
ACCOUNTS

- 1 A Historic Perspective on Racial Capitalism: An Interview with Justene Hill Edwards
 - 5 State Politics of Corporate Downsizing: An Interview with Jiwook Jung
 - 8 The Shift Project: An Interview with Daniel Schneider
 - 12 Organization and the Labor Market: An Interview with Laura Adler
 - 15 Entrepreneurship, Networks, and Digital Futures: An Interview with Olav Sorenson
 - 19 Bookshelf: An Interview with Victor Roy on *Capitalizing a Cure*
 - 23 Award Nomination Calls & New Publications
 - 24 Section Office Holders & Editorial Committee
-

A HISTORIC PERSPECTIVE ON RACIAL CAPITALISM: AN INTERVIEW WITH JUSTENE HILL EDWARDS

Justene Hill Edwards is an Associate Professor of History at the University of Virginia. A 2022 Andrew Carnegie Fellow and a current Mellon New Directions Fellow, she is a specialist in African American history and her research examines Black economic life in America. She is the author of *Savings and Trust: The Rise and Betrayal of the Freedman's Bank* (W.W. Norton, 2024). *Savings and Trust* explores the rise and tragic failure of the Freedman's Bank and considers the ways in which the bank's collapse has shaped racial and economic inequality in America. Hill Edwards is also the author of *Unfree Markets: The Slaves' Economy and the Rise of Capitalism in South Carolina* (Columbia University Press, 2021). Always highlighting the lives of enslaved and formerly enslaved people, Hill Edwards studies the relationship between economic and political freedom for people of African descent in the United States.

Erika Brown, a Ph.D. candidate at Texas Woman's University, spoke to Dr. Justene Hill Edwards about racial capitalism and its history in the United States.

Erika Brown: Dr. Hill Edwards, you are a historian by training, but you explore concepts that place the economy and society at the forefront. How did you come to do this work that is interdisciplinary at its core?

Justene Hill Edwards: My research has been motivated by trying to understand what African Americans thought about money. I began graduate school wanting to be trained in African American

history, with a specialty in the history of American slavery. I decided early on that I wanted to study "market women," Black women who sold food and other goods in public marketplaces in slaveholding cities across the Atlantic world. After spending summer conducting archival research in Barbados and South Carolina, I decided to focus on South Carolina for my doctoral research because of the abundance of archival sources. I quickly learned that not only could I

research and write a dissertation about market women, but I could write a dissertation that looked at the entire enslaved economy. I spent several years examining local court records, slaveholder account books, legislative petitions, and statutes that revealed to me that enslaved women and men were almost always finding ways to make money. They sold goods such as produce and livestock, baskets, and even negotiated their own hires. This is what historians call the “slaves’ economy.” I realized that an important part of the story of the slaves’ economy in South Carolina would be to understand how it changed and adapted over time, as slavery evolved and expanded in South Carolina over the course of about two centuries.

I then used the knowledge and perspective that I gained in finishing my first book, *Unfree Markets: The Slaves’ Economy and the Rise of Capitalism in South Carolina* (Columbia University Press, 2021), and applied it to writing my second book on the history of the Freedman’s Savings and Trust Company. In this book, *Savings and Trust: The Rise and Betrayal of the Freedman’s Bank* (W.W. Norton, 2024), I knew that I wanted to think more critically about the intersections of African American history, the history of Reconstruction, and the history of American finance. So, in this way, I would say my work is interdisciplinary because I am thinking about how these disparate subfields intersect. It has been both challenging and incredibly rewarding.

E. B.: Much of your research as a historian is at the intersection of African American history, the history of U.S. chattel slavery, and American capitalism. As you consider the origins of capitalism and capitalist development, what role did chattel slavery play in capitalism's proliferation in the U.S. and around the world?

J. H. E.: Slavery and capitalist development were intertwined, deeply so. From banking and finance to the insurance industry, the rise of these industries in the United States was tethered to the growth and expansion of slavery. For example, enslavers’ and slave traders’ financial records, especially in the period between the American Revolution and the Civil War, show that they were constantly thinking about the value, productivity, and



for enslaved women, the reproductive potential of enslaved people. Historians interested in this question of slavery and capitalism have shown that slaveholders were making financial bets on the profitability of enslaved labor. And this did not just happen in the southern states. Even in northern states (some of which instituted gradual emancipation laws in the 1780s and 1790s), owners of textile factories relied on slave-produced cotton from the slaveholding South as their primary commodity. So, slavery touched many industries that helped to fuel American economic growth in the nineteenth century.

E. B.: Economic sociology concerns itself with making legible how society and the economy function in collaboration. How can we use history as a way to help us make sense of the connection of society and the economy?

J. H. E.: That’s a great question! I think that economic sociology as a field could benefit from using historical methods to think about modern economic behavior. In my book on the Freedman’s Bank, for example, I discuss the misalignment between what recently-emancipated African Americans wanted, in terms of their en-

agement with the bank, and how white bank administrators hoped Black depositors would use the bank. Black depositors wanted a safe place to keep their money. Once they had enough to buy what they wanted, which was land, they would withdraw the money in their accounts. Alternatively, bank administrators, most of whom were white northerners who had not experienced life in the slaveholding South, wanted Black depositors to keep their money in bank accounts for as long as possible, to help their investments in government bonds yield dividend payments. This misalignment of priorities shaped how African Americans behaved as banking customers.

E. B.: In your new book, *Savings and Trust: The Rise and Betrayal of the Freedman's Bank*, you seek to make a connection between the failure of the Freedman's Bank as a cause of the disenfranchisement of Black Americans from the U.S. financial system and phenomena such as the racial wealth gap. How did issues of the 19th century set the stage for financial problems Black Americans face today?

J. H. E.: In the book, I not only discuss the bank's founding in 1865 and failure in 1874, but I also connect the bank's failure to issues that African Americans face with financial inclusion today. One of the ideas that I address in the book is the issue of trust. When African Americans emerged from slavery during the Civil War, they brought with them concrete ideas about how to save money to buy what they wanted and needed. During the period of Reconstruction, what historians call the era after the Civil War, African Americans desired a safe and trustworthy place to put their money. The Freedman's Bank fulfilled this goal.

Congress chartered the Freedman's Bank on March 3, 1865. The bank's mission was simple. It was supposed to "receive on deposit such sums of money...on behalf of persons heretofore held in slavery in the United States, or their descendants." White abolitionists, ministers, businessmen, and philanthropists from the North counted among the bank's first supporters. These men supported the Union cause, including abolition.

The Freedman's Bank had a benevolent mission, to help African Americans by protecting the money that they were earning in simple savings accounts. In its first five years, the bank's over 70,000 majority Black customers deposited over \$12.6 million (\$303 million today) into 34 branches across South and mid-Atlantic.

But the bank's mission quickly shifted from benevolence to profitmaking. On May 6, 1870, after members of the bank's predominantly white board of trustees spent two years lobbying senators and congressmen for their support, Congress approved an amendment to the bank's structure. The amendment allowed the bank's administrators to make loans. This was the beginning of the end of the Freedman's Bank.

The bank's white administrators and trustees immediately started making sizable loans to themselves and their business partners. By January 1873, the bank was bankrupt. The bank's finance committee had made about \$3.5 million in loans to white borrowers, of which \$900,000 was due but borrowers had not repaid. On March 14, 1874, Frederick Douglass accepted the position as the bank's president. Within days, he realized that the bank was insolvent. On July 1, 1874, the bank ceased operations and shut its doors. The remaining 61,144 depositors lost access to the over \$2.9 million they had in their accounts. The 1,797 borrowers who had outstanding loans failed to repay the \$3.5 million they owed to the bank—and to its depositors. Of the borrowers, 95% were white. Meanwhile, white Americans comprised only 10% of the bank's depositors. The Black account holders and their descendants spent the next over 70 years appealing to federal officials, even U.S. presidents, for recompense. African Americans lost trust in the financial services industry to provide them with access to safe financial services. For this reason, and many more, they remained outside of the traditional financial services industry as customers into the late-twentieth and early-twenty first centuries.

E. B.: Within economic sociology there are conversations related to the financial inclusion of Black Americans in the banking industry and other

parts of the economy. Historically, how has the U.S. government failed to support Black financial inclusion or directly foiled efforts by Black Americans to gain economic independence?

J. H. E.: After the Freedman's Bank failed, African Americans turned inward, creating their own banks and even their own informal financial networks. The most prominent examples are in Richmond, Tulsa, Durham, and Rosewood. But without federal authorities protecting the interests of African Americans, these communities were eliminated by racial violence (Tulsa and Rosewood), economic downturns such as the Great Depression, and policies such as redlining. All of these issues led to an erosion of trust between African Americans and the financial services industry. Neither the federal government nor the financial services industry have made inclusion and a restoration of trust with African Americans a priority.

