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Time, Role of the Past and Varieties of Fictional Expectations: Comments on Jens Beckert's *Imagined Futures*.

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Jens Beckert's superb book builds on his earlier work analyzing the nature of capitalism, and the limitations of the economic approach, specifically rational choice theory, as an explanation for economic behavior, and the prominent role of uncertainty in economic life (Beckert 1996). Sociology has for the most part ignored the future as a source of explanations for economic behavior, drawing instead on the past and present – the structure of social networks, the configuration of organizational fields, and institutions, norms, morality, etc. Economic theory, alternatively, has embraced the future, but in ways, that are also problematic.

Rational choice theory posits that individual action is motivated by the maximization of future utility. Yet the fault with the economic approach is in the undeniable fact that uncertainty is ubiquitous in economic life, the future is contingent, and probabilities of future events are impossible to calculate. Pretending that uncertainty is always reducible to calculative risk – a common trick in economic models – is a folly. Despite their fundamental differences, both sociology and neoclassical economics perceive the future as an inevitable outcome of the past and the present – whether delivered by the social structure or by the internal logic of formal economic calculation. Beckert's position, on the other hand, is that the future is "open:" capricious, unsettled, and alive. It is precisely this openness and "restlessness" that is the source of innovation and change in capitalism, and it is what distinguishes capitalism from other modes of production. Beckert's core concept is that of fictional expectations – images of the future that economic actors create and share with one another, and that shape and motive present-day economic action.

In the second part of the book, the author explores the role of fictional expectations in several contexts central to capitalism: money, credit, investment, innovation, and consumption. Each of these contexts requires that actors share fictional expectations and imagined futures as a condition of sustaining a meaningful, coordinated, and predictable economic reality. In the last part, Beckert takes up forecasting and economic theory; both, he argues, are tools of creating fictional expectations. Forecasts are rarely correct, but that is not the point. To be effective, they need to be credible, but their real function in the economy is not prediction, but coordination of action by providing shared imageries of the future and overcoming uncertainty. As such, forecasts are performative, inventive, and political. They are also discursive, rather than purely quantitative. They are stories about the future, which may rely on macroeconomic models as one of their elements.

Beckert's attempt to frame the future as open continues the long tradition of structure-agency debates in social sciences. How much free will do actors have? Do they merely follow societal prescriptions, or the

unyielding logic of rational choice? Similarly to Mark Granovetter (1984), whose dissatisfaction with both over- and undersocialized conceptions of human action ushered in the concept of embeddedness, Beckert introduces fictional expectations as his own solution to a similar problem. Unlike structural explanations, fictional expectations are forward-looking, and unlike rational calculations, fictional expectations have closest affinity not with economic theory and math, but with literary analysis. Similar to literary fictions, fictional expectations require suspending belief as if they are true. Thus, fictional expectations are based in human social ability to imagine and construct future alternatives, shaping present-day behavior and interventions. Beckert demonstrates that fictional expectations are critical for the economy because they free economic actors from doubt in the face of uncertainty, enabling them to commit resources and coordinate decisions, but that they can also throw modern economies into crisis when the imagined futures fail to materialize.

While the book's subtitle suggests that the author is focused on the economy, his argument can easily be extended to other realms, central to social change, social justice and policy: education, housing, healthcare, migration, family, etc., and is likely to become a modern classic.

The book's focus on the future as a source of motivation for economic actors, and as an explanatory lens for social sciences, leaves two important issues underexplored or undertheorized. The first has to do with the role of the past in forming future expectations, and the other, with our understanding of time.

Beckert states that the power of fictional expectations to drive innovation and change is a result of their orientation towards the "open" future rather than the past that already happened, and which is therefore already "fixed." But how "open" is the future? And how much does the past matter? This is where the argument gets unclear.

Beckert frequently cites Bourdieu, by his account, one of the most notable contributors to a future-oriented sociology. Yet, Beckert seems also to be critical of Bourdieu who, Beckert claims, "downplays the theoretical consequences of the observation that the future is truly open. The imaginary freedom that might result from the openness of the future is subordinate to the structural forces that exert power over actors" (Beckert 2016:52). Indeed, Bourdieu defines habitus as a "structured structure" (1990), which suggests that what we want and are capable of imagining is largely determined by our class position. Beckert is also critical of stratification research because it does not "account for the creativity engendered by expectations, for an actor's ability to imagine futures that deviate from existing norms and habits and create counterfactual worlds" (Beckert 2016:53).

The argument struggles to define the precise extent to which the past shapes the future and can be leveraged as an explanation. At one point Beckert states that the past is not unimportant, only that the past cannot be the lone explanation. Yet, at another point, he contends that expectations are shaped by the past and present: "expectations in the economy are not free-floating fantasies: outlooks on the future and the courses of action that are based on them are socially constrained through the distribution of wealth and power, through cognitive frames, through networks, through formal and informal institutions, and through normative obligation" (Beckert 2016:60). This begs the question: under what conditions can expectations leap further than the past would allow? And how far can they leap? In the conclusion, Beckert again oscillates between the two positions: (1) future is infinitely open ("If the future is unforeseeable, then expectations are necessarily contingent; since no one can know what the future will look like, the number of possible scenarios to be imagined is infinite" (Beckert 2016:275) and (2) imaginaries are shaped by the past and not everything is possible.

