

# Imagining Economic Sociology:

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Or what is socio-economics anyway?

# Economic Sociology (or socio-economics) can be characterized

- As a set of research programs that appear to have little to do with each other
- Today, I want to explain why that is

# Three points

- Describe how the field became organized in a social movement like fashion to integrate a heterogeneous set of research programs
- Consider how economy and society are taught and the works that form a “canon”
- Suggest what is good and bad about the canon and the research programs that dominate the field

# A brief history of the organization of economic sociology (or socio-economics)

- How are scholarly fields constructed?
- The theory of fields tells us that fields form where actors orient their actions towards one another and something is at stake
- The formation of academic fields has the structure of a group of scholars who share a common set of interests and orient their works towards each other; i.e. a field

# Field formation processes are social movements

- Field formation relies on creating a collective identity for a group frequently in opposition to another group
- It also requires mobilizing resources and creating political compromises to get groups to agree to be members of a field even if they are in contention with one another
- This frequently results in a “vague” collective identity that only asks participants to have a shallow agreement

# Economic sociology (socio-economics) followed this pattern

- Classical sociology had a large dollop of economic sociology
- Marx, Weber, and Durkheim understood modernity as a social transformation of the traditional ways of living
- But in sociology after World War II, much of the study of the economy was relegated to economics
- The social scientist who was not an economist with the clearest orientation towards understanding the economy was Karl Polanyi

# In the 1960s and 1970s

- Sociologists began to return to trying to understand capitalism
- Mostly this reflected a Marxist turn
- But, Marxist theory was problematic in a number of ways
- The study of the economy in sociology was centered on trying to cut out a space for sociology vis a vis economics mostly framed in opposition to neoclassical economics

# This push came initially from scholars working in the fields of

- Political economy
- Organizational theory
- Network analysis
- Social Stratification
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## The 1980s witnessed an explosion of works that wanted to take on neoclassical theory

- This reaction to neoclassical economics occurred not just in sociology but also political science, management studies, and legal studies
- Given these collective critiques of neoclassical economics, scholars working on a great many different kinds of issues with very different methods and theories discovered a common enemy and found themselves to be unlikely allies

As a result of this heterogeneity, the three organizational manifestations of economic sociology (socio-economics) all worked to be pluralist in their substance, theory, and methodological approaches

- They did so to create a field of scholars who subscribed to a new collective identity, economic sociology or in the case of some non-sociologists, socio-economics
- I note that many who have attached themselves to SASE view their work not as economic sociology but as political economy

# Earliest organization was SASE

- Amitai Etzioni founded the Society for the Advancement of Socio-Economics in 1989
- Etzioni was a communitarian and published “*The Moral Dimension*” (1990) as a call for a new kind of economic analysis
- Communitarianism disagreed vehemently with the neoclassical view that a capitalist economy left unfettered was the economy likely to produce the most good for the greatest number
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# SASE mission statement

- **“As an emerging meta-discipline, socio-economics begins with the assumption that economics is not a self-contained system, but is embedded in society, polity, and culture. Socio-economics regards competition as a subsystem encapsulated within a societal context that contains values, power relations, and social networks. The societal context both enables and constrains competition. Socio-economics assumes that interests are not necessarily or automatically complementary and harmonious, and that societal sources of order are necessary for markets to function efficiently.**
- **SASE has little interest in criticizing neoclassical economics per se, and seeks to develop alternative approaches that are predictive, exemplary, and morally sound. Socio-economics does not entail a commitment to any one ideological position, but is open to a range of positions that share a view of treating economic behavior as involving the whole person and all facets of society.**

# In 1999, SASE migrated to Europe

- Wolfgang Streeck at the Max Planck Institute in Koln revitalized the project of studying capitalism from a non-economic prospective going
- With interest in the “Varieties of Capitalism” throughout the 1990s and 2000s, SASE became more political economy oriented

# SASE went on to create a journal, the Socio-Economic Review

- In 2012, SER was the 11<sup>th</sup> (out of 137) ranked journal in Sociology and 8th (out of 167) in Political Science
- This shows the true inter-disciplinarity of the field
- SASE is a vibrant organization with around 1000 members
- Over 800 people are at this conference

# The Economic Sociology Section of the American Sociological Association

- Brian and Uzzi and I put together a conference in 1998 to discuss the field of economic sociology
- While many were skeptical such a field existed, after the conference, a sense of momentum grew
- Wayne Baker helped facilitate the forming of the Section

# The Economic Sociology Section had a mission statement similar to SASE

- “The mission of the Section on Economic Sociology is to promote the sociological study of the production, distribution, exchange, and consumption of scarce goods and services. It does so by facilitating the exchange of ideas, information, and resources among economic sociologists, by stimulating research on matters of both theoretical and policy interest, by assisting the education of undergraduate and graduate students, and by communicating research findings to policy makers and other external audiences. Economic sociology is a distinct subfield. It is ecumenical with respect to method and theory. Economic sociologists use the full range of qualitative and quantitative methods. No theoretical approach dominates; the field is inclusive, eclectic, and pluralistic.”