And with the Freedman's Bank, Black depositors were trusting the bank with their money and their trust relied on their ability to access the bank's services. But once the bank failed, and the remaining Black depositors could not withdraw their money, they lost the trust that they once had in the bank—and in traditional white-owned banks. In 1909, Booker T. Washington wrote, "When they found that they had lost, or been swindled out of all their little savings, they lost faith in savings banks, and it was a long time after this before it was possible to mention a savings bank for Negroes without some reference being made to the disaster of the Freedman's Bank." Washington acknowledged that even into the early twentieth century, African Americans continued to mistrust banks.

E. B.: While there are economic reasons that prevent some Black Americans from participating successfully in the financial system, what do you consider the social reasons, emanating from U.S. history, that prevent this participation on the part of Black Americans?

J. H. E.: I go back to the issue of trust—and the lack of trust between African Americans and the mainstream financial services industry. African

Americans may believe that it is safer to put money in safe places, in locations where they can easily access their funds. So, should they put money in banks or put money in an old coffee can or underneath a mattress? These are concerns that the Secretary of the Treasury under President Biden, Janet Yellen, attempted to address in her final months in the post.

On October 29, 2024, Secretary Yellen announced a groundbreaking initiative aimed at addressing issues that have plagued historically marginalized communities for generations: financial inclusion and lack of trust. The "National Strategy for Financial Inclusion in the United States" sought to unite federal authorities, the financial services industry, community groups, and nonprofit organizations to improve the financial well-being of communities that the banking industry has historically ignored and often exploited. At its core, the "National Strategy for Financial Inclusion in the United States" is an ambitious plan aimed at bringing more Americans into the financial mainstream and tackling wealth inequality—especially African Americans.

The plan represented the latest attempt to confront the systemic hurdles that Americans, especially African Americans, face in accessing safe and reliable financial services. The relationship between consumers having access to financial services and their abilities to build wealth are clear. A 2021 study from the FDIC has shown that African American families are more likely than white families to be unbanked, meaning that they do not have a checking or savings account with a traditional bank. In 2021, 11.3% of Black households were unbanked, compared to 2.1% of white households. And according to the U.S. Census Bureau, the homeownership rate for Black households was 44% while the rate for white households was 74% for the third quarter of 2024. The data are startling. They point to the need for the Treasury's immediate intervention on behalf of unbanked and underbanked Americans—especially African American communities. But with the election of Donald Trump to a second presidential term, the Treasury's plans will probably never come to fruition. ■

STATE POLITICS OF CORPORATE DOWNSIZING: AN INTERVIEW WITH JIWOOK JUNG

Jiwook Jung is an Associate Professor at the School of Labor and Employment Relations at the University of Illinois at Urbana-Champaign. He is an economic and organizational sociologist interested in corporate governance, employment relations, and financial markets. His research has been published in journals such as the *American Journal of Sociology*, *American Sociological Review*, *Social Forces*, *Administrative Science Quarterly*, and *Socio-Economic Review*. His current projects examine shareholder activism and human capital disclosure of high-tech firms (with Suyeon Kang at UIUC) and the impact of financialization on non-financial firms' productive investment after the 2008 global financial crisis (with Chien-Hao Chen at UIUC).

Zhen Wang, a Ph.D. candidate at the University of Toronto, spoke to Dr. Jung about the relationship between corporate behaviors and state politics and how power resources of labor vary by region and by states' governing parties

Zhen Wang: Your recent co-authored article in *Socio-Economic Review*, "Power Resources of Labor and the State Politics of Downsizing," argues that corporate decisions, such as downsizing, are influenced by the political environment of states. Particularly, you found that Democratic control of state government and state-level union membership limit firms' ability to implement drastic job cuts within the state. In contrast, labor's power resources in right-to-work states and the American South are limited. What motivated this project, and what prompted you to do an organizational study emphasizing political embeddedness?

Jiwook Jung: The project started as an extension of my earlier paper "Through the Contested Terrain: Implementation of Downsizing Announcements by Large U.S. Firms, 1984 to 2005," published in *American Sociological Review* in 2016. Since my graduate study at Harvard, the political embeddedness of corporate decisions has been my primary theoretical interest. Hence, in the above-mentioned paper, I explored the firm-level political dynamics among competing stakeholders, including investors, workers, and top managers. After seeing the significant influences these groups exert over the implementation of downsizing, I began to wonder whether the broader political environment beyond the boundaries of firms could also affect firm-level decisions. Again, downsizing was a rele-

vant topic, given employment issues' political and economic importance.

From the beginning of the project, I focused on state-level politics. Two sources informed my decision. One was the literature on social movements and public policy. While working on my dissertation project, I extensively read studies in the literature and noticed that they often utilized variation in political environments across U.S. states. I thought I could also utilize a similar analytical approach because I had data on establishment-level employment size for the firms in my sample.

Another source was the comparative institutions literature, which gave me a theoretical lens to build my theory of how external political factors shape firm-level decisions on downsizing implementation. Originally developed to explain the rise of welfare states in Western Europe, prior research in the tradition explored country-level political factors, such as left-wing parties in government and organized labor. Yet, more recent studies have begun to apply its insight to explain within-country variation in outcomes such as economic inequality and poverty. In this respect, I was immensely inspired by David Brady and his colleagues' study, "When Unionization Disappears: State-Level Unionization and Working

Poverty in the United States,” published in *ASR* in 2013. I saw the paper while mulling over my project on state-level downsizing implementation. Immediately, I realized I had a paper to write.

Still, the real breakthrough came with my collaboration with Tom VanHeuvelen, my former colleague at UIUC, now an Associate Professor in the Department of Sociology at the University of Minnesota. I suggested we work on the project together after reading an early draft of his paper, “The Right to Work, Power Resources, and Economic Inequality, published in the *American Journal of Sociology* in 2020. He introduced me to the extensive literature about the relationship between politics and economic inequality. I am particularly indebted to him for the section about right-to-work laws. Without his input, I doubt I could complete this project.

Z. W.: What are the most surprising findings in your study on the relationships between corporate behavior and state and local politics?

J. J.: In fact, I was quite surprised when I first saw a significant relationship between state-level politics and the magnitude of downsizing, especially the finding that Democratic party control of state government and legislature limits firms’ ability to implement drastic job cuts. Although I predicted so in the paper, I was unsure about it when I first started the project. One comment I often heard was that there might be little the government can do about firms’ downsizing decisions, given that the long-held legal principle of employment-at-will allows employers to fire employees for almost any reason. Some even suggested that there might not be enough differences between Democratic-controlled and Republican-controlled state governments, given the centrist tendencies of the Democratic Party (e.g., the Clinton Administration) during the 1980s and the 1990s. Therefore, the significant role of Democratic Party control at the state level surprised some of my colleagues, who were initially skeptical.

For the same reason, Tom and I tried to subject the relationship to stringent tests to ensure the robustness of our findings. We included an extensive list of state-level controls and adopted state-by-firm



fixed effects analysis. Still, I must admit that the precise mechanisms underlying the relationship remain underexplored. Using more detailed information about state-level political processes and policies, I hope future research may identify mechanisms through which state-level politics shapes corporate decisions. I am particularly interested in the role of right-leaning policy advocacy groups, such as the American Legislative Exchange Council (ALEC), in recent years. Their promotion of policy proposals and state-level adoption of those proposals can enhance our understanding of the political embeddedness of corporate decisions.

Z. W.: You identified three patterns in your research: (1) In states with Right-to-Work (RTW) laws or in the American South, labor’s power resources were largely ineffective in moderating downsizing. (2) In non-RTW states and regions outside the South, labor-friendly political factors significantly constrained firms’ ability to implement drastic downsizing. (3) Firms tend to increase employment in pro-business regions like RTW states and the South, potentially reducing long-term employment opportunities in labor-friendly states. Do you think these relationships

persist under the larger changing macroeconomic and political contexts, such as growing distaste for globalization and protectionist policies?

J. J.: This is a great question, and I remain keen on revisiting the issues Tom and I raised in the *SER* paper with more recent, updated data. Many crucial political, economic, and social transformations have happened and are happening right now since the end of our study period, including the global financial crisis of 2008, the rise of China and other emerging economies, the election of Trump, the COVID-19 pandemic, the Black Lives Matter movement, inflation, and eventually, Trump's re-election after the four years under the Biden Administration. The political contestation around governments' and firms' responses to those events and crises is revealing, to say the least.

