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14 What's Valuable?

*David Stark**

John Dewey is an appropriate starting point for discussing a volume on *The Worth of Goods: Valuation and Pricing in the Economy*—not least because Dewey's *Theory of Valuation*, published in 1939, was a major contribution to the study of the core problems addressed in the chapters collected here. Like Dewey, all of the authors in this volume argue that valuation cannot be reduced to pricing. While insisting on this distinction as the *sine qua non* of a sociological approach to valuation, they also sound a note of caution about being too quick to accept some other received distinctions. Like Dewey, several challenge the opposition between calculation and judgment, and many point to the ways in which value and values are frequently entangled.

Perhaps more than anyone who has written on this topic, Dewey was aware not only of how everyday language constrains our thinking but also of how it can reveal insights about the concepts we deploy. In his *Theory of Valuation*, Dewey explores the double meanings in ordinary speech and points to words such as "praise" and "appraise" that parse in different directions from a common root. After noting the twins "estimate" and "esteem," Dewey observes that it is suggestive "that praise, prize, and price are all derived from the same Latin word; that appreciate and appraise were once used interchangeably; and that 'dear' is still used as equivalent both to 'precious' and to 'costly' in monetary price" (Dewey 1939: 5–6).

Dewey's triplicate of price, prize, and praise—to which I add a fourth, perform—will serve as an organizing device for this concluding chapter. The point is not to make sharp conceptual distinctions among these categories but to use them as a springboard to address the themes raised by the authors in this volume.

14.1 Price

As I write this in the summer of 2010, oil continues to spew into the Gulf of Mexico from the BP Deepwater Horizon drilling site. Federal government

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estimates indicate a flow rate of 35,000–60,000 barrels of oil per day, but this figure is disputed, with BP officials claiming a lower rate and some scientists pointing to evidence that it is higher. But whatever the final tally, it is clear that the BP oil spill is an environmental and economic catastrophe, damaging the fragile ecology of the marshlands, killing sea- and wildlife, robbing fishermen and others of their livelihoods, and posing the possibility of yet-unforeseen threats to numerous species in the now-polluted waters of the Gulf.

The BP oil disaster offers a unique challenge and opportunity to economic sociology because it is an acute case of price determination. What is the price that BP should pay for the destruction of lives, livelihoods, and the natural environment? And just as important, how should this price be determined?

Marion Fourcade's chapter, "Price and Prejudice: On Economics and the Enchantment (or Disenchantment) of Nature," is an exemplary demonstration that economic sociology can contribute much to this national debate. Fourcade's case is that of the Exxon Valdez supertanker that ran aground in March 1989, despoiling Alaska's Prince William Sound with a spill of 30,000 tons (nearly 11 million gallons) of crude oil. Her study focuses on the $1.025 billion out-of-court settlement to compensate for environmental damage to the area. The crux of the analysis highlights how various federal and state agencies hired environmental economists who recommended a method (new at the time) of passive use damage evaluation—"passive use" because it focuses on resources that people are unlikely to use directly. The key technique in this method was a "contingent valuation survey" administered in four locations across the United States.

Survey respondents were given visual and oral information about the spill and its effects, as well as informed about a Coast Guard program to prevent future spills. Basically (and not at all unlike being asked how much you would pay for a basket of groceries), they were asked how much their household would be willing to pay for the program to be implemented. The result was $31 per median household. The economists aggregated these individual "preferences," multiplying by the number of US households, to derive the figure denoting America's total willingness to pay (a measure of utility loss) for the environment of Prince William Sound. That figure, in turn, was the basis for the government's legal case and therefore the key determinant of the price that Exxon paid in the ultimate settlement.

Fourcade dissects the "epistemic culture" of the economists' contingent valuation, specifically its assumptions about aggregating individual preferences that are disconnected from the preferences of other individuals and therefore of any real social context. And she criticizes the confined character of the survey instrument, specifically its framing of asking citizens how much they would be willing to part *with their own money* rather than asking them how much the violator should pay from corporate coffers.

I have a strong affinity to Fourcade's work because it resonates so much with arguments I made in the opening and closing pages of my book, *The Sense of Dissonance*. The challenge for economic sociologists is to develop concepts and analytic strategies that address the problem that *value* is almost always bound up with *values*. In fact, all the really interesting questions about economic value are always, inextricably, tied to questions about moral economy and hence my book's subtitle: *Accounts of Worth* (Stark 2009). In studying the limitations of the ways in which Exxon was called to account, Fourcade addresses this problem head-on. AQ1

Yet the conclusions that Fourcade draws from her study invite some critical reflection. Although she does not use the exact words, essentially Fourcade points to the price that we pay (as a society) whenever we make a monetary valuation of a non-market, public societal good. The very act of putting a "price" on something tips the scales in favor of the economists' expertise and their market or quasi-market framings. The title could be restated: not simply "price *and* prejudice" but price *yields* prejudice. I wonder if this need be the case.

Does "price" somehow inevitably come down to "market price"? Are all monetary valuations necessarily market pricings? There are some good reasons to think not. Economic historians and economic anthropologists provide numerous examples. State socialism might provide others. (Some would argue, however, and not without reason, that monetary valuations under central planning were not really prices, in fact, and that monetary valuations were some other kind of numerical assignment but not really money.) These are interesting questions—for economic sociologists and for the critical study of accounting. They quickly take us into questions about calculation. If we posit that there are non-market orders of worth, do these have distinctive rationalities that are nonetheless recognizable as "calculation"?[1]

Ordinary language never resolves theoretical questions. But it can sometimes suggest a moment of insight. In this case, the telling phrase in common parlance is when we say that someone has "paid a price." The revealing aspect of *paying a price* is that context typically indicates that the price that was paid was *not calculated on market terms*. It is, nonetheless and quite emphatically, a price. Indeed, a non-market price. We hear the phrase in many domains: Someone who acquired wealth by such disloyalty to friends that the price was dishonor; a former colleague who accepted a senior administrative university post at the price of her academic standing; a painter or writer who achieved celebrity status at the price of no longer being taken seriously as a creative artist; a politician who . . . and so on.

