

PHD THESIS SUMMARY:
Sensemaking in economics: economic activity from a social-philosophical perspective.

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The purpose of this project is to formulate the theoretical fundamentals of an economic philosophy that is understood as a component of a practically oriented social philosophy. I start by recapitulating the major critiques of the traditional framework of economic theory, in particular of the concepts of rational choice and 'methodological individualism'. The limited scope of these concepts for explaining social phenomena such as markets, cooperation, and trust is emphasized. These phenomena come about as results of the mutually dependent interactions of multiple actors and cannot be adequately analyzed with the agent-centered concepts of traditional economics. For example, it remains unclear how a market could arise from the isolated pursuit of individual interests.

Against the backdrop of this critique, ways of theorizing about economic activity as genuine social activity are sought on the level of economic philosophy. As the agent-centered rational choice model cannot serve as the starting point for such an economic philosophy, I opted for 'sensemaking' (the creation of meaning) as an alternative key concept. In the first part of this dissertation, however, my analysis of sensemaking as an isolated activity demonstrates that not every sensemaking concept fulfills the requirement of understanding economic phenomena as genuinely social phenomena. For example, Max Weber's 'subjective meaning', Alfred Schütz's 'construction of meaning' and the hermeneutical understanding of sense, as well as their relation to economic theory, are explored in detail. All conceive of sense as an ends-means relationship or as an individual intention and are incapable of providing an adequate tool for analyzing an economic action as a social one.

In the second part of the dissertation, the concept of 'social sensemaking' is introduced against the backdrop of systems theory and

post-structural—particularly performative and practice-theoretical—assessments which allow sense to be shown as a relational concept. For example, Luhmann, in determining the social dimension of sense, focuses on the relationship between Ego and Other as two interdependent sensemaking centers.

In post-structuralism, sense is determined through relationships between symbols, as a mutual establishment of difference. These relationships are not stable but dynamic. Sensemaking is an open, restless process that occurs not only in texts but also in the social sphere. In performative assessments and in practice-theory, it is a process of co-creativity or “making-together”. Sense arises from within social interactions, primarily in the contexts of practices; it is experienced, developed further, and creatively co-formed. It is a matter of the practical act which is characterized by the continual interlocking of individual calculations. Sense arises without a creator within perpetual social processes: a continual transformation of sense occurs, and it is not to be understood as an intentional, conscious accomplishment of an autonomous individual. Examples that relate to economics can be found in the works of Karl Weick as well as in some approaches to economic sociology.

Given that ‘sense’ is a relational term, an economic philosophy that uses the concept of sensemaking as its basis should conceive of economic activity as a kind of social activity, understood in terms of the mutual dependency of actors in relationships. The social is not just intersubjectivity, but a complex, restless network of relationships. If economic philosophy is a part of social philosophy, it can apply the categorical apparatus of social philosophy. This apparatus is sufficiently complex to be able to conceptualize the social in such a way that the individualistic perspective is overcome. An approach to solving the problem of grasping the interdependence of the calculations is made possible by linking the social-philosophical categories of the ‘third person’ and the ‘stranger’ with the concept of social sense. Here I refer to the work of Georg Simmel, Michel Serres, and Bernhard Waldenfels.

The categories of social philosophy allow social interdependencies to form the theoretical basis of economic events. The starting point for thought within the framework of economic philosophy is shifted from an individual to a relationship. It has to do with a relationship in the presence or absence of the third party or of the stranger, a triad that exceeds a mere mutuality of two actors. From a social-philosophical

standpoint, such a relationship is conceived as a dynamic foundational element of the social. Therefore, methodological 'relationism' is suggested as an alternative to methodological individualism.

In the last chapter of this dissertation, I discuss in detail an example of the triadic relationship in the consumer market: 'producer-consumer-product'. I show that a mere entrepreneurial idea is not enough to create a new commodity. A produced object or service becomes a part of the unintended signification process in the market. The preconditions for the creation of a new commodity are developed in the relationship between producers and consumers in the presence of a manufactured object as an active third party. Producers and consumers tell each other stories, use products, and develop or reject them. Only in these processes of co-creation, do market participants discover which objects represent commodities at all, which needs are satisfied, how preferences are sorted, and which consequences correspond to each action alternative. Preferences, markets, innovations, and trends are not given facts but phenomena that arise and continually change within social relations. Here I also suggest an approach to the problem of economic novelty that is the other central theme of this dissertation.

Ekaterina Svetlova obtained her PhD in philosophy from the Institute of Practical Philosophy at the FernUniversity in Hagen, Germany, in August 2007. Her thesis is entitled *Sensemaking in economics: economic activity from a social-philosophical perspective* (Sinnstiftung in der Ökonomik: Wirtschaftliches Handeln aus sozialphilosophischer Sicht). She was supervised by Professor Kurt Röttgers (Dean of the Institute of Practical Philosophy, FernUniversity in Hagen). Currently, the author is a postdoctoral researcher at the Buchanan Institute of Finance and Entrepreneurship, Zeppelin University in Friedrichshafen, Germany. Contact e-mail: <ekaterina.svetlova@zeppelin-university.de>