Given that, I would predict the relationships you mentioned to persist in the near future. One reason is the persisting polarization of American politics, as shown by the recent election outcomes. As a result, there could be even more political mobilization on both sides, pushing firms to adjust their practices and policies to the constantly shifting political environments. The recent adoption of right-to-work laws by Midwestern states, such as Indiana in 2012 and Wisconsin in 2015, is a case in point. It remains to be seen whether the state-level political mobilization that has pushed for such changes will continue or reverse its course in the long run. Either way, the heightened political uncertainty will further illustrate the political embeddedness of corporate decisions.

Z. W.: Do you think the patterns you identified in the research are unique to the U.S., or do you predict similar outcomes for other advanced economies? Why or why not?

J. J.: I would predict similar outcomes in other advanced economies. The comparative institutions literature was first developed to explain the rise (and their decline in recent decades) of welfare states in Western Europe. The same political forces that promoted the welfare state can limit the political influence of business owners and managers, thereby constraining their decision-making autonomy. Still, it is also highly likely that the relation-

ship between labor's power resources and firms' decision-making autonomy may vary across countries, with stronger associations in certain countries and weaker ones in others. Particularly interesting is the rise of ultra-right politics across Europe, which could weaken labor's power and, therefore, its influence over corporate decisions.

A related, important question is whether the patterns I found in the U.S. will be observed in developing or under-developed countries. I am originally from South Korea, where the relationships between politics and business have dynamically evolved. Also, during my previous job in Singapore, I closely followed political issues in the region and their implications for corporate decisions. Because of all these personal experiences, I am keenly interested in the relationships between politics and business in emerging economies. More research about those countries will enhance our understanding of the political embeddedness of firms and may reveal diverse mechanisms through which politics shapes corporate decisions. ■

Recently Published?

Share Your Work on
Accounts

THE SHIFT PROJECT: AN INTERVIEW WITH DANIEL SCHNEIDER

Daniel Schneider is the Malcolm Wiener Professor of Social Policy at the Harvard Kennedy School and a Professor of Sociology in the Faculty of Arts and Sciences at Harvard University. He earned his Ph.D. in Sociology and Social Policy from Princeton University. His research focuses on social demography, inequality, and the family, covering class inequality in parenting, economic resources and family formation, and household financial fragility. As Co-Director of [The Shift Project](#), his work examines how unstable and unpredictable work schedules impact economic security and the health and wellbeing of workers and their families.

Jessica Urzúa, a Ph.D. student in Sociology and Social Policy at Harvard University, interviewed Dr. Schneider about The Shift Project.

Jessica Urzúa: Thank you for taking the time to share about your work with The Shift Project for this Winter issue of *Accounts*. First, could you introduce The Shift Project and share what inspired you to create it? What gaps in research or policy does it aim to address?

Daniel Schneider: As social scientists, we know an awful lot about American workers. As researchers, we are really fortunate to be able to turn world-class surveys like the CPS, the NLSY, and the PSID, not to mention administrative data like the LEHD. Before we started the Shift Project, my co-author, Kristen Harknett (UCSF), and I generally did just that in our work! But, following a few years of working on the effects of the Great Recession, and in particular trying to unpack the effects of economic uncertainty on households, we became interested in a novel source of uncertainty – work schedule unpredictability and instability – and found that our old-stand-by datasets didn't actually capture this aspect of work. The Shift Project really arose from that lacuna and from the revelation – and I'll freely admit that it really was a revelation to me and Kristen who were tried-and-true secondary data users – that we could fill in those missing gaps by collecting our own survey data on things like how much advance notice workers got of their schedules or if they experienced last minute timing changes or the degree of work hour volatility that they experienced. From

some fairly small-scale surveys in 2016, we ended up growing the project to survey over 200,000 hourly workers employed at about 200 of the largest firms in the service sector over 17 waves of repeated cross-sectional surveys between 2017 and 2024. These data are collected using a novel non-probability online design that lets us nest workers within firms and collect these measures of scheduling alongside other rich measures of job quality, economic security, health and wellbeing, and family process at a scalable cost. We've aimed to use these data to describe the contours of precarious working conditions and the consequences for workers and their families. We also use these data to reveal what is happening inside of large firms, like Target, McDonalds, Kroger, and others, and to both inform policymakers about the problems that workers face and evaluate the effectiveness of labor standards that are put in place.

J. U.: The Shift Project uses large-scale surveys and innovative data collection methods to collect matched employer-employee data. What challenges and breakthroughs did you experience in designing and implementing this methodological approach?

D. S.: Our first challenge was really in figuring out how we were going to effectively survey the population of hourly workers in the service sec-

tor. Given our goal of building an employer-employee linked sample, we quickly found that there really weren't sampling frames out there. We tried panel vendors. We tried striking company partnerships. And, ultimately, we came to see that Facebook (Meta) provided a kind of quasi-sampling frame through its advertising platform where we could identify workers at these large service sector firms and then also use the platform to try to recruit them to surveys with paid advertisements. A key value of the data is that it provides for an employer-employee linked sample and so the ability to look inside the "black box" of employer practices by aggregating employee experiences. A challenge we've faced there though is that worker experiences sometimes depart from announced company policy. Are those moments of divergence an accountability opportunity for firms or could they be chalked up to measurement error? Through some careful work with survey weighting, benchmarking, and tests of unobserved bias in the data, we are pretty confident that we've identified moments both where firms announced changes to practices, such as Olive Garden introducing paid sick leave for their workers, that were enacted, as well as moments where firm announcements ran well ahead of firm practices, such as Walmart shifting to more stable and predictable scheduling back in 2016.

J. U.: What are the most striking or unexpected findings that have emerged from The Shift Project data to date, and how do they shape our understanding of workplace practices and worker wellbeing?

D. S.: Let me come at that question in two ways. The first is to make the case that evidence can advance our understanding of social phenomena and inform policy even when it is not surprising. One of our core findings is that exposure to unstable and unpredictable schedules is widespread. Nearly two-thirds of workers at these firms get less than two weeks' advance notice of their schedules, a similar share experience last minute time changes, and work hour volatility alongside insufficiency is common. We also find that exposure to such unstable and unpredictable scheduling is very strongly and consistently associated with economic insecurity, diminished health and wellbeing, and family stress.



That doesn't exactly come as a surprise to most work-family scholars and it certainly wasn't a surprise to workers, to advocates, or to many elected officials. But, these findings were among the first that empirically tested theory and scaled-up from workers' lived experiences and there was value in that.

The second way I'd respond is to admit that there have been some surprises! For instance, we often take wages to be the measure of job quality and much of our work is oriented around broadening the measure to consider other aspects of working conditions, like scheduling. But, one thing we've been surprised by is that when we put hourly wages against unstable scheduling practices head-to-head, we see the largest gaps in worker wellbeing between workers with more stable schedules vs. more unstable schedules rather than between workers who are making, say, \$9/hr and \$15/hr. That's not to say that income doesn't matter, but just that within the range of earnings in the sector and the range of schedule stability, moving schedules seems to matter more.

I'll give you another example. In many ways, precarity in the service sector seems overdeter-

mined. Between deregulation, de-unionization, and financialization (not to mention globalization!), it seems almost inevitable that every hourly job in restaurants and fast-food places and retail stores is precarious and that market pressures have sparked a real race-to-the-bottom. But, using the employer-employee linked structure of the data, we find significant variation between firms in wages, schedules, and other aspects of job quality. For instance, mean hourly pay at Costco is \$24 against \$13 at Dollar General. Just 6% of workers report a last minute shift cancellation at In-N-Out Burger against 17% at Five Guys.

J. U.: You mentioned that your research examines how unstable work schedules ripple out to affect families and communities. Can you elaborate on these broader impacts and their implications for social inequality?

D. S.: Unstable and unpredictable schedules pose real challenges and impose significant costs on workers, their families, and their broader social networks. Workers who do not really know when they will be told to work or how much they will work live with a kind of predictable unpredictability that is stressful and a source of chaos in their lives. We find that compared to workers with similar hourly wages and household incomes, working the same kind of service sector jobs, those who are exposed to limited advance notice, last minute timing changes, volatile hours, and other “just-in-time” practices report significantly worse sleep quality and more psychological distress. Parents with such schedules have higher levels of parenting stress and more work-life conflict and these aspects of family process spill over to affect their kids, who have less regular sleep routines and more internalizing and externalizing problems. Firms appear to use these practices to save on labor costs, aligning staffing precisely with customer demand, but those firm savings are paid for by externalizing costs to workers, their kids, as well as their communities, as neighbors, friends, and family are called on for last minute childcare or social support.