Thus, in everyday language, "price" can be an expression that points quite directly to the very heart of the problem, where differing orders of worth are somehow *compared* without ever being made strictly *commensurable*. Such a price is not a market price but it is a price that is identifiable. It can and often

[1] As Wendy Espeland (Espeland and Stevens 1998) shows in her work, the challenges grow even greater when the commensurabilities are being constructed in societies in which the dominant logic is a market logic.

does have a magnitude ("a big price," "a small price"). The timely question, in the BP case, is how can it be made quantifiable?

Assume for the moment that citizen surveys might play a useful role in assessing damages. This, in any case, was the approach taken by the economists following the Exxon Valdez oil spill.[2] My imagined "survey" is not a policy recommendation but instead a thought experiment intended to stimulate thinking about alternative ways to "measure" public incommensurables. Unlike contingent valuation, such a survey would not ask respondents what they would be willing to pay and then use that figure as the basis for assigning BP's damages. Instead, participants would be asked to think about something that the public *is already paying for* (and that therefore already has a price) and these "comparisons" would then be used as the basis for assessing the damages that BP should pay.

The purpose of this survey, respondents would be told, is to help determine the price that BP (and allied companies such as Halliburton that share liability) should pay for causing the disaster and for the consequent damage. What is it worth to restore the Gulf Coast and to enact protective measures to ensure that nothing like this ever happens again? Respondents would not be asked to give any figures other than simple counts that make a comparison to something that already exists. How many space shuttle flights would BP's damages be worth? Two? Ten? Twenty? More? Here, too, the respondent would not be given any figures about these expenditures. The basic idea of the exercise is a kind of implicit barter: Point to something that people already have an idea about as serving some public purpose, and then ask how many of these some other thing is worth. How many fifth-generation fighter bombers? Twenty, fifty, a hundred? How many next-generation aircraft carriers?

Ten space shuttle flights would be $15 billion. That is given by the average cost per flight ($1.5 billion) based on the cost of the entire space shuttle program. But maybe the question should be how many space shuttle *programs* (the above program was estimated at $170 billion in 2008 dollars). The program cost of the Lockheed Martin F-22 Raptor fighter plane has been estimated at $65 billion, and a 2009 report estimates that the new Gerald Ford-class aircraft carriers will cost $14 billion including research and development.[3] Even just a couple of such programs start to add up to serious money.

Note that this thought exercise does not ask citizens to "put a price" on nature or the environment—a difficult operation, as Fourcade shows.[4] Instead, the problem is framed as determining the "price to be paid" in a case of

[2] In mid-June 2010, Reuters reported that "Credit Suisse [was] putting BP's share of the tab to as much as $12 billion, *taking Exxon Mobil's Valdez spill in* 1989 *as [a] benchmark* and including $4 billion of fines" (Maharg-Bravo 2010; emphasis mine).

[3] Figures respectively http://en.wikipedia.org/wiki/Space_Shuttle; http://en.wikipedia.org/wiki/F-22_Raptor; http://en.wikipedia.org/wiki/Gerald_R._Ford_class_aircraft_carrier (both accessed June 20, 2010).

[4] In addition to her chapter in this volume, see also another chapter involving a comparison of the Exxon Valdez case to an oil spill in France (Fourcade 2010).

retributive justice. Some might argue that the price to be paid should not be limited to monetary penalties. A tough prison sentence for the CEO of a highly profitable company might yet be the most effective retributive justice if the aim is not only to restore the environment but also to change the behavior of the senior executives of other highly profitable corporations.[5]

The obvious alternative to citizen surveys or retributive justice via the criminal courts is assessment of damages by expert appraisal. It is to this aspect of the sociology of worth—appraising and prizing—that we turn.

14.2 **Prize**

In so doing, we turn again to John Dewey, who makes the following observation in his *Theory of Valuation*:

> [W]hen attention is confined to the usage of the verb 'to value', we find that common speech exhibits a double usage. For a glance at the dictionary will show that in ordinary speech the words 'valuing' and 'valuation' are verbally employed to designate both *prizing*, in the sense of holding precious, dear (and various other nearly equivalent activities, like honoring, regarding highly) and *appraising* in the sense of *putting* a value upon, *assigning* value to. This is an activity of rating, an act that involves comparison, as is explicit, for example, in appraisals in money terms of goods and services. (Dewey 1939: 5)

Here, Dewey points out that valuation can also occur through prizing and appraising in addition to market pricing. Several of the chapters in this volume suggest that parallel to and interacting with economies of prices, we find economies of prizes and appraisals. Peter Gourevitch, for example, shows how consumers who value fair trade products depend upon NGOs to certify the validity of product claims. Akos Rona-Tas and Stefanie Hiss similarly demonstrate how pricing in financial markets depends on the appraisals of ratings agencies. Marie-France Garcia-Parpet shows the disruptive and persistent effects that wine critics have when expert ratings reshape consumer tastes and the very practices of viticulture. And Ashley Mears points to the career structures of fashion models who must balance higher prices in commercial (catalogue) modeling against work in editorial shoots that, while lower paid, are nonetheless highly prized.