- The Section now has almost 900 members

Richard Swedberg, Jens Beckert, Johan Heilbron, and Ton Korver decided to create the newsletter at the annual meeting of the European Sociological Association in Amsterdam in August 1999

- This newsletter became the main vehicle to organize the Economic Sociology Research Network at the European Sociological Association
- It currently has about 1300 members

## Richard Swedberg's argument in explaining the purpose of the newsletter in its first issue:

- **“Economic sociology is often defined as the application of the sociological perspective to economic phenomena as well as to phenomena which are economically relevant and economically conditioned (Max Weber). This is a very broad definition, and practically all varieties of economic sociology can be made to fit under it. It is also my hope that this newsletter will encourage all of the different types of economic sociology that already exist as well as those which are about to surface.”**

# My short history of the emergence of the field of economic sociology (and socio-economics) suggests

- The field formed in a broad rejection of neoclassical economics
- It contained a large number of scholars from sociology but also allied disciplines interested in a variety of topics from a variety of perspectives
- The founders of organizations dedicated to furthering the field worked to create a broad umbrella that would be willing to welcome all scholars with little emphasis on pushing people to agree to any first principles
- This explains the current heterogeneity of the field (i.e. it has become institutionalized with all of its divisions intact)

- How is economic sociology (or socio-economics) taught?
- Is there a “canon”?
- If so which authors are in it?

# Dan Wang's study of syllabi

- Why study syllabi?
- How did Dan Wang do his study:
  - ----Method: Members of ASA Economic Sociology Section were invited to submit syllabi
  - ----52 did; 45 of 52 were classes taught in Sociology Departments; 80% in North America
  - ----Syllabi were mainly from sociologists but also included management studies, political science, policy studies, and anthropology
  - ----Only 22 were titled Economic Sociology
  - ----Average syllabi has 55 readings
  - ----54% of the classes were taught to undergraduates

# How are syllabi constructed?

- Works are used by instructors to teach what they think is important in the field
- Works are also put into dialogue with one another
- This suggest two approaches to finding a canon:
  - ---- look for works that appear frequently across syllabi
  - ----look for works that appear together in a particular week of a syllabus can be mapped as a “network”
- Wang does this

# Top 20 references among syllabi that don't use Swedberg/Granovetter text

Rank Citation	Number of syllabus appearances
• 1 granovetter, m-1985	23
• 2 polanyi, k-1944	17
• 3 fligstein, n-2001	16
• 4 mackenzie, d-2003	13
• 5 fligstein, n-1996	11
• 6 geertz, c-1978	11
• 7 uzzi, b-1997	11
• 8 zelizer, v-2005	11
• 9 smelser, n-2005	10
• 10 zelizer, v-1978	10
• 11 abolafia, m-1996	9
• 12 bourdieu, p-1983	9
• 13 granovetter, m-1973	9
• 14 weber, m-1922	9
• 15 bourdieu, p-2005	8
• 16 polanyi, k-1957	8
• 17 uzzi, b-1996	8
• 18 white, h-1981	8
• 19 dimaggio, p-1998	7
• 20 fligstein, n-2007	7



## Top 20 authors by number of syllabi appearances

Rank	Citation Code	Number of syllabus appearances	Number of unique references in syllabi
1	granovetter, m	85	12
2	zelizer, v	72	23
3	fligstein, n	60	12
4	polanyi, k	51	9
5	swedberg, r	47	13
6	bourdieu, p	46	15
7	uzzi, b	41	6
8	dimaggio, p	35	10
9	carruthers, b	33	13
10	mackenzie, d	32	7
11	weber, m	29	6
12	stark, d	26	8
13	powell, w	25	6
14	burt, r	24	10
15	callon, m	23	7
16	dobbin, f	23	7
17	biggart, n	22	8
18	davis, g	22	10
19	krippner, g	22	7
20	fourcade, m	21	6