J. U.: The Shift Project has completed rigorous

evaluations of secure scheduling laws in Seattle, New York City, and Oregon. What have you learned about the effectiveness of these laws, and do they point to best practices for other cities and states considering similar legislation?

D. S.: Just as labor standards have been passed in localities and states to set minimum wages, require paid sick leave, and mandate paid break time, so too have labor standards been advanced to regulate unstable and unpredictable scheduling practices. These laws, first enacted in San Francisco, and since in Seattle, New York City, Chicago, Philadelphia, Los Angeles, and Oregon (as well as some smaller cities), require large service-sector employers to provide workers with two-weeks notice of their schedules and to pay “predictability pay” when schedules are changed at the last minute. In many ways, these laws are modest in their ambition. They don’t outlaw last-minute timing changes or ban shift cancellation. They just require some compensation and perhaps discouragement. That said, some of these same provisions make the laws fairly complex and so make the already difficult job of labor standards enforcement perhaps even more challenging. It’s been an open question, then, what effect these laws have had on work schedule stability. Our evaluation of Seattle’s Secure Scheduling Ordinance found that the law did significantly increase the share of workers getting two weeks’ notice of their schedules and some recent work-in-progress that looks across six such laws finds similar results. While other regulated practices change a bit, it does seem like two-weeks’ notice is the place where the needle moves the most, perhaps indicating that it is both legible to employers and workers and actionable.

J. U.: Turning to employer compliance, a recent report by The Shift Project on labor standards violations in the California service sector highlights a “complaint gap.” What factors contribute most to this gap? Are certain types of firms more likely to violate labor standards? What policies or strategies could address employer non-compliance, and what role might worker advocacy play?

D. S.: Our work has evolved from describing the challenges and consequences of exposure to pre-

carious work – including unstable schedules and limited paid sick leave – to trying to estimate the effects of labor standards on job quality. In some ways then it is a natural progression that we’ve turned to looking at the problems of compliance with such labor standards. To address that topic, as we often do, we solicited advice from other scholars and practitioners to design a new survey module, this one focused on collecting workers’ direct reports of potential labor standards violations, like not being paid for overtime, being told to keep working after clocking out, or not receiving paid sick leave even when mandated. We also asked workers what they did in response to those kinds of events – did they report or complain? If so, what happened? If not, why not? We’ve taken a close look at this data for a sample of workers in California, which has some of the most progressive labor standards in the country, covering wages, paid sick leave, as well paid breaks. We find that serious Fair Labor Standards Act (FLSA) violations, paid sick violations, and paid break time violations are common, but that workers rarely come forward with complaints. When they do, it is most commonly to report the violation to their manager or to HR, and reporting to an external body, like a labor center or local, state, or federal government is exceedingly rare. This “complaint gap,” points to the limits of complaint-based enforcement and really adds to the urgency for finding new methods of strategic enforcement that officials can use to proactively identify the sites of labor standards violations.

J. U.: What’s next for The Shift Project? Are there new dimensions of inequality or labor market dynamics you plan to explore? How do you see The Shift Project informing public policy and research in the years ahead?

D. S.: Just as working conditions vary pretty significantly between the firms we observe in our data, so too do their organizational and financial arrangements. For instance, where basically 99% of Dunkin Donuts stores are franchised, Starbucks is essentially 100% company-owned. This kind of fissured employment relationship has been theorized to be really important for shaping things like wages, schedules, benefits, and even labor stan-

dards compliance. Other work argues that the pressures of shareholder value orientations, perhaps most acutely under private equity ownership, may similarly lead to cost cutting and disinvestment in workers that takes form in more precarious working conditions. We’re working to merge the individual-level employer-employee linked survey data from Shift on job quality with establishment- and company-level measures of franchising and ownership structure that we’re scraping from Franchise Disclosure Documents and culling from corporate databases. I’m excited for that kind of linked work for questions about firm structure and job outcomes as well as for work that can inform regulatory efforts. ■

Do You Have a
Scholarly Event to
Announce?

Share on Accounts

ORGANIZATIONS AND THE LABOR MARKET: AN INTERVIEW WITH LAURA ADLER

Laura Adler is an Assistant Professor of Organizational Behavior and Sociology (by courtesy) at the Yale School of Management. Her research examines topics at the intersection of organizations, economic sociology, and culture with a focus on the future of work. Her recent projects explore how anti-discrimination law has shaped organizational pay practices. Other research examines the world of work from the perspectives of workers, employers, and regulatory authorities. She is particularly interested in mixed methods design, often using fieldwork to develop novel hypotheses and testing these using experiments, surveys, and archival data.

Allison Wigen, a Ph.D. candidate in the Department of Sociology at Boston University, interviewed Dr. Adler about jobs, organizations, and labor market dynamics.

Allison Wigen: Thank you for taking the time to share about your work for this issue of *Accounts*. Before we zoom in on your research, I am curious about how you position your work broadly, and as an economic sociologist. Your research is located at the intersection of organizations, economic sociology, and culture. How did you come to work at this intersection?

Laura Adler: I am interested in the interface between organizations and the labor market—questions like how workers find jobs, how organizations select workers, and how both parties draw on ideas about the market in the process of negotiating pay. These questions come down to two fundamental concepts in economic sociology—valuation and evaluation, or the culturally-informed processes we use to assess, select, and determine the value of people and things. So I would say I work at this intersection because these three literatures are all essential to understanding how organizations interact with the broader labor market.

At the same time, I also set out to identify research questions that will allow me to work within these theoretical traditions. Because most of my work is inductive, this means finding puzzling phenomena in the world that are clearly anchored to organizations, markets, and cultural beliefs about value, although it typically isn't clear precisely what theoretical ramifications the stud-

ies will have.

A. W.: How has your research focus evolved over your career? Are there recurring themes or questions that have consistently driven your work?

L. A.: I have long been motivated to understand two different phenomena: the challenges of the job search in today's labor market and the endurance of gender inequality in an ostensibly egalitarian society. I would say the most significant shift in my approach to understanding these questions has been in terms of the unit of analysis. I started in graduate school focusing on job-seekers, including research on how people evaluate their job options and how they justify their job search behaviors. Over time, I began to adopt a more organizational lens, which allowed me to engage with organizational theories that I found inspiring. Most recently, I have started to think about the role of the family, and specifically the gendered division of labor at home, in shaping organizational inequality.

A. W.: Let's talk about your 2021 *Work and Occupations* article, "Choosing Bad Jobs: The Use of Non-standard Work as a Commitment Device." Your article introduces the idea that bad jobs serve as "commitment devices" for nonstandard workers—in your case, aspiring artists. Can you elaborate on how commitment devices challenge traditional economic theories of job selection?

L. A.: In the literature on labor markets, there's a strong assumption that workers will choose the best jobs available to them, measured as some combination of extrinsic rewards (pay, benefits, social status) and intrinsic rewards (meaning, interest, satisfaction). Left out of this picture is the broader landscape in which jobs are evaluated by workers. For instance, we can think about a broader social context, in which workers are aware of how jobs look to others—an insight that sociologists have pointed to in thinking about whether jobs fit with one's identity.

But we can also think about a broader *temporal* context, in which workers are conscious of how one job will change who they are and shape their future preferences. Artists face a difficult road—there are few opportunities for success and lots of self-doubt (much like graduate school!). In interviews, they emphasized a concern that they might lose their drive to pursue this highly valued but very challenging path. So, this finding emerged inductively. While I was motivated by a sense that the economic literature didn't explain the full picture, I arrived at the insight about commitment devices through the process of data collection and analysis.

A. W.: Your study focuses on nonstandard workers within cultural industries and creative fields. How might the concept of using bad jobs for commitment devices apply to other industries or occupations?

L. A.: I think this larger temporal landscape in which we make job decisions applies to anyone, but depending on the type of job, career identity, and social position of the worker, the particular issues will be different. So, there are important scope conditions regarding the issue of maintaining commitment. Specifically, I think this process will be relevant in occupations that have the features of a “calling” and where opportunities are scarce such that the chances of being lured away—by more money, stability, or recognition—are significant. One can think about this in academia: facing a difficult labor market and with opportunities for lucrative industry jobs, Ph.D. candidates often face the option of taking a non-



academic job. But, there are concerns about how this will affect their later ability to pursue academic work, both because of how others view them and because a higher paying job may erode a commitment to academic goals.

A. W.: In another recent project, coauthored with Elena Ayala-Hurtado, forthcoming at *Administrative Science Quarterly*, you examine how job-seekers navigate the tension between leveraging social connections to access jobs and meritocratic ideals that view the use of social ties as nepotism. How do you see this conflict shaping contemporary labor market dynamics?