Taken together, these chapters indicate that, in addition to market *competition*, valuation in modern economies increasingly occurs through organized

[5] In mid-June 2010, President Obama negotiated a $20 billion compensation fund which BP will pay into an escrow account. Statements by Obama, the White House, and subsequent editorial commentary specifically referred to the firm's profitability (some specifically mentioning recent estimates of BP's $20 billion in annual profits), suggesting that the price to be paid could be linked to profits.

(or semi-organized) *competitions*. I briefly discuss how tests and contests interplay with ratings and rankings, point to some promising new research on the sociology of competitions, and then suggest what might be valuable in top-ten lists, taking these as a marker of an even more widespread phenomenon of consumer ratings and rankings.

Rankings, an ordinal list, can result from tests or from contests. We start with contests, and take first the forms of these in which competitors play against each other. The score in such a contest indicates which player (team) performed better (earned more runs or goals, ran faster, jumped higher) against another or others on a given day. The score of a soccer match is the result of a direct, head-to-head competition. And the aggregation of these scores (e.g., in win–loss records) results in rankings—whether of a soccer league or of all the professional tennis players or of all the Grand Master chess players in the world. Note that in such contests, there are referees and timekeepers but not judges. Technology contests (the fastest computer, the lightest airplane, robotic cars on ever-more challenging terrain) operate according to similar principles.[6]

But there is another kind of scoring in contests where judges are involved. Contestants do compete with each other in a given event at a given time. But the scores, from which rankings are derived, indicate the degree of conformity to some set of relatively standardized criteria for evaluating performance. Think of Olympic sports such as gymnastics, with their indices of "technical" and (contested) "artistic" scoring. In a sense, these are contests organized around more or less simultaneous tests. In principle, judges are not supposed to be ranking the performers directly but instead should be rating them according to how well they pass the set of tested performance criteria. Thus, in contests organized around tests, rankings result from ratings. These can be the averaged scores of several judges (as in various Olympic sports), the aggregations of scores across multiple judges (as in cumulative grade point averages), or an aggregation or index of the scores of a single judge across several evaluation criteria (as in rankings by critics in technology fields such as software).

Contests in grant and fellowship competitions frequently mix ranked scores with head-to-head agonistic competition. This is the case, for example, in grants competitions at the National Science Foundation (Lamont 2010). In such a mixed system, judges, juries, or "scientific review panels" use scoring procedures ("rate this candidate") to produce a "short list" of finalist competitors, frequently available at the outset of their face-to-face meeting. Jurors typically contend that this is merely a "provisional" or "rough" ranking. The

[6] The most famous such technology inducement prize was in 1714, when the British Parliament offered a prize of £20,000 (more than $3 million in current US dollars) for a method of determining longitude at sea to within one-half a degree. This technology competition launched a boom in navigational research, and the prize was eventually awarded in 1773 (to the dismay of the eminent astronomers who entered the competition) to a clockmaker. On competitions versus grants, see Hanson (1998), Che and Gale (2003), Newell and Wilson (2005), and Leonhardt (2007).

subsequent head-to-head competition directly comparing finalist proposals frequently overturns the initial scored "rankings." It is telling that panelists often refer to this moment of agonistic competition as "agonizing" work.

The mixed character of grants and fellowship competitions also points to an important feature of certain types of competitions: the selection criteria guiding the judges are not given at the outset but emerge during the jury's deliberations. Such is frequently the case in architectural competitions, as Kristian Kreiner (2007, 2009) demonstrates in a series of exemplary studies. At first glance, the evaluative principles governing the jurors' decision seem to be fixed at the outset: they are established in the "program," the brief specifying the problems that the architectural design must solve. But the various features of the client's desiderata are frequently contradictory: not all can be optimized or even harmoniously satisfied. Indeed, as Kreiner shows, the greater the elaboration of multiple performance criteria, the more likely the winning entry will ignore the program, with aesthetic principles trumping other evaluative principles in the jury's decision. More importantly, Kreiner examines in detail the processes and practices whereby jurors (and hence clients) use the entries to learn more about the actual problems that can be solved and the operative principles for assessing a successful performance (Jacobsen et al. 2010). What seems to be a case of analytic problem solving turns out to be a situation of interpretation (Lester and Piore 2004). Architectural competitions are an example of Dewey's pragmatist approach, through which we discover our principles for evaluation in the action of valuation. They are a social technology for exploration in the search when we do not know what we are looking for but can recognize it when we find it (Stark 2009).

As we have seen, contests can be deliberately designed to yield rankings from ratings (experts' scores on various types of "tests"). But it can also happen that ratings can have an unintended consequence, yielding a ranking. For example, despite their protests that their ratings of colleges were never intended as a ranking, the scores of the National Academy of Sciences could easily be converted into a ranking and were quickly followed by a plethora of privately produced "College Rankings" (*US News and World Report*, Princeton Review, and others) with lists of the top 100 universities, the 25 top-ranked liberal arts colleges, and the ten best business schools. What began as an assessment then became a contest as schools began to modify their admissions policies and (in some cases) their procedures for evaluating faculty teaching performance in efforts to move up in the rankings (Espeland and Sauder 2007).

In an era of globalization, rankings do not stop at the national level: university presidents and vice chancellors now proudly proclaim that the goal of their tenure in office will be to move their institution into the ranks of the top 50 universities in the world. Ministries of science and education produce "research assessment exercises," whether they do so in the name of finding more efficient means to allocate scarce tax dollars or (more unstated) to prod institutions of higher education to better compete for higher-tuition-paying foreign students. As Lucien Karpik shows in his chapter on pricing a scientific paper in France, the consequences are not always beneficial for science.