# What can we conclude?

- There are a core of common works used in syllabi
- These works suggest several dimensions to the canon of economic sociology
- ---- “classical works” like Polanyi, Geertz, Marx, Weber
- ---- more modern canonical texts by Granovetter, Fligstein, Zelizer, and to a lesser degree White
- ---- research programs centered on topics like organizations, networks, political economy, market devices/commensuration/sociology of finance, and economics/culture/morality

# Where does this leave us?

- Economic sociology (socio-economics) is a mature field
- Its main research programs are relatively well defined
- I want to consider what is “good” and “bad” about this
- I want to suggest some ideas about trying to create a more cohesive economic sociology by putting the various research programs in more direct dialogue with one another

# What are research programs?

- Research programs are broad ambitious conceptual frameworks that are allied with a research methodology that can be easily used in a wide variety of contexts
- Such programs frequently depend on a particular scholar engaging a set of graduate students and perhaps a set of colleagues
- The biggest rewards in social science are now for individual scholars to work to create new research programs
- This offers an opportunity for collaborative work oriented toward a narrow set of goals and the most successful of these programs provides us with new knowledge
- But it also pushes scholars into trying to make what they are doing sufficiently distinctive that it encourages the creation of jargon and a willful ignorance of similarly placed perspectives.

# In economic sociology (and socio-economics) we can identify many such programs

- Network analysis of firms and markets
- Social studies of finance
- Studies of market conventions and commensuration
- Political economy and the study of comparative capitalisms
- Institutional analyses that focus on the emergence and transformation of sets of common understandings of markets and their organizations (both governmental but also firms)
- Markets, culture, and morality

- While it is useful in the initial phase of creating a new research program to have blinders on, in the long run, it is important for these research programs to eventually begin to confront one another
- Once a research program has begun to run out of steam, it loses its interests to even its adherents and ends up disappearing

# Why is this bad?

- Brian Uzzi and his colleagues have shown that most of the innovation in natural science has occurred when scholars work at the interstices between research programs and apply what we already know in one context to new contexts



- That means that a lack of exchange between research programs means that the opportunity for the accumulation of knowledge is lost
- To overcome this would require explicitly acknowledging and borrowing from different research programs and not working to produce such programs as if they existed only unto themselves

- Thus the idea is not to work on the edge of some mature existing research program with the goal of expanding it
- But instead, one should be on the lookout for new ideas from different research programs to borrow to make sense for what should be done next
- So, for example, Granovetter's re-imagining of Polyani using network ideas in his "embeddedness" article

# One big source of opportunities is empirical puzzles that one research program uncovers but is unable to explain

- So, for example, the sociology of finance has alerted us to the importance of financial instruments, market devices, and commensuration in organizing these markets
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- But this perspective has produced a functionalist account of these markets whereby these cultural and organizational features structure market interactions and some have gone so far as to see actors as irrelevant to what goes on in such markets and unable to control them
- But the recent past has shown that banks in most of the largest financial markets have colluded and committed fraud in the largest international financial markets
- This notion, that a small set of firms engaged in behavior could have fixed the LIBOR (London Inter Bank Offered Rate) or colluded to control prices in the global foreign exchange markets implies that other kinds of social process matter for the structuring of activities in financial markets

## This implies that a good explanation needs to include work from other research programs

- What has happened leads back to Harrison White's original idea that market participants watch each other
- Or my view that market actors will engage in any kind of activities that they can get away with in order to produce stability for themselves and guaranteeing profits
- The interesting question this raises, is when do market devices work to produce stable markets and when can they be exploited for gain by rent seeking actor?
- A good theoretical answer to this question is likely to advance the field by combining insights from multiple research programs

# Conclusion

- The heterogeneity of our field reflects the political construction of the field around a pluralist identity that promised a big tent to include anyone opposed to neoclassical thinking
- The field is now quite intellectually mature with set of established research programs many of which are now 30-40 years in the making
- There exists a canon of works that scholars teach to explain how sociologists think about the economy
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## Both Max Weber and Thomas Kuhn recognized that Sociology as a discipline might be doomed to never cumulate knowledge.

- Sociology would proceed as a set of research projects which reflected the current concerns and interests of a small set of scholars
- When the group hit a dead end in producing novel results, the research program would die out only to be replaced by another one
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- Progress in economic sociology is likely to be made by putting our research programs into dialogue with one another to make sense of how the various mechanisms that structure markets interact
- Failure to do so risks the field fragmenting of the field into ever smaller pieces and remaining subject to fashion and fad