

Journal of  
**Economics and Political Economy**

www.kspjournals.org

Volume 2

May 2015

Issue S1

**Mark Granovetter & Richard Swedberg (Editors),  
*The Sociology of Economic Life*, Westview Press,  
2011, 592 pp. \$55 Hardcover.**

By Alya GUSEVA<sup>†</sup>

### **Book Review**

**E**conomic sociology draws on the insights of many classical theorists, but in its more recent form, economic sociology field dates back to the 1985 programmatic article by Mark Granovetter (and one of the editors of this volume), and to the formation, in 2001, of the Economic Sociology section in the American Sociological Association. Since then numerous attempts have been made to define and re-define the field's theoretical core, empirical boundaries and relationships with neighboring fields and disciplines. Such jurisdictional claims are often carried out through the publications of handbooks, textbooks, and other programmatic texts, and it is in the context of these processes that this volume should also be evaluated.

*The Sociology of Economic Life*, in its third edition, is an important and carefully selected collection edited by two of the most eminent economic sociologists who helped define the field at its origin point, saw it grow exponentially over the past two decades, and bring their personal, participant-observer perspective on this dynamic process. The volume contributes to the ongoing process of setting the agenda of economic sociology by tracing its intellectual origins, connection to related fields of study and showcasing the variety of its theoretical and methodological approaches. It should be of interest to advanced undergraduate and graduate students in economic sociology and scholars in sociology and related disciplines.

Most of the twenty five chapters contained in the volume are earlier reprints, while six were commissioned specifically for this compendium. The chapters are preceded by an updated introduction, which briefly sketches the history of economic sociological thought including both a few classical thinkers, and a large and diverse group of 20<sup>th</sup> century American and European sociologists. The introduction then sets the agenda for the collection by framing the field of economic sociology through the lens of three fundamental principles: 1) economic action is a form of social action, economic activities are an inalienable part of people's life-words, and economic behaviors and concerns cannot be understood apart from a broader social context, whether politics, religion, emotions or culture; 2) economic action is socially situated or embedded, which is a rejection of methodological individualism, an assumption of an atomized actor, prevalent in

<sup>†</sup> Boston University, Department of Sociology, 100 Cummington Mall, Suite 260, Boston, MA. USA.  
✉. aguseva@bu.edu

## Journal of Economics and Political Economy

mainstream economic theory; for economic sociology, the actor is always embedded in ongoing social relations which shape her behavior; 3) economic institutions are socially constructed, which means they are products of social and political processes (power struggles and contestations, path-dependent logic, cultural shifts, etc.), and instead of assuming that institutions arise as efficient solutions to market failures, they have to be studied historically and empirically.

The volume is divided into four parts. Part One, “Foundations of Economic Sociology,” features well-known contributions by Karl Polanyi, Pierre Bourdieu, Alejandro Portes and Julia Sensenbrenner, and the editors themselves (Richard Swedberg’s chapter-length summary of his earlier book on Weber’s contributions to economic sociology, and two of Mark Granovetter’s previously published articles, one of them is his programmatic 1985 article “Economic Action and Social Structure: The Problem of Embeddedness”). These essays address the general question of what explains (enables or constrains) economic action, and introduce the reader to the classical and more recent theories and core concepts of economic sociology, such as social action, structure and agency, embeddedness, trust, institutions, social and cultural capital, among others.

Part Two focuses on the economic sociology of markets, and includes both older work (for instance, a classic anthropological work by Clifford Geertz on bazaar economy, Viviana Zelizer on the rise of life insurance in the 19<sup>th</sup> century America, and Steward Macaulay on non-contractual relations in business) and newer work (Sarah Quinn’s superb article on the debates over the morality of the secondary life insurance markets, and MacKenzie’s and Millo’s performativity in markets work, among others). Conceptually, Part Two attempts to showcase the four major theoretical angles in the economic sociology on markets: social networks, institutions, culture, and performativity. The additional inclusion of an excellent review by Bruce Carruthers on banking and finance undoubtedly reflects the fact that this compendium came out shortly after the 2007-2008 financial crisis. In his chapter, Carruthers establishes banks and finance as important subjects of inquiry for economic sociologists (an avalanche of empirical work on sociology of finance that has been coming out in the past several years is a clear tribute to this), and demonstrates that banks also function as important social and political institutions, exerting power over others and reproducing social and economic inequality.