In the field of finance, bond ratings, like cumulative grade point averages, yield a ranking: AAA, AA+ AA, AA−, A+, A, A−, BBB+, BBB, B, and so on. In the case of the bonds for Residential Mortgage Backed Securities (RMBSs), as Rona-Tas and Hiss elaborate, these ratings are themselves derived from consumer credit ratings such as the FICO credit score. Recent research by Carruthers (2010) and MacKenzie (2010) suggests that these corporate bond ratings played a major contributing role in the recent financial crisis.

Ratings and rankings are taken *ad absurdum* in the proliferation of top-ten lists. As a Google search will quickly reveal, there are top-ten lists of everything, including the top ten stupidest top-ten lists. Entire sites are devoted to the genre: TopTenz.net, for example, has thousands of lists organized according to 15 categories, with drop-down menus revealing dozens of subcategories. Although it has a long pedigree—think of Moses' list of the top ten prohibitions—in its current form, the genre probably began in the 1950s, when the standard jukebox held 40 singles. Out of this emerged Top 40 radio programming, with the notion of a Top 40 list later refined in the 1970s to the cloying voice of Casey Kasem's weekly countdown, which defined what would be played on popular music radio—with lucrative results for the major record labels. David Letterman's nightly top-ten lists echo Kasem's countdown, even as his deadpan reading mocks the very project of the genre.

Top-ten lists are frivolous; yet their very ubiquity invites a moment of reflection. Taking them (not too) seriously requires an understanding of the humorous component of the genre. Parody is most effective when it gets under our skin to jab at a social practice in which we are complicit. Who has not resorted to a favorite critic's list of the top ten best movies of the past year when one could not decide on a film to rent? Or taken into account a wine's ratings when choosing a bottle to take to a dinner party? Or consulted an online guide of users' ratings when choosing a hotel, restaurant, vacation package, software program, or new electronic gadget? Which is the dean or department chair who has never perused the rankings of graduate programs?

And so we laugh because we laugh at our partial dependence on lists of ratings and rankings to navigate the uncertainties of finding what is valuable in the overly abundant world of consumer choices.

We laugh also because when the humorous genre works best, it does so by exposing a mixture of assessment criteria so ad hoc and absurd as to defy all rhyme or reason in the selection principle, whereby any element on the list can be "ranked" as higher or lower than any other. Such ironic lists thus evoke an unsettling sense that many of the rankings and ratings that we (along with our deans, our creditors, and our regulatory agencies) use are organized on an ordinal scale but were cobbled together from disparate and incommensurable principles of evaluation.

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Many, perhaps most top-ten lists, however, are not ironic. What is immediately striking is how many are deadly earnest. Once again, Dewey is insightful. In the passage quoted at the outset of this section, Dewey goes on to distinguish appraisal and prizing:

> The double meaning is significant because there is implicit in it one of the basic issues regarding valuation. For in *prizing*, emphasis falls upon something having definite *personal* reference, which, like all activities of distinctively personal reference, has an aspectual quality called emotional.

Prizing, Dewey notes, has an emotional quality with a definite personal reference. This is exactly what one sees in the emphatically nonironic and nonexpert top-ten lists that are awash on social networking sites. "If expert critics and juries can award prizes, so can I," they seem to exclaim. "Here's my list, the objects I prize, and the reasons for this decidedly personal attachment."

Dewey then goes on to contrast the effectual moment of prizing with the intellectual moment characteristic of appraisal:

> Valuation as *appraisal*, however, is primarily concerned with a relational property of objects so that an intellectual aspect is uppermost of the same general sort that is found in "*estimate*" as distinguished from the personal-emotional word "*esteem*." That the same verb is employed in both senses suggests the problem upon which schools are divided in the present time. Which of the two references is basic in its implications? Are the two activities separate or are they complementary?

The move is typical of Dewey. Just when we think we have grasped the analytic separation of the emotional and the intellectual—as with the too-quick parsing of means and ends—he invites us to wonder, "Are they separate or are they complementary?"

Dewey's query is a fruitful insight for the sociological investigation of what is valuable. Online ratings and rankings by consumers now provide new sources of data on prizing and appraising—new means to register value judgments in the economy.[7] Personal top-ten lists are but the tip of the iceberg of a vast digital repository, much of it time-stamped data. Whereas economists have long had time-sensitive data on price movements, we now (or will soon) have alternative (not separate but complementary) databases on the movements of prizing and appraising that register consumer attachments. These "valuemeters" will need new measures and metrics (Latour and Lepinay 2009: 16). They can be quantified, but these metrics of personal value judgments need not be expressed in terms of money. In fact, we will need to avoid the quick temptation to assess how prizing and appraising translate to pricing. That is the work for corporate (and start-up) research departments. The task for economic sociology will be to develop new metrics of what is valuable (the

[7] User ratings are likely to be disruptive of conventional reviews by established critics. For an account of such disruption in the tourist industry, see Scott and Orlikowski (2010).

prizings and appraisings that give us access to value judgment). These metrics are valuable precisely because they are metrics that are alternatives to prices.

14.3 **Surprise! Praise**

From price and prize, we turn to the third of Dewey's triplicate—praise. Here, we examine the capacity of a good not simply to be appraised but to evoke a sense of amazement, to inspire, to be an object that connects or conveys the user to a world of imagination. Several of the chapters in the volume address this theme.

