
 The (Valuation) Politics of Privatization

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Stories about achieving social goods through corporate activity seem to be popping up everywhere. As I cooked my eggs this morning, I learned from NPR about how a Harvard Business School professor was introducing students to a case study of an entrepreneur in Wisconsin who had set up an investment fund for African Americans, and students were learning that this was necessary to overcome African Americans' lack of access to capital (Enwemeka 2017). A week earlier, I read several chapters of *Collaborative Capitalism in American Cities*, a book manuscript by Northeastern law professor Rashmi Dyal-Chand, for a small conference. Dyal-Chand's book examines extremely successful community-development-oriented businesses in some of the United States's most struggling urban neighborhoods. Emily Barman has published an important scholarly contribution to the analysis of this widespread development.

Barman's new *Caring Capitalism: The Meaning and Measure of Social Value* illustrates how the pursuit of social good through business has become a more capacious activity than previously recognized, embedded in almost every arena of the modern corporate world. She demonstrates how the pursuit of social good has become integral, almost ingrained, across practically all industries and private organizations operating under capitalism today. She makes the point through the book's three sections. The first covers the least surprising and earliest examples of this kind of activity: non-profit organizations that self-consciously pursue do-good missions, as an alternative to or directly through market activity. The second part follows those who operate on the outside and attempt to force or nudge for-profit corporations to create social goods (or avoid social bads) by, for instance, labeling consumer goods as "fair trade" or "organic" or by crafting investment priorities around avoiding tobacco and guns. More broadly, these are cases of what is often called

Caring Capitalism: The Meaning and Measure of Social Value, by **Emily Barman**. New York: Cambridge University Press, 2016. 266 pp. \$99.99 cloth. ISBN: 9781107088153.

private regulation, including early initiatives to enforce "corporate social responsibility" and "socially responsible investing."

The final part of the book puts the most surprising developments on display: for-profit, multi-national corporations of all kinds that are taking on the charge. Here Barman highlights corporations that are being pressured to orient their activities toward the social good. This section includes the mainstreaming of investment evaluations by Bloomberg and colleagues that link social welfare to corporate profit. It also tracks the development of multi-national "inclusive businesses" whose core goals include poverty elimination and community development. *Caring Capitalism* does not examine what these corporations are actually doing to achieve social goods; instead, the book is focused on how they demonstrate such achievements across practically all corporate fields of activity.

The book examines the development of standards that measure corporate successes in making the world a better place. Barman makes the case that we should pay particular attention to the proliferation and diffusion of *measures* of social good—that they are much more diverse than we might expect as they become enmeshed with market activity and that this variation emerges for unanticipated reasons. Before reading the book, we might think that whether a corporation has a non-profit or for-profit status, for instance, or how corporate-friendly the early promoters in the field were determines differences in the salience of market standards. But one of Barman's early chapters focused on non-profit

businesses shows how enterprises designed to mitigate homelessness took on a decidedly market-oriented measure of value.

By contrast, her final empirical chapter demonstrates that for-profit multinational corporations targeting poverty refused to subsume the social good in market measures. Instead, they preserved measures of social value as distinct from market value, and they even kept distinct indicators of different kinds of social goods, such as environmental impacts, labor, and community development. In addition, the field of Corporate Social Responsibility was initiated by those who hoped that in an era of deregulation private organizations could limit harmful corporate activity, but certification regimes developed that came to be understood as supportive of firms' profit goals rather than antithetical to them. And although in the 1990s and 2000s the central actors in the field of responsible investment were multinational corporations, they continued to measure a wide variety of environmental, social, and governmental (ESG) impacts of corporate activity. One example is Bloomberg's ESG Earnings Valuation Tool, introduced in 2011, which estimates the impact on a share price of a company's ESG performance. But the earlier field of Socially Responsible Investing had developed measures in the 1970s and 1980s that decidedly and explicitly ignored any impacts of a firm on individual lives if those impacts had no obvious monetary impact. Thus, Barman convincingly shows that measures of social value vary within the book's three categories, not just across them.