Part Three takes us back in time to the mid-20<sup>th</sup> century sociological tradition of studying economic processes in industrial organizations (this part is entitled “Firms and Industries”). It includes three essays from the late 1950s industrial and organizational sociology: a little-known but very informative case study by George Strauss on what happens to the overall production process in a wooden toy factory when incentives are changed for one group of workers; a chapter from Melville Dalton’s classic *The Men Who Manage*; and a reprint of Arthur Stinchcombe’s 1959 article on “Bureaucratic and Craft Administration of Production”. Two relatively recent pieces are an article by Anna Lee Saxenian on the role of dense regional networks of technology companies and university labs in Silicon Valley and along Rt 128 in metro Boston (this work, by the way, could have easily been included in Part Two alongside Brian Uzzi’s piece on inter-firm networks in the garment industry), and Paul Hirsch’s 1972 essay on “Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems.” The overall intellectual thrust of Part Three is that industrial and organizational configurations vary and the contribution of economic sociology is to empirically investigate and explain conditions for this variability.

Part Four (“Comparative and Historical Economic Sociology”) offers several examples of macro-level and comparative economic sociology. The essays in this

## Journal of Economics and Political Economy

chapter are by Randall Collins, Frank Dobbin, Wolfgang Streeck, Ronald Dore, Andrew Walder, and a co-authored piece by Nicole Woolsley Biggart and Mauro Guillen. This Part allows the editors to cover a lot of ground, literary and figuratively. First, the readers are introduced to the finest examples of the use of comparative and historical methodology in economic sociology; second, with the exception of Randall Collins' essay, the rest five are focused on sites outside of the US, including Western and Eastern Europe, Latin America and Asia; third, several essays are concerned with big questions of capitalist development, transformation of economic systems and varieties of capitalism; fourth, half of the essays are written specifically for this volume, the welcome fact that is reflected in the bibliographies that contain recent entries.

Each of the individual chapters comes with an accompanying bonus: a one or two page long "Editors' Notes on Further Reading" supplement. These notes situate the readings historically and in relation to other work in the volume, related traditions in sociology or, sometimes, neighboring disciplines like economics, political science or anthropology, or to the author's other work; they also provide a brief discussion of subsequent work by others that the essay inspired, and generally provide extensive bibliography for anyone interested in exploring further and deeper. These supplements are carefully researched and compiled and it is through them that the role of the editors becomes clearly apparent. In the introduction, the editors acknowledge that twenty five essays cannot possibly do justice to all of economic sociology, and call their selection "a somewhat arbitrary entry point" into the field. In their own words, they are only attempting to "whet the appetite of readers," and the "Editors' Notes" provide a fuller menu to anyone who cares for a full meal. This makes the compendium a solid basis for an advanced undergraduate or graduate course on economic sociology (the latter would be drawing much more on the sources listed in the Notes), for a reading list in preparation for an exam in economic sociology, and, more generally, for anyone interested in learning more about the economic sociology perspective. Any of the topics can be "zoomed in" as much as necessary.

Any book review that purports to be useful to potential readers is expected to point to the book's weaknesses. While I thoroughly enjoyed this collection, it is one particular snapshot of the discipline that, as the editors admit right away, is limited by the "economics of edited volumes." So as it inevitably leaves some territory uncharted, I would like to briefly outline this territory, not as a criticism, but more as a potentially helpful reference point to future readers.

First, as much as "markets" became the all-consuming focal point of economic sociology, the collection of essays in Part Two only looks at the production side, but says close to nothing about the consumption side of markets. Second, more generally, the choice of topics is largely limited to traditional core topics of interest to the discipline of economics (the focus on markets eclipsing an earlier interest of sociologists in firms and industrial organization but is still oriented to "profit-making") whereas economic action does not have to be motivated by profit alone, and can take place in non-market settings. What does not get any attention in this collection is the recent work of economic sociologists on taxation and welfare state, non-profits, various informal, household-based or do-it-yourself types of production, distribution and consumption; as well as on markets for non-traditional or "contested" commodities like fashion modelling, intimacy and reproduction.

Third, many of the readings are concerned with the effects of micro- or macro-level factors on markets, industries and firms, but the distributional outcomes of macrostructures for individuals and families, particularly when it comes to income and wealth inequality, get very little attention. The exceptions are the chapter by Bridges and Nelson that addresses gender inequality in pay, and Carruthers'

## Journal of Economics and Political Economy

discussion of inequality in his chapter on banks and banking. Quite tellingly, the Index is missing an entry for “inequality.”

Finally, if we take seriously the agenda-setting claim of this volume, subsequent editions should include a combined bibliography of cited and referenced work at the end, in addition to the Index.



### Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal. This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by-nc/4.0>).