Following George Shackle's definition that "a good promises performance," Jens Beckert distinguishes three dimensions of the performance of goods. A good's *physical* performance refers to what it does in the physical world. Beckert notes that one's valuation of the good depends not only on properties of the object but also on one's knowledge of how to use it. *Positional* performance refers to the mode of valuation according to which a good locates its owner in a differentiated social world. Although he does not exploit the phrase, Beckert is here pointing to the ways in which our "belongings" signal our identities (of class, lifestyle, or group membership)—in short, where we belong in social space. Positional value crucially depends on whether third parties recognize the same meanings and signals that the owner intends such goods to perform.

Whereas physical performance refers to the ability to achieve some transformation in the physical world and positional performance rests on the ability to perform a transformation in the social world of public symbolic meanings, the *imaginative* performance of goods refers to a transformation of consciousness in the realm of one's own imagination (see also Hennion 2004). Interpreting Durkheim's *The Elementary Forms of the Religious Life* as a treatise on valuation and drawing on Durkheim's notion of the totem, Beckert argues that imaginative goods can perform like relics, allowing the owner to be in touch with intangible values or aesthetic ideals. They are a "bridge to the transcendental." In this capacity to "transcend the here and now" (think, for example, of a bottle of wine that affords a material connection to the time of Halley's Comet or to the year of one's birth), imaginative goods are transportation systems. "Did you enjoy the opera?" a friend asks. "I was moved."

Beckert is attuned to the fact that a given object might have all three forms of value: a designer handbag (of a type shown to have been carried by a celebrity) can be used as an accessory, signal lifestyle membership, and—in its capacity as a secondhand relic—create for its owner an association with the charismatic personage. Citing Campbell, Beckert refers to imaginative goods as "aids to the construction of daydreams." Marketers are acutely aware of the symbolic properties in even the most profane of items. If you have seen an ad for Home Depot, you have seen how a can of paint can be marketed as a marital aid: an opportunity for the couple to converse while choosing the color. The guy paints the bedroom; fade out at happy embrace.

Beckert goes on to note that whereas religious relics maintain distance, the purchase of the object of imaginative value brings it into the profane world. Actual use of the object sets in motion a dynamic of disenchantment, with disillusionment creating an unending demand for new products, the arousal of new hopes, and yet new disappointments in the search for "imaginative salvation." Mick Jagger, too, observed this cycle of disappointment—of objects "tryin' to fire my imagination. But I can't get no satisfaction."

If Jens Beckert examines performance values, Michael Hutter analyzes the value of performances. Like Dewey, Hutter finds valuation tuned in multiple registers—cognitive and affective, intellectual and emotional. His contribution to this volume focuses on the emotion of *surprise*. Hutter refers to goods that are desired for their ability to generate surprises as "experience goods." Such goods can not only be theatrical or musical performances, books, fashion, movies, and television series but also electronic gadgets such as video games—anything that evokes a "Wow," indicating the users' experience of amazement, whether profound or fleeting. A mobile phone might seem to be a piece of hardware—until one hears a colleague talking excitedly about its performance: "It's just amazing!" The business models of Apple's iPhone and Google's Android are keyed to their performances as experience goods, with an endless stream of new "apps" generating opportunities for fresh surprises.

For Hutter, surprise is a function of expectations and uncertainties. Experience goods turn on uncertainty in a doubled sense. First, because they are singular, the user cannot be certain about the quality of the experience beforehand. But the concertgoer or the purchaser of a new DVD does have expectations, and these can either be exceeded or disappointed. We experience surprise when expectations are overwhelmed. Second, experience goods generate (they turn on) new uncertainties during the experience itself: a minor chord disrupting resolution to the dominant key, a sudden revelation of the heroine's motivations, a rally that ties the score in the ninth inning, a new level in a video game. For Hutter, surprise goods do not reduce uncertainty; they generate "a kind of uncertainty that is desired by the users because of the strong and positive emotions" it evokes.

Because the management of expectations and uncertainties is so important for the "praise value" of experience goods, commercial products are carefully calibrated not to deviate too much from user expectations. They should be neither too boring nor too startling. "Familiar surprises, combining thrill with comfort," Hutter concludes, "are the most frequent and successful commercial variety."

Contemporary megachurches in the United States offer a fruitful case to explore Beckert's concept of "imaginative performance" and Hutter's concept of "experience goods." At first glance, a religious setting might seem too far removed from Hutter's examples of circuses, rock concerts, and video games.

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Similarly, the church would seem too obviously "transcendental" to apply concepts that Beckert develops for the profane worlds of handbags and wine bottles. But the case invites you to defer these objections until closer inspection.

Evangelical, nondenominational "megachurches" (defined as congregations with more than 2,000 members) are the fastest growing segment of religious affiliation in the United States. I began studying several megachurches in Oklahoma City in 2006. The date was not arbitrary, for it was the centennial anniversary of the publication of Max Weber's "'Churches' and 'Sects' in North America," for which Weber (atypically) conducted field research in Missouri, North Carolina, and Oklahoma.[8] The setting thus seemed appropriate for witnessing new developments in the Protestant ethic and the spirit of capitalism.

VictoryChurch.tv and LifeChurch.tv are two such Oklahoma City megachurches. Indeed, these are their posted names, inscribed on large signs (complete with logos resembling the Nike swoosh or dot-com start-ups) reaching high above gargantuan parking lots. Each church began in the mid-1990s with a handful of members. VictoryChurch, for example, first worshipped in the cafeteria of a public high school. Within a decade, weekly attendance had grown to over 6,000 (at VictoryChurch) and over 13,000 on five "campuses" (LifeChurch). Both megachurches achieved such growth through an innovative recombination of the cultures of church and commerce.

