigger picture, but it is also important to understand the pieces of the puzzle in detail, and how they interact.

NEIL. In my own studies of capitalism, I have been incredibly amazed by how dynamic capitalism is. It does good and evil. But it always surprises you. I think Marx himself appreciated that the profit motive is a very powerful incentive. So things that have happened and could happen just are mind-blowing.

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Neil Fligstein is the Class of 1939 Chancellor's Professor in the Department of Sociology at the University of California. He has made research contributions to the fields of economic sociology, organizational theory, and social stratification. He is the author of numerous articles and books, including *The Transformation of Corporate Control* (Harvard University Press, 1993), *The Architecture of Markets* (Princeton University Press 2001), *Euroclash* (Oxford University Press, 2008), *A Theory of Fields* (with Doug McAdam, Oxford University Press, 2012), and *The Banks Did It* (Harvard University Press, 2021). He is currently working on the question of how corporations across industries are responding to the crisis of climate change. As part of that project, he has focussed on the role of financial institutions in the promotion of corporate reporting on greenhouse gas emissions, what is known as "climate disclosure." fligst@berkeley.edu



JENS. I fully share this. Capitalism is this fascinating in its dynamics. But the issue at stake here is whether capitalism is able to internalize the environmental costs that it has externalized so far, its exploitation of and impact on nature. With regard to social costs, the welfare state led to the internalization of at least many of the social costs. So this might be a historical precedent. But can the economy be regulated in a way that also ecological costs become internalized? Nobody knows this. It's important not to automatically assume that because capitalism is such a dynamic system, it will succeed in this gigantic task. And at what point or on what timescale it will succeed. When it comes to climate change, time is critical.

That's a good point. Another way to look at the issue is to focus on the material underpinnings of the capitalist process. Ecological Marxists speak about material throughput. So even if you ignore climate change or the energy issue a little bit, the idea is that the economic process implies an expansion of the use of material resources and essentially putting them through a process of entropy, where they become waste in a broad sense. Is that a dimension that you think can be built into an economic sociology perspective?

NEIL. These are open questions at the moment. One of the reasons why CO₂ emissions have dropped in the Global North is because people consume more services and fewer goods. On the issue of resources, the picture is uncertain. Is the mining of lithium worse than the mining of coal and oil? Will the hydrogen economy succeed or not? I don't think we know that. It is really important to monitor these things over time because then you can describe the trajectories. In

India, people are using coal as they develop their economy. But in China, the renewable energy economy has become the basis of their industrial policy. The question is, over time, what is going to matter more? That is why we need to disaggregate these trends across industries and across countries. We need to get a clearer picture of how and where the possible decreases in greenhouse gas emissions will occur.

Another problem is that prospects for capitalist growth in the South, particularly Africa, will inevitably mean larger material throughput because a substantial share of the consumption you will see there will consist of material goods, TVs, fridges, and so on. So the trend you are describing only captures the advanced end of our global economy where the material throughput that provides us with goods remains stable and growth primarily happens via a highly differentiated service economy. But in other parts of the world, the picture may be more towards resource-intensive versions of growth. So how do you make sense of that?

JENS. The empirical evidence is that, at aggregate level, a decoupling between resource use and economic growth has not happened in absolute terms. And partly that has to do with the expansion of material goods consumption in the South. But then the results in the service industry are also more complicated. If you think about the energy use from artificial intelligence or from a more leisure-oriented economy – I am thinking, for example, of tourism – the decoupling trend is not so clear. There exist these ideas about recycling and a circular economy, and in principle, these are good proposals to slow down the process of entropy. But if you look again at what's happening and what's projected, then I don't think one can put one's hopes in these mechanisms to rescue us. *The New York Times* recently reported that 10% of materials are recycled in the American economy, not more. And the International Energy Agency has projections of what happens with regard to batteries. Only very little of lithium batteries will be recycled. Partly for technical reasons, but partly also for economic reasons, because it is simply cheaper to mine new raw materials than to take lithium out of batteries and recycle it. And it is important to bear in mind that we are looking at a more encompassing ecological crisis and planetary boundaries. The energy transition is only one part of resolving the ecological crisis. It is perfectly imaginable that one day only very little fossil fuel will be used. But with increasing population and economic growth, it is difficult to imagine that absolute resource use can be significantly reduced.

NEIL. That may be true, but I just want to point to another trend. The Chinese are producing electric cars

for 10,000 USD. If the Europeans and Americans don't want them, they're going to be part of the development project in the Global South. To be sure, material use is going to go up, but the question is, how is it going to be powered? With renewables or coal? That's where I think that you're going to see some transformations. The other thing that can happen in the Global South is that they will leap, like they've leapt with cell phones. They never installed landlines. They haven't been wedded to the technologies that we have. At this point, the renewables and electric vehicles will be where those economies will develop. That said, I am not contesting the general trend of growing resource use. When the demand for air conditioners grows, it's going to be a big business for somebody.