Barman argues that differences in these measures result from their inventors' capacities and audiences' interests. For instance, those who invented measures so focused on market impacts for non-profit social enterprises (and ignored effects on individual lives) had or were working toward MBA degrees in finance. And they hoped to speak to government funders interested in how non-profit activity increased tax revenues and decreased social service costs. In each case where financially oriented measures emerged, the developers had finance experience; and in the most financialized version, the audience was mainstream investment

managers (who ultimately would make recommendations to mainstream investors).

Indeed, the most damning evidence that the experiences of these "value entrepreneurs" influenced the measuring tools they created is from a field called Impact Investing. Even though the audience was investment managers, the measures preserved the distinctiveness of different kinds of social impacts from each other and from financial valuation. And yet one of the experts in the field told Barman that she and her co-workers would have loved to calculate the financial value of the socially oriented business practices, but they didn't know how (p. 195). Overall, Barman's book convincingly explains that the measurement of social value varies widely and that measure-makers' expertise and audiences' interests help define which measuring devices develop and proliferate. This explanation focuses on a speaker and an audience and thus portrays measurement tools as communication devices.

Although Barman does not choose this path, one might also use her cases to theorize the effects of standardization and quantification that result from increases in scale or growth in numbers of speakers and audiences. The book addresses questions about when and how entrepreneurs calculate, rank, and consolidate different measures—that is, to make measures parsimonious—in order to reach larger publics with little personal knowledge. There seems to be an important connection here with theories about the impetus for and impacts of calculation (Weber, Roth, and Wittich 1978), commensuration (Espeland and Stevens 1998), and standardization (Thévenot 2015).

These theoretical questions seem relevant to the recent trajectories of morally minded industries. *Caring Capitalism* made me think of Michael Haedicke's (2016) recent book on the development of the organic food industry from the 1970s to the present. Haedicke shows that the desire to grow led to the consolidation and simplification of measures of what counts as organic. Haedicke's study of organic foods, which examines the material consequences of the parsimonious measure, shows just how

standardization enabled the hollowing out of many of the values sought by the original movement-makers. And in reaction, a counter-movement developed to create small-scale industries with new, more encompassing and complex measuring devices.

Barman's premise is that the measurement of social value has greatly expanded. She shows how it has diffused to involve even the most unexpected of producers and retailers, such as fossil-fuel developers and Walmart. And she deftly argues that the measures do not all succumb to a pure market logic. But perhaps they do all standardize evaluation, if to varying degrees and in different ways. Barman seems almost to take standardization for granted. She even seems to treat it as a normative good, for instance, that companies are now reporting standard measures of many different dimensions of social value. But perhaps the standardization of reporting and measuring creates perverse consequences, such as allowing for "green-washing," the colloquial term in this field for using signals as no more than "myth and ceremony" (Meyer and Rowan 1977). Ultimately, the question of the impact of these measures is beyond the scope of Barman's book. But *Caring Capitalism* could have included more discussion of the importance of standardization to the expansion of social-value measurement to more fields and more publics.

Barman claims that social value has become so well developed and widespread that economic sociologists should treat it as a unique, institutionalized order of worth. In arguing this, Barman relates her study more generally to a school of thought within economic sociology that understands valuation to vary with context, but to consistently appeal to a limited number of institutionalized sets of meaning. Sociologists of valuation have identified "worlds of worth," (Boltanski and Thévenot [1991] 2006), "heterarchies" (Stark 2009), "multidimensionality or plurality" (Lamont 2012). For instance, Friedland and Alford (1991) name three well-entrenched institutions that organize value distinctively for market, state, and domestic contexts. Boltanski and Thévenot offer an expanded taxonomy, adding worlds that value industry, inspiration, and fame.

One of the major questions in this school of thought is about what happens when more than one form of worth is invoked. Boltanski and Thévenot ([1991] 2006) query the conditions under which a compromise between orders of worth is reached or the conflict between them is emphasized. (See also Thévenot 2015.) Similarly, Espeland and Stevens (1998) discuss the importance of scholarship on when and how commensuration occurs or, conversely, claims of incommensurability are invoked.