L. A.: It's been great to work on this project with Elena and we're so excited that it's coming out at *ASQ*. This paper identifies an overlooked tension at the heart of the process of professional networking: on the one hand, a social capital logic suggests that we should use our ties to gain an advantage in the job search while, on the other, a meritocratic logic says we should earn our own positions without the benefit of unearned advantages. We see this conflict as pervasive in the contemporary labor

market. Job-seekers feel concerned about whether using their connections is legitimate, but they feel compelled to do so anyway. Using incredible data that Elena collected with Spanish college graduates, we theorize how people make sense of using connections despite their meritocratic reservations.

A. W.: In your findings, you advance the concept of “situational alignment,” a process of justification that reconciles these competing cultural scripts by aligning factors such as the job-seeker, the job, and the type of help. Could you elaborate on how this “situational alignment” refines our understanding of the tension between social capital and meritocracy?

L. A.: We theorize a process justification that builds on sociological theories from Scott and Lyman, Zelizer, and Boltanski and Thevenot to suggest that justification is possible when people perceive an alignment of the facets of the situation—in our case, the job-seeker, the job, and the type of help that connections provide—in ways that conform to both of the competing logics. When these are not aligned, the situation is unjustifiable. While scholars have explored the problem of justification, fewer have developed frameworks that explain the boundary between what is justifiable and what is unjustifiable. One important exception is Zelizer’s theory of relational matching, and we expand on this in our paper to incorporate other components of the situation, beyond the behavior and the social relation, including the characteristics of actors and their goals or objectives.

A. W.: In another recent project, you explore how the interaction between organizations and pay equity laws has shaped employers’ pay-setting practices. Can you elaborate on how debates over legal liability in pay discrimination influenced organizational pay practices? How did the law lead organizations to forego job evaluations as their dominant pay setting practice, in favor of a market-based approach? And how did you arrive at the law as an alternative pathway to marketization?

L. A.: For the last few years, I’ve been looking at

how organizations set pay for their workers and why. What kind of beliefs about value underpin pervasive practices like paying people very different salaries to do the same job? One thing I learned in my fieldwork is that employers today are very market-oriented: they pay based on what other companies pay, both at the level of the job and for this specific person, with salary history interpreted as an individual’s “market price.” But this wasn’t always the case. In a prior era, employers would rigorously evaluate the job and measure its importance to productivity, so that pay was distributed across jobs based on relative worth (rather than market value) and people within jobs were paid the same amount, privileging internal equity (rather than market competitiveness). I became curious about what happened to move employers in this direction.

I went into my analysis with three hypotheses: marketization could be driven by increased competition, decreased union power, or changing technology. To my surprise, I found that an entirely different set of events triggered the transition—namely, debates over the legal definition of pay equity in the 1970s and 1980s, which threatened to hold employers accountable for pay inequality between jobs (rather than just within jobs, as required by the Equal Pay Act). As I show in a paper in *Mobilizations*, the courts determined that pay inequality was legitimate if it emerged from market dynamics. The new paper traces how employers, in turn, embraced market-based approaches to reduce their liability. This surprising discovery led me to theorize the law as a more proximate influence on marketization, articulating how organizations can embrace the market because it reduces their own responsibility for contested outcomes.

A. W.: You argue that the comparable worth movement backfired by entrenching gender pay inequalities. Can you elaborate on the unintended consequences of this shift? What alternative pay-setting practices might have been more effective in advancing pay equity?

L. A.: The comparable worth movement backfired because their cases resulted in negative rulings that legitimized any pay inequality that could be attributed, however tenuously, to market dynamics.

But this was not the fault of the comparable worth movement—rather, this progressive movement collided with a rightward shift in U.S. legal thinking. In other countries, like Canada, the comparable worth movement succeeded, with a significant impact on gender pay inequality. So, the movement itself, I think, was on the right track. Without tackling the issue of pay inequality between occupations, we will never be able to close the gender pay gap. But these claims pose a fundamental challenge to free market be-

liefs, which suggest that employers should have total freedom to allocate pay however they choose. So, I think comparable worth is a theoretically sound approach, but it requires finding the right political opportunities. ■

On the Job Market?
Share on Accounts

ENTREPRENEURSHIP, NETWORKS, AND DIGITAL FUTURES: AN INTERVIEW WITH OLAV SORENSON

Olav Sorenson is the Joseph Jacobs Chair in Entrepreneurial Studies, Professor of Strategy and of Sociology, and Faculty Director of the Price Center for Entrepreneurship & Innovation at the Anderson Graduate School of Management at UCLA. His primary stream of research pertains to economic geography, focusing on how entrepreneurship influences the growth and competitiveness of regions within countries and on why some regions appear more supportive to entrepreneurs than others. He has called attention to some of the unexpected consequences of the fact that social capital plays an important role in entrepreneurial success. Largely in recognition for this research, Professor Sorenson received the 2018 Global Award for Entrepreneurship Research. His secondary streams of research have been on the relationships between basic science and innovation and on how organizations can better learn from their interactions with customers and from their manufacturing experience. His work has been published in journals such as *Science*, the *American Journal of Sociology*, the *American Sociological Review*, *Administrative Science Quarterly*, *Management Science*, the *Strategic Management Journal*, and *Research Policy*.

Yasemin Girgin, a Ph.D. student in Sociology at Boston University, talked to Dr. Sorenson about the evolving dynamics of entrepreneurship, networks, and innovation in the digital age.

Yasemin Girgin: Thank you for joining us for this issue. It's a pleasure to have the opportunity to interview you. Could you tell us a bit about your journey to becoming an economic sociologist? What prompted you to pursue a career in this field?

Olav Sorenson: Thank you for the invitation. The pleasure is mine. That's a bit of a long and meandering path. So, I am just going to tell the abbreviated version here. As an undergrad, I did not major in sociology. I majored in Social Studies, an interdisciplinary concentration. I took more courses in history and in physics than in any other

subject. But I took two courses that heavily influenced my decision to apply to doctoral programs in sociology, one on technology and society taught by Daniel Bell, the other on mathematical sociology taught by Peter Marsden. I particularly appreciated the precision, power, and complexity of the formal modeling of social systems, and many of the articles taught in that class came from the organizations and social networks literatures. So, when I decided to go to graduate school, I applied to sociology programs.

I spent most of my time in graduate school at Stanford. Organizations seemed to be in the air

there, and Stanford had attracted an incredible bench of organizations scholars, including Mike Hannan, Jim March, John Meyer, Dick Scott, Jeff Pfeffer, Joel Podolny, Jim Baron, and Steve Barley. Perhaps not surprisingly, most of the graduate students at that time also ended up studying organizations.

The other factor that strongly influenced my trajectory into economic sociology was engagement with practice. As a graduate student, I consulted extensively for a company in the pay-per-view space, LodgeNet Entertainment. Over the course of my four years at Stanford, I probably conducted research and wrote reports on more than 60 topics for them. Although I initially took the job for the income, deeply understanding the business and the industry and seeing the day-to-day organizational dynamics at the company solidified my interest in studying organizations.

In that sense, during and immediately after graduate school, I would have considered myself an organizational sociologist, rather than an economic sociologist. To some extent, I still do. The “economic sociology” label only seemed to emerge in the late 1990s, as many sociologists became interested in studying the structure of economic exchange between individuals or between individuals and organization. Entrepreneurship feels as though it sits someplace at the intersection of economic and organizational sociology. Entrepreneurs are individuals but they are individuals who create organizations.

Y. G.: In your *Annual Review of Sociology* article with Tristan Botelho and Ranjay Gulati on the sociology of entrepreneurship, you emphasize the need for a deeper exploration of the full entrepreneurial life cycle, particularly the post-entry phase, which has historically received less attention. Given the evolving nature of entrepreneurial ecosystems, especially with the integration of digital platforms and the increasing role of AI, how do you see computational methods, such as machine learning or simulations, contributing to our understanding of this phase?

O.S.: That’s right. We have hundreds of studies on the characteristics of entrepreneurs, on innovation,



and on the early mobilization of resources. The organizations literature also has decades of research on large, established companies. But we know surprisingly little about the process of transforming the organization from that early fluid startup phase to being a large and stable bureaucracy.

Although I have only used machine learning and simulations in a couple of my own papers, I believe that both hold great promise for the study of startup scaling and entrepreneurial ecosystems. Organizations have complex dynamics both internally and externally. Even highly simplified models that try to incorporate those dynamics often do not allow for closed form solutions. So, simulation provides an excellent tool for building somewhat more realistic models of organizations and seeing what the interactions of those assumptions predict.