The architecture of these churches is the first signal of such recombination. There are no steeples; in fact, from the street one sees no crosses or other religious symbols. After outgrowing the high school cafeteria, VictoryChurch leased space in a declining shopping center, one of the familiar "strip malls" that line the thoroughfares of most American cities. From these still-modest operations (the suburban equivalent of an urban "storefront" mission church), it quickly expanded to acquire the entire retail property (80,000 square feet, 9,000 square meters). From the parking lot, one sees the signage of its various facilities: a bookstore (at which one can purchase CDs, DVDs, and other materials produced by the church's audiovisual department), a coffee shop (serving Starbucks-branded coffee), an arts and crafts studio, and the church's own religiously themed toy store whose logo evokes that of Toys "R" Us. Unlike some of the other even larger Oklahoma City megachurch campuses, VictoryChurch does not have a gym or fitness center.

With its membership continuing to grow and having exhausted all of the available space in the shopping center, VictoryChurch faced a moment of decision. It needed to build a new sanctuary (although that term is avoided in favor of "auditorium"). It had the land and abundant resources to erect any

[8] To my knowledge, this is the only instance in which Weber (fully accustomed to work in the archives) conducted ethnographic field research. His accounts in "'Churches' and 'Sects' in North America: An Ecclesiastical and Sociopolitical Sketch" are among his most vibrant writing. See, for example, his description of a baptism along the banks of river (Weber 1906/1985).

kind of building for worship. Yet it eschewed the more conventional "church" architecture, opting instead for a minimalist structure that in almost every respect—from its vast scale to the undisguised ventilation units running along the ceiling—resembles a Wal-Mart retail center.

LifeChurch is a similar story of adopting the Wal-Mart "box" architecture. Like VictoryChurch, it has a reception area modeled after that of a megaplex cinema. At LifeChurch, upcoming sermons ("Invasion" is one example) are announced in glass-framed posters with a format identical to those greeting customers standing in line at a cinema box office. Both megachurches have food courts and a smaller version of their retail store (cash registers at the ready) immediately adjacent to the auditorium. Do not hesitate to take your mega-size Coca-Cola drink into the service. And if you would like the youngsters to grab a bag of cookies or potato chips to munch on during the service, these are available in large bins, free for the taking. Need to find your way around the facilities? Here is the pastel color-coded map, just as in any other mall.

I mentioned "service." But this is not the term of art adopted in these megachurches. Whether on Sunday morning or Friday or Saturday evening, the preferred term is "experience." These megachurches are fully equipped to deliver that experience. Entering into the auditorium, we see that whereas the basic architectural construction was inexpensive, no penny has been spared on audiovisual equipment. Here is the multichannel (iDR-48 MixRack and iLive-T112 Control Surface) console for digital mixing of sound and video that would be the envy of any corporate media studio. At VictoryChurch, the mixing console is square in the middle of the auditorium; at LifeChurch, it is housed in the "Control Room" staffed by technicians and a producer who selects the media objects.[9] There is much to display. Both churches have no less than five video cameras (two fixed and three handheld mobile units deployed throughout the auditorium). VictoryChurch has a very large screen, but LifeChurch dwarfs this with three screens, each as large as you would find at a drive-in movie theater, displaying a sometimes dizzying array of split-screen moving images.[10]

Dimmed lights, spotlights, stroboscopic effects, and loud Christian rock music—prayers in PowerPoint. Sermons at LifeChurch are repeatedly punctuated by two-minute video "messages" that bear an uncanny resemblance to commercial interruptions, informing the worshippers about past or upcoming

[9] The backstage control room at Victory also functions as a production studio. If you find an experience especially meaningful, you can notify an usher. Wait a few minutes after the end of the service and for $7.50 you will receive a DVD of that particular service.

[10] In private conversation, the staff at LifeChurch refer to Senior Pastor Craig Groeschel as "the communicator." "Craig really understands the camera," one young staffer explained. "For an ordinary public speaker, when they get to that emotional high point, they'll step forward and look into the eyes of the audience. Not Craig. He turns and looks right into camera three because he knows it's a dedicated close-up. It's like, if it's not on the screen, it's not happening. Even people in the front rows: they'll look up to the screen. We know. We've done the studies."

series of sermons available on DVD. But "experiences" vary. Those on weekend nights, catering to a younger set, tend to be louder. Typically, at least one of the Sunday morning experiences (offered in various time slots) tends to be a bit less enervating.

The pastors of these megachurches are the heirs of the televangelists, who appeared first on the radio and later on television. One of the true pioneers was the evangelist Oral Roberts ("put your hands on the radio"), operating from nearby Tulsa. This next generation of preachers is adopting new technologies. LifeChurch and VictoryChurch simulcast their services; each has a fully elaborated website with deep categories, streaming video, and online payment systems ("click here to donate"); each proudly announces its "social networking" capabilities and presence on Facebook and Twitter. The website of LifeChurch has a bar along the top announcing the "Next Online Experience In," followed by a set of digital countdown boxes: "01 HR, 42 MIN, 15 SEC," and so on. Several years ago, LifeChurch launched a venue in Second Life, where visitors can choose to have their avatar raise one hand in the "praise" posture, elevate above the digital floor, or even sport a halo.