Thinking about Barman's contribution to this tradition, I found myself wondering if it might be more fruitful to consider "social value" a compromise or hybrid of existing orders of worth rather than a new order of its own. If we think of these measurement tools as compromises or hybrids, we will be led to ask just how and when they effectively combine existing orders or fail to do so. We will wonder, for instance, when the original values of monetary and domestic (care) value are presented in a singular way, without any signal of contradiction or conflict, and when these kinds of worth continue to be counted in distinct ways. Treating social value as a hybridizing, compromising, or commensurating force may actually be a more ambitious theoretical project than treating it as its own order of worth, and it better connects to existing literature (see Thévenot 2015, for example). A crucial question for Barman's subjects, and for much of the research in economic sociology, seems to be just how to treat market *and* other kinds of value, suggesting that this combinatory work is at the heart of what they are attempting to accomplish. In this way, Barman builds on existing research trying to understand whether a market logic subsumes or is subsumed by other kinds of value and what the consequences are (see Lamont 2012).

I would also prefer to characterize social valuation as a hybrid or compromising activity because, by Barman's definition, "social value" seems to require the inclusion of market valuation in some way. This excludes many goods that might be deemed socially valuable but are not considered marketable. She is not referring, for instance, to the enjoyment of leisure time or the benefits of family

care work. And yet, we would probably think of these as having social value, in lay terms. In sum, if Barman had taken the approach that social value measures combine or compromise worlds of worth, she might have helped us better understand what her data tell us about combinations and distinctions between market and other dimensions of value.

No doubt because of its extraordinarily rich empirics, *Caring Capitalism* can be a fairly dense, detailed read. Because of the book's ambitious rigor and depth, it requires significant focused attention. The book might be difficult for undergraduate students to grasp in its entirety, but it makes an important addition to economic sociology.

One of the book's most significant contributions is that it uses the lens of valuation to understand the politics of privatization. Although Barman does not discuss this explicitly, she shows how power operates in the development of social-value measures. Valuation measures assert claims about what is counted and how it is counted, which affects the pursuit and production of and access to resources. Moreover, Barman illustrates that these particular types of measures have developed in recent decades in tandem with neoliberalism's turn to private solutions for social problems and in the midst of deregulation. What Barman refers to as "social value" is called the "public good" in politics. By Barman's account, neoliberal ideology revering market solutions does not translate into market dominance. Like other sociologists of what Brenner and Theodore (2002) call "actually existing neoliberalism," Barman shows how alternate practices develop out of concern for the production and distribution of social goods. To be sure, Karl Polanyi similarly established that economic activity will always be "embedded" in a larger social world, even when market solutions to social problems are sought. But the late-nineteenth- and early-twentieth-century evidence he studied often directed attention to the state as the target for social regulation. For Barman and other students of the more recent neoliberal era, the state has not been the target of those attempting to promote various public goods.

Barman's detailed history probably tells a more accurate story about the state,

showing how government has remained crucially important to economic activity. Like Greta Krippner demonstrated (2007), a neo-liberal ideology praising a shrunken state should not be confused with a neoliberal reality of an enlarged state. The state takes on backstage rather than frontstage roles but nonetheless remains crucially important to economic activity. A less careful author using these same data might treat government as insignificant. Barman admirably avoids this pitfall. She shows government's substantial involvement in the development and use of these social-value measures. Government contracting for services inspired public officials to demand that social-service providers measure outcomes. Government funding led the United Way to innovate in establishing outcome indicators for its multiple activities. Indeed, one conclusion from Barman's study might be that government's role as audience for these measures helps prevent them from becoming completely subsumed by market logic.

Barman's study of valuation also shows how misleading it is, at least in this case, to equate private entities with markets. By asking about the extent to which these companies are driven solely by profit, she makes space to recognize private action not driven exclusively by market concerns. She also puts the neoliberal era and the measuring of social value in a longer historical context. In her telling, mainstream corporate movements that incorporate ideals beyond market value have existed in the United States since well before neoliberalism. She describes how in the late nineteenth century's Gilded Age, for instance, "welfare capitalism" developed in response to worries about corporate disregard for labor's needs and "managerial capitalism" emerged in the early twentieth century (pp. 95–96).

Another way to understand Barman's contribution, then, is as an answer to critics who claim that economic sociology's cultural turn ignores power. Barman presents methods of valuation as crucial interventions in political struggles over resources. She shows that those of us interested in economic power should care not just how certain parties win fights over particular resources but also how some actors win in the struggle over valuation mechanisms. (For similar arguments

about valuation and power, see Espeland and Stevens 1998 and Thévenot 2015; and about valuation under neoliberalism, see Lamont 2012 and Lamont, Welburn, and Fleming 2013.)