On the empirical side, large language models (LLMs) in particular might help to solve many data problems. Collecting and coding the data needed to study the growth and evolution of companies and ecosystems has historically required armies of research assistants. But much of the relevant data now gets captured in various

types of electronic records—org charts, address books, operating manuals, employment contracts, etc. LLMs can often sort through this information efficiently, effectively, and consistently with relatively little customization. As researchers learn better how to use these methods, I expect that we will see an explosion in novel datasets.

Y. G.: Considering the sociology of entrepreneurship’s connection to areas like economic sociology, social networks, stratification, and culture and cognition, which theoretical frameworks or perspectives do you think are most promising for advancing research on the post-entry phase? How can these frameworks help bridge gaps in our understanding of entrepreneurial dynamics and innovation?

O. S.: Different lenses will provide different insights so I would love to see people approach these questions from a variety of perspectives. Personally, I find ecological and evolutionary perspectives compelling, thinking about organizations and ecosystems as ecologies of interacting actors that evolve in response to both internal and external selection pressures.

I have also always been attracted to a social network perspective. However, I feel as though social topologies have been better at explaining and understanding positions than they have been at explaining and understanding trajectories. For social networks to help us to better understand dynamics, we probably need more dynamic theories of social networks, of the creation and dissolution of ties.

Y. G.: Given that new-generation entrepreneurs are increasingly likely to have spent much of their time online—potentially forming deeper and more robust ties in virtual spaces where they’ve “lived” the longest—how should we reconsider the traditional concept of economies of agglomeration, where physical proximity has been viewed as essential for innovation and growth? What role do virtual communities play in shaping entrepreneurial networks and opportunities, and how do you perceive these networks in relation to those based in physical spaces, particularly regarding access to resources, collaboration, and growth?

O. S.: That’s a super interesting question. On the one hand, I feel that virtual spaces have been overhyped. Most online relationships started offline, and people rarely have serendipitous interactions online. So, the virtual does not fully substitute for physical proximity.

At the same time, the technologies for interacting virtually keep getting better and better. I know a number of startups that have been born virtual, hiring employees around the world without any central offices as meeting places. The virtual companies that have succeeded appear to have adopted routines that substitute for some of the benefits of physical proximity, such as keeping multiple Slack channels always open to allow for spontaneous communication. Studying which routines work and why would be a great topic for a research project.

What would happen if these virtual worlds could fully substitute for the types of interactions that produce agglomeration economies? Unconstrained by job opportunities, where would people choose to live? One possibility is that those with high earnings might spread out from cities to places where their earnings could buy even more, more land and more services. If so, we might see a major realignment in the geography of stratification. Much of the last forty years has been a story of increasing inequality across places. But that type of migration would simultaneously reduce inequality across places while increasing it within places.

But another possibility is that places could become even more polarized. Unconnected to the location of a job, a person might prefer to migrate to someplace with people even more similar to them, in income, in beliefs, and in tastes.

Y. G.: Could you share some insights into your current research on the “interpretations trap” in Hollywood? How might the concept of embeddedness, as discussed in your previous work, apply to the entertainment industry, particularly to Hollywood?

O. S.: In our 2006 paper, Dave Waguespack and I argued that economic actors could enact their

expectations, creating self-confirming prophecies. In that paper, we found that movie studios had a strong tendency to distribute movies made by directors and actors with whom they had worked in the past. As one might expect if the studio had inside information on the quality of these films, the films from these prior relationships, on average, outsold those made by others with whom they did not have prior relationships. But the studios themselves created this differential. When distributing films from directors and actors with whom they had pre-existing relationships, studios would schedule them for better release dates and would spend more money promoting them. Absent that extra promotion, these films might have actually done worse than those made by those not in these embedded relationships.

We might imagine that similar processes happen in lots of other types of economic relationships. Venture capitalists, for example, invest more in companies that they believe have higher odds of success. But, by giving those companies more resources, they also increase their ability to hire high-quality employees and to invest in product development and promotion, improving their odds of surviving and thriving.

The interpretations trap shifts the question from the ex ante beliefs about the prospects for a project to the ex post interpretations of prior successes and failures. The fundamental attribution error posits that people tend to attribute their own successes to their efforts but their own failures to the environment. When evaluating others, however, we suspect that the attribution depends on the extent to which the evaluator can relate to the person being evaluated. For those perceived as similar, evaluators might attribute successes to the individual but failures to the environment. But for those perceived as different, the reverse logic holds: Success becomes seen as attributable to the environment (or to luck) but failure gets interpreted as being due to the incompetence of the individual.

Y. G.: Given your expertise in entertainment industry strategy, how do you think the strategies for obtaining prestige in the film industry have evolved with the rise of digital platforms? Specifically, how

has the shift to digital distribution influenced the way films are valued and positioned as prestigious?

O. S.: Digital platforms have dramatically changed the film industry. Theatrical revenue, the Box Office, once the dominant source of income for films, now represents just one, often minor, source of revenue. Many films never even get released to theaters. Prestige projects appear less common as platforms focus on the bottom line rather than status. It has also been hard for academics to understand many of these changes, particularly on the economic side, because the platforms have not been forthcoming about how much these films cost to produce or how many people watch them. Because people subscribe to the platforms rather than paying for access to individual films, the platforms themselves may not even have a good understanding of whether and which films are profitable for them.

Platforms may also not think about films and serials just in terms of views. For a platform, content that can attract new subscribers or that can keep people from dropping their subscriptions has value beyond just the number of people watching it. That fact may mean that compelling serials, where people want to stay subscribed so that they can see the next episode, have risen in value relative to stand-alone films.

For actors, one of the interesting dynamics has been that digital platforms appear to have been fantastic for stars, such as Adam Sandler or Jennifer Aniston, seeking to capitalize even further on their existing fame. But it has been less clear that streaming has helped to launch young stars.

Streaming, however, in many ways remains in its early stages. Platforms have arguably been producing too much content, in the competition for subscribers. They have also been rapidly learning what content helps them to sell subscriptions. As they “right size” their internal production budgets and focus on the most valuable content, we may see an even further pivot away from passion projects toward formulaic but commercially-reliable films. ■

BOOKSHELF: AN INTERVIEW WITH VICTOR ROY ON CAPITALIZING A CURE

Victor Roy MD, PhD is a family physician and sociologist and an Assistant Professor of Family Medicine and Community Health at the University of Pennsylvania. His research focuses on health and political economy, specifically the influence of financial and economic systems on the health of marginalized patients and populations.

Ryan Fajardo, a Ph.D. candidate in Sociology at Northwestern University, spoke to Dr. Roy about his book *Capitalizing a Cure: How Finance Controls the Price and Value of Medicines*.

Ryan Fajardo: Your book analyzes the valuation and pricing of *sofosbuvir*, a breakthrough treatment for hepatitis C, developed by the pharmaceutical company Gilead Sciences. Could you briefly overview hepatitis C, Gilead, and *sofosbuvir*?

Victor Roy: A decade ago, new curative *sofosbuvir*-based treatments were launched by the manufacturer Gilead Sciences for hepatitis C. The treatments were much heralded, and rightfully so – they offered cure rates nearly 100% after just a 3-month regimen, and represented a meaningful step forward from previous treatments that were toxic and difficult for patients to take. These treatments offered a critical tool against a major public health challenge: in the U.S., over 2 million people are infected with hepatitis C; internationally, at least 50 million people are infected. The virus causes liver damage in most patients, and can be fatal over a lengthy disease course. In 2014, hepatitis C was the leading infectious killer in the U.S.

Along with the hope these treatments offered came major controversy: they became dubbed the “\$1,000-a-day pills”, as Gilead Sciences priced the treatments near \$90,000 for a three-month regimen. Public health systems in the U.S. and internationally began rationing the treatment, given the major fiscal pressure these systems forecasted from covering such a treatment for large patient populations. This meant forcing people to wait in uncertainty as their disease progressed. Meanwhile, Gilead Sciences made \$50 billion in revenues, and directed a large share of these revenues to corporate shareholders. As part of this controversy were

major public debates about the price and value of medicines, and whether paying more for a better, curative treatment was worth it for society. Making sense of these debates required analysis of large-scale shifts in pharmaceutical business models, exemplified by Gilead Sciences.

R. F.: You use sociological theory to describe innovation as a process that is uncertain, collective, and cumulative. Could you elaborate on how these dynamics manifest in the pharmaceutical industry, particularly in drug development and approval?

V. R.: These three features were described in an article by Lazonick and Mazzucato (2013) and identified critical traits of innovation ecosystems more generally.