But these megachurches are not just adept at using technologies. More significantly, they are media savvy in the sense of being familiar with a wide variety of media genres and capable of repurposing them. What the various "experiences" have in common is that they "quote" an established media genre. Some of these repurposings are so obvious as to need little interpretation: the youth minister, like the member of a "boy band" with shirt untucked and a headset microphone, involving the crowd at a rock concert. But even the relatively more subdued Sunday experiences harken back to some genre in the world of profane media. One "series" of sermons screened at the Sunday experiences, for example, has senior pastor Craig Groeschel going out with a film crew, "invading" the homes of LifeChurch members: Reality TV. That there is no altar or pulpit gives the megachurches flexibility in arranging the podium platform. Thus, one also encounters Pastor Craig in a different genre, sitting behind a kind of desk. To his right is a couch where he is joined first by a Christian celebrity, then by a regular church member, then by another celebrity, each of whom Pastor Craig interviews, eliciting a mixture of light banter and emotional testimonials. Without doubt, a late-night talk show.

Beckert's model of imaginative performance applies, but *in reverse*. Whereas Beckert directs our attention to how a profane object can transport users, bringing them into touch with some idealized state, here the megachurch preachers can be seen to be working in the opposite direction, repeatedly bringing us back into touch with the most mundane elements of entertainment culture, thoroughly suffusing the sacred with the profane. I do not write about theology, and I hesitate to speak of liturgy (whether megachurches are liturgical—even unconventionally—remains an open question in religious studies). But in their dramaturgical forms, these practices are decidedly "down to earth."

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They are also in accord with megachurch recruitment strategies. Life and Victory aim to attract "seekers"—those who might not know exactly what they are looking for and who sense that they are not finding it in their experiences in the established denominational forms. "Love God but hate church?" their websites seem to say, "You can find a place with us." In their competition with the mainline denominations, megachurches thus attempt to lower emotional transaction costs for these seekers. From the architecture to the food court to the structure of the experiences, the message is clear: "If you are comfortable walking into a shopping mall with your cutoff jeans and 7-Eleven Slurpee drink, you can feel comfortable doing the same in your experience with us." Are these businesses disguised as churches? Perhaps. But in place of that denunciation, it is more telling to regard them as churches disguised as businesses.

In contrast to the earlier nondenominational "tent revivals," megachurches do not practice "the call," inviting walk-ons to "come to the front and accept the Lord" in a sudden and dramatic "conversion experience." Instead, they recall Michael Hutter's observations that familiar surprises of the "successful commercial variety" entail a careful calibration of expectations and uncertainties. Such management of expectations can be seen in this passage, featured prominently on the website of LifeChurch:

> **Not sure what to expect?** We want your experience at LifeChurch.tv to be a great one, so we let you set the pace. Want to hang back and observe for a while? No problem. Want to meet a few people and learn more about us? There are lots of friendly faces ready to help. Either way, you'll be greeted by a warm environment, great music, and teaching that will make you think. [Emphasis in the original.]

We have come a long way from Max Weber. Whereas the work ethic of Weber's protestant was motivated by the fact that salvation (atonement, satisfaction of the debt of sin) in the hereafter could not be a known certainty on this earth, here the religious entrepreneurs[11] of commodified spirituality offer a different message. The experience goods of these megachurches seem to come with a promise: "Satisfaction Guaranteed."

14.4 Perform

Whereas in the preceding section we addressed the valuation of performances, in this concluding section, we examine valuation as performance. Charles Smith addresses skilled performances of valuation in his chapter, "Coping with Contingencies in Equity Option Markets." Smith distinguishes among

[11] The website of LifeChurch lists five members of the "Directional Leadership Team." The second job title listed (after "Senior Pastor") is "Innovation Leader."

three strategies for confronting uncertainties. The first, *making sense*, entails imposing some kind of narrative account on events initially experienced as chaotic. *Routines and performances*, the second strategy, imposes some sort of behavioral order. The third, *acting sensibly*, is the least common but the most interesting, and does not seek to impose an overall order: it is a method for handling the contingent and the disorderly. In his rich study of option traders, Smith analyzes the practices of juggling multiple rules of thumb in managing option positions.

Daniel Beunza and I take a similar analytic approach when moving from how models make markets to understanding how traders actually use models (Beunza and Stark forthcoming). We offer an ethnographic account of merger arbitrage as a reflexively skilled performance, with reflexivity socially distributed inside and outside the trading room. Merger arbitrage traders use a graphical representation (the "spread plot") of the positions of their rivals to check the probability estimates that they have independently derived from their own models and proprietary databases. If the spread changes in a direction different from their own estimates, the discrepancy prompts traders to re-search their databases ("Are we missing something?" asks the senior trader at the merger arbitrage desk) in an effort to uncover cognitive blind spots created by their categories.[12]

As in Smith's strategy of acting sensibly, these traders are not imposing an order but are actively managing contingencies. Beunza and I, however, depart from Smith in two ways. First, whereas Smith's analysis of trading views the strategies independently of organizational contexts, our analysis brings this aspect to the foreground. Our analysis, moreover, is not simply attentive to the organizational *setting* (the particular trading room of a particular investment bank). Instead, we demonstrate that "reflexive modeling" requires a distinctive form of *social organization*. It is this pointing to moments of reflexivity in the process of managing uncertainty that marks our second departure from Smith. Such a reflexivity is not a narrative order and is emphatically not an intellectualist exercise of transcending subjective experience. Neither is it "objective," but it is nonetheless objectified in the instrumentation, market devices, and material practices of merger arbitrage in the era of quantitative finance.