So are imaginaries of the future dreams? Or are they more like plans – rooted in past experiences and constrained by the present distribution of resources? What is the precise mix of future and past here? Moreover, when and under what circumstances do future expectations become actionable? Is there an

inherent trade-off between forward-looking creativity on the one hand and pragmatism constrained by the past and the present on the other: the more creativity, the more “open” the future is, but the more pragmatism, the more likely that future will actually be realized.

Moreover, is dreaming available to some actors more than to others? (Beckert quotes Bourdieu who insists that the poor and working class may have completely unrealistic imaginaries that have no grounding in objective reality, unlike those of people with more education and resources.)

Our second point is about how fictional expectations are situated in time. Time is not simply synonymous with past, present and future. For instance, time factors differently in investment and consumption (two examples Beckert uses to explain how fictional expectations work in practice). With consumption, the act of consuming realizes the fictional expectation of enjoyment, so the future is perceived as a discrete point on the timeline. Whereas, with a longer-time horizon (for instance, in a case of an investment – technological, financial, or in human capital), the future is not a moment, but an ongoing, unfolding process. Many purchases are both consumption and investments, such as education and real estate, which enables longer-term maintenance of fictions since they aren’t immediately tested by the future moving into the present. In fact, indeterminacy of longer-term time horizons may be an additional source of uncertainty for economic actors, and defining the future timeframe may be an important element of future expectations, and just as political of a process as the struggle over their content.

We also pose several additional questions. First, are fictional expectations unique to capitalism? After all, communist utopias are the idealized visions of the “bright future” that are often used to justify past and present sacrifices. Even more pertinently, are gift-giving, reciprocity and systems of barter central to pre-modern societies, but also persisting in modernity, also not require cultivation and maintenance of shared future expectations? Are fictional expectations even the dominant driver of action in capitalist societies? Are actors not driven by other motivations (like habit) besides fictional expectations? In the chapter on money and credit, Beckert states that “capitalist credit-money can only function in the presence of the fictional expectation that its value is stable” (Beckert 2016:106). Is this confidence a result of future-oriented expectations, or a convention rooted in the past? Do we need to *trust* an individual bank if deposits are insured by the state? Institutions (i.e., the US Federal Deposit and Insurance Corporation or other rules and safeguards) generate trust, therefore enabling action. Perhaps paradoxically, they also make trust unnecessary because they reduce uncertainty and make the future seem more predetermined than “open.” Of course, one can make a point that in this case we still need to trust FDIC or the US government. But can someone who has not lived through a systemic economic crisis *imagine* that the value of the dollar can dissipate or FDIC can fail? Is s/he simply taking continuity of the past for granted?

Indeed, elsewhere in the book, when referencing Carruthers and Babb (1996), Beckert seems to agree with the last point: “Belief in the stability of money, as in other institutions, is most effective if actors are unaware of the possibility of its faltering: that is, if its stability becomes naturalized” (Beckert 2016:109) With this in mind, do fictional expectations only matter in times of crisis? So as much as we would agree with the author’s observation that a financial crisis manifests itself in the crisis of trust, is it also fair to say that when all is well, invoking fictional expectations as explanations for economic behavior is unnecessary, and the past – the source of conventions – may suffice perfectly?

Second, since the main point of forecasts is not divining the truth, but coordination and legitimacy (they “transform uncertainty into a fictitious certainty,” Beckert 2016:242), they can lead to isomorphism and operate as conventions (we also learn that macroeconomic forecasters tend to be overoptimistic). Are conventions not inimical to the notion of the “open” future? Furthermore, Beckert contends that “if forecasts are to serve their true purpose, their functional character must remain hidden” (Beckert 2016:244). Undoubtedly, Beckert’s goal in this book is to shed light onto the true nature of forecasting and economic theories. Won’t the resulting transparency undermine their credibility, and, therefore, their purpose?

In conclusion, the book opens new exciting research opportunities. Beckert develops his theory of fictional expectations as antithetical to rational choice theory – a theory of decision-making based on maximizing future utility. But compared to rational choice theory, the theory of fictional expectation faces a much taller order. Rational choice does not distinguish between individual and organizational actors as both types are assumed to have similar processing capacity and ability to access information, and it does not require an explanation of how behaviors of individual actors result in coordinated collective action because rational individual action simply aggregates at the macro level into market equilibria. Unlike rational calculations, fictional expectations vary greatly: some are directed at self, and are subjective and affective (i.e. pursuing the American Dream), others at the public (i.e. stock market analysts' projections). The latter have to compete with similar prognostications in order to coordinate behavior of individual actors. Future research should further explore variation in fictional expectations by taking into account the source of expectations (i.e. individual actor, professional actor, corporate actor), their intended audience (the self vs. others), and the tools with which different expectations compete for the attention of the audience (political power, prestige, financial resources, rhetorical skills, etc.).

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