Pharmaceutical research is uncertain, because investments in knowledge production in the early stages do not have a quantifiable probability of payoff. Public investments in research are critical because such high levels of uncertainty – when the risks are “incalculable” as economist Frank Knight described – is at odds with profit. Private capital is drawn into an innovation process only when there is a knowable risk, which involves the quantified probability of future returns on capital. In the hepatitis C case, we see critical public investments preceding private capital by elucidating the virus and its components, as well as developing technologies that allowed public and private labs to test potential drug compounds. Pharmas- set, the company that initially developed the drug

that would become *sofosbuvir*, received public funding at its inception and also emerged from a publicly funded university lab.

Biomedical research and development is collective, because different actors are involved in parallel or in sequence in the chain of knowledge production. This collective knowledge production ecosystem for hepatitis C treatments involved government agencies, university researchers, venture-backed labs, physicians and patients involved in clinical trials, taxpayers who fund public research and pay for medicines, and large pharmaceutical companies. Part of the reason debates over pricing and access are so heated is because many parties make claims to the rewards of this process. One clear example of the collective nature of pharmaceutical innovation is the large amounts that companies spend annually suing each other over patents to which they feel legally entitled.

The cumulative feature of R&D describes the fact that new knowledge is always built on prior learning and knowledge. On a basic level, a Phase III clinical trial is built on the knowledge gained from Phase II trials, and so forth. More generally, scientists rely on knowledge developed by others – both “failures” and “successes” – to identify potential strategies that can help tackle the specific problem they seek to solve. This raises the question of risks and rewards, and how different actors that take different risks should financially gain.

R. F.: Gilead asserts that *sofosbuvir* delivers long-term savings by reducing downstream individual healthcare costs associated with hepatitis C-related morbidity and mortality. How is this projected value calculated, and in what ways does financialization shape this valuation process?

V. R.: I highlight two main ways that the value of new treatments like those for hepatitis C are quantified and communicated within the public health debates. The first one centers on downstream savings that may be gained by treating now and preventing the cost of caring for subsequent disease, such as the complications of scarring of liver tissue which includes liver failure and liver cancer. This perspective was popularized in debates over hepatitis C. A second one involves



calculating the comparative health benefits of a given treatment versus a prior treatment, and assigns an economic value to these benefits. This enables new treatments to have quantifiable economic value at a population level – which in turn allows assessment of whether this value is worth the price, also known as “cost-effective” in health economics terms.

Financial actors don’t directly generate this science. What’s more interesting is the way that a financialized drug development process appropriates these pricing and valuation practices, as these data points are touted in public communications and turned into a common sense logic in debates. Part of what I describe in the book, lending on Joseph Dumit’s book *Drugs for Life*, is how this science helps naturalize the circulation of capital according to the dynamics of contemporary financial capital. Increases in prices, market expansion, and growth in profits are taken-for-granted inputs into such studies, and thereby converted into public health value that can be quantified and communicated within policy spaces.

R. F.: You use the concept of hegemony to explore why high drug prices persist in the pharmaceutical

industry. How do companies like Gilead cultivate and maintain their hegemonic power, and what potential sources of countervailing power could challenge this dominance?

V. R.: I draw on the concept of hegemony from anthropologist Sunder Rajan’s analysis of power relations involving the pharmaceutical sector and shed light on the way companies create a kind of “common sense” in the fields of action in which they operate. In addition to more overt forms of political power – such as campaign contributions and lobbying – I am similarly interested in the knowledge practices that governed the terrain of debate over the pricing and value of hepatitis C medications. A common sense view – that better treatments should be valued by paying more – had gained traction in the elite policy world, the academy, and even among many that would traditionally take a more adversarial posture against ostensibly highly priced medications.

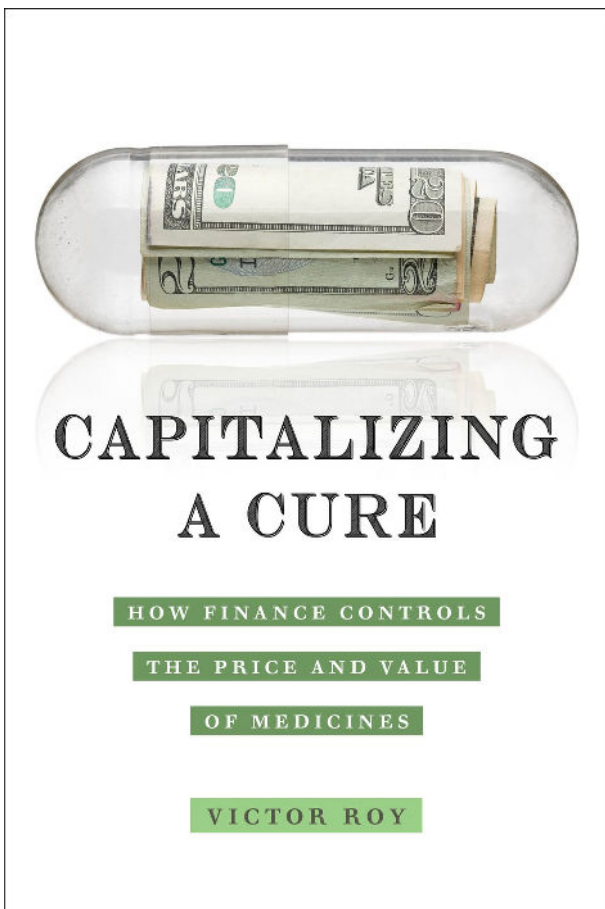
One way this common sense view had gained traction was that Gilead partnered with academics, who lent their academic prestige to this “value” argument. In this way, Gilead was able to find knowledge practices in pharmacoeconomics that aligned with their political position within debates over price and value – and they were able to “invest” in ensuring these practices formed a dominant perspective among key decision-makers. Of course, this view of value did not go completely un-contested – and government, civil society organizations, researchers are all capable of mounting countervailing power.

R. F.: What alternative frameworks for drug valuation and pricing could address the inequities observed in the case of *sofosbuvir*? Are there existing examples of such models being implemented?

V. R.: In the case I investigate, prices of new treatments are based on the prices of prior treatments – with each treatment setting the floor for the next treatment. Companies, financial markets, investment analysts all expect the owners of pharmaceutical intellectual property to be able to charge these prices based on what health systems have previously paid and what monopoly patent protections enable. The financial gains made possible in this system, as I detail in the book, are enormous for corporate shareholders (and thereby corporate executives, who are major shareholders themselves) – even as these shareholders have not provided almost any capital into the innovation process directly. Instead, they have traded on share price in secondary financial markets for the purpose of capital gains.

This system of pricing and valuation becomes untethered from considerations of access and affordability. In contrast, one could imagine a system in which prices are more tethered to costs – whether costs of manufacturing, as in the case of generic manufacturers or the costs of research and development, as the pharmaceutical companies had in a prior era claimed as the primary rationale for their pricing and IP protections.

R. F.: In light of your commitment to advancing healthcare quality and equity, what steps do you believe should be taken to reform healthcare pricing?



ing practices, both in the United States and globally?

V. R.: Reforms can't be only focused on pricing; reforms are needed across the innovation value chain. I can share a few examples of such changes, though this list is a starting point and not exhaustive. First, licenses involving publicly funded research at agencies like the NIH should contain access provisions, such that companies that later base a successful treatment on such research must have a transparent strategy to guarantee access for patients and health systems. Second, intellectual property protections should more narrowly be granted to those applications that are truly inventions commanding a patent. As patents have grown more broad, pharmaceutical companies have been able to build entire "patent thickets" around a product, which limits competition from generic manufacturers and artificially keeps prices higher than they otherwise would be. Such patent games also incentivize incremental improvements rather than investments in radical breakthroughs. Third, government agencies in the U.S. and around the world could consider more manufacturing and late-stage capabilities that enable them to produce treatments that are of critical public health importance. This strategy would build public capacity to direct resources in ways that meet public health goals rather than financial market expectations, as happened with the hepatitis C treatments. Such proposed changes would be in addition to the recent shifts introduced during the Biden administration, which involve Medicare negotiating drug prices for a limited set of drugs for the first time.

On a global level, more efforts to transfer technology from companies based in the so-called "Global North" are necessary, as observed during the inequitable rollout of COVID-19 vaccines. Such technology transfer can also help develop "home-grown" manufacturing capabilities in places like Sub-Saharan Africa, and would decrease reliance on the benevolence of "Big Pharma." The World Health Organization has been supporting such experiments in local manufacturing through their mRNA vaccine technolo-

gy transfer hubs. Of course, all of these reform efforts will face major headwinds in the grave political climate unfolding in the U.S.

R. F.: As both a sociologist with a Ph.D. and a practicing physician with an M.D., how has your dual expertise shaped your approach to sociological research? Are there specific insights or methods from your medical background informing your sociological inquiries?