JENS. Let me comment on your argument about leapfrogging, Neil. There's one aspect why the comparison between cell phones and electricity may be inaccurate. For electricity, you need a huge infrastructure. You need electricity that is locally available. And in the Global South, there are hundreds of millions of people who have no access to electricity. So you have to build this very costly infrastructure. This depends on financing. And in the Global South, infrastructure financing is extremely costly. You have interest rates of typically around 15%. That's why there is so little of this. And so what people are often doing, if they need electricity, is to use diesel generators because there is no grid electricity coming to the village. I thus think that we need to be a little careful with the leapfrogging argument, because going electric has so many infrastructural presuppositions that are currently not met in many poor countries.

Let's take a step back. I want to ask you how you came to be interested in ecological and particularly climate questions.

NEIL. About eight years ago I was invited to a conference that was organized by academics who are associated with the United Nations, and they are interested in climate change. I asked them why they would want me, because I didn't know anything about it. But they said, you do something called field theory, and we want to hear about that because it may help us to understand the international political field of climate policy, which is made up of non-profits, intergovernmental organizations, states, corporations, social movement actors, people working on measurement, etc. They were trying to make sense of what it was and how it worked. I came away intrigued by the extent of the organization of this community of disparate actors. It opened the question for me of what does and does not work in this policy field. Before, I had proba-

bly been more like the ecological Marxists, thinking that climate change was a disaster and that there wasn't much that we could do about it. But now I was interested in figuring out what people do who are actually trying to change something. How are they organized? What are they doing? What are their goals? What's working? What isn't working? As someone who has studied corporations, it was natural for me to be interested in what corporations were or weren't doing. So my initial foray was to try to say, OK, how much greenhouse gas emissions are companies emitting? Is anybody measuring it at the corporation level? What variations can we observe and how do we explain them? That's how I started.

Are these the kinds of questions you work on these days?

NEIL. Yes, I focus on sectors and am interested in whether corporations are measuring their greenhouse gas emissions and if any of them are reducing emissions. I am also interested in the growth of the professions and industries being constructed around sustainability. A large consulting industry has grown up and the big accounting firms are developing expertise in these issues. In many corporations there has been the rise of chief sustainability officers who report directly to the CEO and are part of the C-suite, as they call it in corporate parlance. This means that the discussions about sustainability get taken into account in corporate strategy. But there are a lot where these officers don't have any power or influence. So my research wants to uncover the part of sustainability rhetoric that in the language of institutional theory is "myth and ceremony" and the part that is real and the conditions under which people are actually trying to do something.

Jens, can you tell us about your motivations to write a book on climate change?

JENS. My own story is not so different. I was asked a couple of years ago to consult the Max Planck Society in the process of founding a new institute, which has just opened its doors and which combines natural, climate, and social sciences. I was asked to comment on their proposal, and this was the moment when I started to get interested in the topic of climate change. I started to see the magnitude of the problem. I started to understand that there is something really interesting in the topic from a social science perspective. If we know about the seriousness of the problem and in principle know how to mitigate global warming, why do societies' responses to this existential threat remain so insufficient? If you are looking for a puzzle in the

social sciences, here you have one. It is this question that I address in my new book. My answer focuses on the general incentive and power structures of capitalist societies. But I also see much value in studying the specific questions that Neil mentioned: What is it that corporations are doing? What are the specific organizational incentive structures? How do measurements and categorizations affect corporate as well as policy-makers' actions? How do the relationships between state and society evolve with climate change, and what role do consumers play? You can get into all these facets that are familiar ground for economic sociology and sociology in a broader sense. So in a way, the topic is ripe to be investigated by economic sociologists. But what's important for me is that we are dealing with an issue that is not just of academic interest. We are ultimately talking about the future of mankind. So there is an obligation for the social sciences to generate knowledge, which can somehow help societies to deal with the climate crisis in a productive way. Accordingly, research questions in this field should not just be framed in terms of research gap X, but with a broader normative problem in mind: What do we actually need to know in order to be able to make some progress in tackling these existential problems?

NEIL. That's why I emphasize this notion that we should be researching what people are doing and what works. And that's one of the things that we know a lot less about. One of my colleagues at Berkeley, Jonas Meckling, addresses this issue at the level of policies. It's really important because we should be able to go to the public and say, These are the things that we know have really helped. Let's just take something that a lot of people think is unimportant: bicycle paths. Bicycle paths have proliferated across cities around the world. One of the reasons for this are concerns about climate change. Every major city in the world now has set off streets for bikes. Obviously, Copenhagen is different from San Francisco, but we see a diffusion process. Bicycle paths are an example of a solution that is relatively cheap and can be framed in terms of broader welfare benefits. We want to identify these kinds of solutions if we become more public-facing, and we can do so because there is a lot of experimentation going on. Sociologists can help identify best practices without ignoring context to figure out which practices can be scaled up, in the policy sphere, amongst NGOs, and in the corporate world.

Thanks a lot to you both for this interview.

The interview was conducted by Leon Wansleben in Limerick 2024 and transcribed by Tobias Burgwinkel and Leon Wansleben.