Decisions about what counts and how it is counted are bound to affect resource production and distribution. This argument is not exactly new, but the presentation of such a widespread institutionalization of valuation is novel and important. And the historical study of the development of these valuation tools grounds these abstractions in material, personal activities. We witness what kinds of measurement tools philanthropists with corporate backgrounds, employees with MBAs in finance, and social activists with community organizing and development experience fight for, and when they win and lose. In future studies of valuation mechanisms, the actors will fall into different salient categories of interest and experience, and we should venture to understand exactly which distinctions matter. Barman has smartly drawn our attention to struggles over how and whether value is marked, measured, and ranked.

By turning attention to what Barman calls measures of social value, she compels a research agenda for economic sociologists interested in exposing how power is exercised. Barman begins the task of characterizing these measurement devices. She distinguishes between organizations that offer only a single measure meant to encapsulate all relevant social value and those that retain multiple indicators for different kinds of social value. Barman's book also differentiates tools that attempt to measure only monetizable value and those that measure even those forms of worth without monetary value. (See Espeland and Stevens 1998 for alternative characterizations.)

Future scholars will want to extend this project, perhaps showing whether tools offer only binary indicators or allow multiple values on a single dimension and whether verbal or pictorial representations are included with numerical values. We might care who collects the information on which the valuation is made and how reliable that information is.

Many more difficult research questions probe the impacts of these measures, according to variation in these characteristics. How does the character of valuation affect adoption or diffusion by investors, government officials, and consumers? Will the more parsimonious and monetary measures diffuse quickly and the others die, or vice versa? Despite current variation, is there a longer-term trend in the direction of stuffing multiple forms of value into singular measures of monetary worth? Does such a consolidation of measurement tools, when it happens, spark defiance in the form of establishment of new measures believed to more truly reflect goals for the public good?

And, of course, we must wonder how much these measures—even if they are acted upon by the intended audiences—represent a material reality. For example, do the measures' values actually reflect the variation in the humanity of labor practices? How prevalent are reactions that we might call greenwashing? What about other perverse consequences of rating and ranking? And, given all of these questions, what can we conclude about the material impact of all of this measurement work? I do not mean to suggest that Barman should have tried to answer any of these questions in this one book. The fact that *Caring Capitalism* inspires so many new research questions speaks to its success.

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The Unanticipated Consequences of Purposive Political Action

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We all know about the very physical legacy of Franklin Roosevelt's Works Progress Administration (WPA): Dealey Plaza in Dallas, the Fort Peck dam in Montana, LaGuardia Airport in New York City, Griffith Observatory in Los Angeles, the Merritt Parkway in Connecticut, Midway Airport in Chicago, the River Walk in San Antonio, and over 100,000 roads and bridges, waterworks, schools, libraries, hospitals, post offices, dormitories, auditoriums, stadiums, and recreational facilities in towns and cities across the nation. But most of us don't know about the cultural legacy: the American Guides, a series of travel-cum-local-color books, one for each state, penned by unemployed writers around the country. It is this cultural legacy that Wendy Griswold investigates in *American Guides: The Federal Writers' Project and the Casting of American Culture*.

The arts project was the first one proposed by the WPA. It focused on finding employment for creative people in four fields: art, music, drama, and writing. In the face of intense criticism and contestation among

American Guides: The Federal Writers' Project and the Casting of American Culture, by **Wendy Griswold**. Chicago: University of Chicago Press, 2016. 361 pp. \$35.00 paper. ISBN: 9780226357836.

writers' associations, the architects of the WPA's writers' project chose a seemingly innocuous task for writers to tackle: develop travel guides to the 48 states, two territories (Alaska and Puerto Rico), and several cities. To explain how this came about, Griswold guides us through a history of the WPA, putting it in context with other state and federal relief programs, and then dissects the seven-year (1936 to 1943) life of the writers' project in particular. To ground these developments in their cultural context, she tours the history of guidebooks, starting with antiquity and continuing up to the twentieth century. She next explores the history of travel, tourism, and vacations.