V. R.: As a practicing physician, I'm trained to integrate various sources of data – a patient's "history of presenting illness" and tests and lab data, for example – to make a diagnosis. I take a similar approach to my sociological practice, which tries to gather up quantitative data with historical and textual sources. I draw on Stark's conception of a sociological "account" – in its meaning both as numbers and narrative – to make sense of the questions that draw me. In the book, for example, I document the financial data while also tracing the historical and political-economic forces shaping corporate strategy that can help explain what the financial data means.

Additionally, I think being a doctor ultimately draws me to sociological questions that I see as affecting my patients. I'd like to try and be a good doctor and a good sociologist for my patients, which means trying to connect what Mills described as connecting "private troubles" – like having difficulty accessing care – with "public problems," like the financialization of our healthcare systems. The connections I can help make, I hope, contribute to better strategies and solutions. This experience as a doctor is less about a specific method, per se, but about an orientation to sociology that perhaps aligns with the tradition of "public sociology." ■

AWARD NOMINATION CALLS

Economic Sociology’s Ronald Burt Student Paper Award

The Economic Sociology Section invites nominations for the 2025 Ronald Burt Outstanding Student Paper Award for a paper written by a graduate student in the field of economic sociology. Papers may be either published or unpublished, but must have been authored by students who have not received their Ph.D. by March 23, 2025. Students are encouraged to nominate their own work. Letters of nomination are not required. Nominees must already be Section members or must join the Section. Papers co-authored with faculty are not eligible for the Burt award. Electronic copies of the paper should be submitted no later than **March 23, 2025** to all members of the Burt Award Committee. Please direct any inquiries to Minjae Kim at minjackim@rice.edu. Submissions: <https://forms.gle/zLzZe81fvp2ve8uZ7>

Economic Sociology’s Granovetter Award for Best Article in Economic Sociology

The Economic Sociology Section invites nominations for the 2025 Granovetter Prize for an outstanding article published in the field of economic sociology. Eligible publications must have a 2023 or 2024 publication date. Authors are encouraged to nominate their own work. Letters of nomination are not required. Stand-alone chapters from edited volumes are eligible for this award. Nominees must already be Section members or must join the Section. An electronic copy should be sent no later than **March 23, 2025** to all members of the Granovetter Award Committee. Please direct any inquiries to Victoria Reyes at vreyes@ucr.edu. Submissions: <https://forms.gle/hV6kxRqoPstN1pLN6>

Economic Sociology’s Viviana Zelizer Best Book Award

The Economic Sociology Section invites nominations for the 2025 Zelizer Book Award for an outstanding book published in the field of economic sociology. Eligible books must have a 2023 or 2024 publication date. Authors are welcome to nominate their own work. Nominees must already be Section members or must join the Section. To nominate a book, please send a hard copy of the book to all four committee members listed below by **March 31, 2025**. Letters of nomination are not required from ASA members. Publishers who wish to submit a book for consideration must include a nomination letter that states how the book contributes to economic sociology. Please direct any inquiries to Dan Hirschman at dan.hirschman@cornell.edu. Submission information and form: <https://forms.gle/TPXrVWh-Q1QPHFBNz5>

NEW PUBLICATIONS

BLOG POSTS & ARTICLES

Gaytán, Marie Sarita. 2024. “The Romance and Reality of “Authentic” Craft Spirits.” *Work in Progress*, December 21. [Online](#).

Vallas, Steven. 2025. “Republic of Fear? Complexity and Coercion in Amazon Warehouses.” *Work in Progress*, January 20. [Online](#).

Cameron, Lindsey. 2025. “The Age of Algorithmic Consent and the Birth of the “Good Bad” Job.” *Work in Progress*, February 3. [Online](#).

Block, Fred. 2025. “What Went Wrong: A Different Diagnosis.” *Work in Progress*, February 17. [Online](#).

SECTION OFFICE HOLDERS

Chair: Juan Pablo Pardo-Guerra, University of California, San Diego
 Chair-Elect: Daniel Fridman, University of Texas at Austin
 Past Chair: Ken-Hou Lin, University of Texas at Austin
 Section Secretary/Treasurer: Victoria Reyes, University of California, Riverside
 Max Besbris, University of Wisconsin-Madison
 Minjae Kim, Rice University
 Armando Lara-Millan, University of California, Berkeley
 Beth Redbird, Northwestern University
 Katherine Sobering, University of North Texas
 Megan Tobias Neely, Copenhagen Business School
 Ya-Ching Huang, Boston University (Student Representative)

EDITORIAL COMMITTEE



[Ya-Ching Huang](#) is a Ph.D. candidate in Sociology at Boston University. Her research interests include economic sociology, culture, morality, health and healthcare. Her dissertation project on pediatric palliative care hopes to understand how clinicians, parents, and policymakers ascribe meanings to the quality of life of children facing life-threatening or life-limiting illnesses. Through this research, she aims to reveal how these perceptions influence decisions about the involvement of pediatric palliative care, the coordination of care provisions, and access to care services. Additionally, her other research investigates the production and distribution of homemade cloth masks amid the COVID-19 pandemic.



[Erika Brown](#) is a Ph.D. student in Sociology at Texas Woman's University. She is a community-focused scholar who interrogates the lived realities of Black people under the financial system in the United States. Erika earned a B.B.A in Finance from the University of Texas at Austin and an M.B.A from the University of North Texas in Marketing. Her work draws on her experiences as a Black woman, a twenty-year veteran of corporate America, and a former employee in the field of FinTech. Her research interests include personal finance, financial (mis)education, financial (il)lteracy, and wealth inequality.



[Zhen Wang](#) is a Ph.D. student in Sociology at the University of Toronto. Her research interests include organizational studies, financialization, sociology of banking, and sociology of risk. She received her B.A. in Accounting and Finance from Boston University Questrom School of Business in 2016. She then obtained her CPA and worked as a tax accountant for several years before returning to academia and earning an M.A. in Sociology from the University of Toronto. Her previous experience working for a public accounting firm and dealing with clients from the financial sector inspired her Ph.D. research, and she currently studies the behaviors of smaller regional banks in the U.S., particularly in terms of risky conduct, and how they both resemble and differ from big Wall Street banks that presently dominate economic sociology discourse.



[Yasemin Girgin](#) is a Ph.D. student in Sociology at Boston University. She is interested in economic sociology, work & organizations, analytical sociology, and social psychology. She holds a B.A. from Middle East Technical University and an M.A. from Boğaziçi University, both in Sociology. In her M.A. research, she studied role diversification patterns and relational dynamics of inequality in the Turkish acting field. Currently she works on talent evaluation processes in creative industries, ideologically motivated urban transformations, and socioeconomic & political impacts of natural disasters.



[Allison Wigen](#) is a Ph.D. candidate in Sociology at Boston University. Her research and writing focus on culture, class and inequality, work and occupations, environment, family, and social theory. Her recent article, “Negotiating Unequal Exchange: Relational Work in Cross-Class Sibling Relationships” (*Sociological Forum*), uses economic theories of relational work to examine how economically disparate siblings conduct indirect support exchanges. Her dissertation utilizes ethnographic and historical methods to examine how commercial fishermen’s work and artmaking have evolved in response to environmental change. Wigen holds an Ed.M. in Arts in Education from the Harvard Graduate School of Education, and a B.A. in Literary Arts from Brown University.



[Joyce Ho](#) is a Ph.D. candidate in Sociology at the University of Michigan. Her research interests lie at the intersection of economic sociology, environmental sociology, political economy, and the sociologies of risk and morality. Her dissertation examines how climate disasters are reshaping the landscape of property insurance in the United States, and how they simultaneously reformulate social understandings of risk, protection, and compensation for loss. She holds a B.A. in Sociology and Economics from the University of Toronto and an M.A. in Sociology from the University of Michigan.



[Ryan Fajardo](#) is a Ph.D. candidate in Sociology at Northwestern University, specializing in economic sociology, cultural sociology, and the sociology of science and technology. His research broadly explores how emerging economic technologies shape cultural beliefs and practices. His dissertation focuses on the legalization and regulation of digital sports betting in the United States, with particular attention to how stakeholders conceptualize the role of emotions in digital betting environments. Ryan holds a B.A. in Sociology and Economics from Williams College.



[Jessica Urzua](#) is a Ph.D. student in Sociology and Social Policy at Harvard University. She is interested in studying how power and social structure in labor markets affect economic inequality, and how social policies may exacerbate or mitigate this inequality. She received an A.B. in Social Anthropology from Harvard College and an M.A. in Economics from Columbia University.