What is value? In answering this question, several of the chapters in this volume reiterate the distinction between "subjective" and "objective" approaches to the theory of value. In a recent chapter, Fabian Muniesa (2011) follows Dewey in arguing that a pragmatist approach displaces this subjective/objective dichotomy by replacing the notion of value with the action of valuation. Muniesa shows that Dewey's *Theory of Valuation*, published in 1939, was but the last in an ongoing philosophical debate launched in 1913 and extending through the 1920s and 1930s. Dewey enters the debate at the

[12] "Models, Reflexivity, and Systemic Risk: A Critique of Behavioral Finance" is a chapter with a twist. When the system lacks requisite diversity (or dissonance), the unintended outcome of the attempt to deal with the fallibility of financial models is systemic risk.

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zenith of the "realist–idealist" controversy. On the realist side, value is a property of a good, independent of assessments; on the idealist side, it is a property of consciousness. On one side, value is "provoked"; on the other, it is "appraised."

Dewey enters this debate with a deliberate "flanking movement."

> [T]he conclusion is not that value is subjective, but that it is practical. The situation in which judgment of value is required is not mental, much less fanciful. It is existential, but it exists as something whose good or value resides (first) in something to be attained in action and (secondly) whose value both as an ideal and as existence depends upon judgment on what to do. Value is "objective," but it is such in an active or practical situation, not apart from it. To deny the possibility of such a view, is to reduce the objectivity of every tool and machine to the physical ingredients that compose it, and to treat a distinctive "plow" character as merely subjective. (Dewey 1915, cited in Muniesa 2011: 4) AQ2

Muniesa suggests that a contemporary pragmatist approach to valuation will make "the distance between value and its measure (and also between value as appraised and value as provoked) collapse in an analytically constructive manner." The result, he concludes, is "an understanding of valuation as some sort of performance."

With Muniesa's shift from value (a noun, a property) to valuation (a process, a practical action), we see that the terms in our Deweyan list of price, prize, and praise were verb forms all along—*to price, to prize, to praise*. To these, we must now add a fourth, *to perform*.

The verb "perform" figures prominently in the literature on performativity, a concept preoccupying economic sociology these days. That attention is well deserved because the notion that the use of a model can improve its predictive fit is a powerful idea. But the impact of the insight is diminished in statements such as "economists perform the economy" or "models perform markets." The verb is there, but we lose the full meaning of the message if our attention quickly turns back from the action to the subject (economists, models, etc.).

Performativity occurs when the use of a model improves its predictive fit. My definition is far from "saying something makes it so," or "believing something makes it happen," or even from regarding performativity as an updating of Robert Merton's notion of "self-fulfilling prophecy" (Merton 1948). Prophecies, beliefs, statements, theories, and models perform nothing in themselves. It is only in their instantiation in material practices, in technologies, in devices, and through the *use* of these that models can improve their predictive fit. Original formulations of the concept (MacKenzie and Millo 2003) stress the *how*; but less careful applications seem to fall back on the *who* or the *what*.

In emphasizing that it is the use of the model, we do not return to some prior humanism: "We should never forget that, after all, it's *people* who perform." Once again, the subject becomes the prominent figure, here the noble human subject. Such statements pose as restoring to real people their true dignity as autonomous human agents. But it is a cheap humanism, because it strips human beings of what makes them human—their coevolution as a species with the cultural and material tools through which they reshape their worlds.

The object of study for sociology is not human beings but *being human*. That simple rephrasing immediately highlights the sociotechnologies that are apart from our brains and bodies but are a part of our humanity. For the economic sociology of valuation, there is no calculation apart from calculating devices, no judgments apart from judgment devices (Callon and Muniesa 2005; Callon et al. 2007; Karpik 2010). Yes, we calculate, we judge, we perform. We, assemblages of humans and nonhumans, perform.

In the activities of valuation, how do we perform, where, and when? One possible starting point to answer these questions is that we frequently do so in organizations—be they businesses, state agencies, universities, nonprofits, or civic associations. This aspect of valuation is relatively unexplored in this volume. With the exception of the chapter by Ravasi, Rindova, and Stigliani on the use of industrial museums in companies such as Vespa and Alfa Romeo, none of the contributions examine valuation in a particular organizational context.

Dewey's answer, in the passage quoted above, is that valuation involves an "active or practical situation." Following Dewey's insight, organizations offer a fruitful vantage point to study situations. In doing so, we move from methodological individualism (e.g., as in rational choice models of human behavior) and from methodological institutionalism (prevalent in much of economic sociology) to methodological situationalism. Situations occur in practical settings. They can be a fleeting event or they can have longer duration. But we know what is meant when someone says, "We have a situation here." It suggests that something is problematic. Indeed, it is almost redundant to say that a situation is perplexing or troubling. Situations are methodologically privileged because they are moments when the open-ended character of the world is revealed.

Situations must be investigated in situ. This is the analytic strategy I adopted in *The Sense of Dissonance: Accounts of Worth in Economic Life*. My argument draws on ethnographic observations in three very different organizations: a machine-tool factory in socialist Hungary, a new-media start-up in Manhattan's Silicon Alley, and the trading room of a major international investment bank on Wall Street. In each organization we find actors confronting the question "What's valuable?" Moreover, in each, there are discrepant answers to the question because there are multiple performance principles at play. Rather than reaching agreement and coordinating their actions on the basis of shared understandings, these organizations thrive by actively maintaining competing principles of evaluation. Through the organization of dissonance, perplexing situations about worth are not the cause of paralysis but are opportunities for innovation.

If diversity of principles of valuation is itself valuable for organizations, then it might also follow that diverse approaches to the study of valuation will be of value for economic sociology. The chapters in this volume are an important contribution to that open-ended inquiry.

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