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Author(s): Bernard Convert and Johan Heilbron

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Where did the new economic sociology come from?

Bernard Convert · Johan Heilbron

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Abstract Like all new research fields, the “new economic sociology” was produced by the redeployment of relatively diverse researchers under a single academic label. Academic entrepreneurs in the second half of the 1980s took up the traditional term of the European “founding fathers” claiming they were renewing the discipline while distinguishing themselves from (1) the old homegrown denomination “economy and society,” (2) anti-disciplinary currents such as neo-Marxism, and (3) interdisciplinary movements like “socioeconomics.” The relative unity of the new economic sociology was due more to this set of demarcations than to a specific intellectual approach. The new economic sociology obtained its *scientific legitimacy* by bringing together two promising new currents: network analysis and neo-institutionalism, along with a more marginal cultural mode of analysis. While there had been very little exchange among these currents, mutual references became more ecumenical once a common label had emerged and distinct intellectual programs were launched. *Institutional legitimacy* was quickly obtained thanks to the support of the Russell Sage Foundation, enabling a process of expansion that in Europe developed far more slowly. The case of the “new economic sociology” demonstrates that the creation of new subdisciplines cannot be understood merely through the analysis of direct interactions among persons linked to each other by inter-acquaintanceship. In accordance with a field theoretical approach, academic entrepreneurs function under structural conditions which must also be taken into account. Among these structural conditions were changes in the academic field itself (due to demographical effects, the imperialism of economics, and the surge in Business Schools) as well as in the political sphere (the rise of neo-liberalism).

B. Convert (✉)

Centre Lillois d'Etudes et de Recherches Sociologiques et Economiques (CLERSE-CNRS),
University of Lille, 1, 2 rue des Cannonniers, 59000 Lille, France
e-mail: bernard.convert@ifresi.univ-lille1.fr

J. Heilbron

Centre de Sociologie Européenne (CSE-CNRS), Paris, France
e-mail: heilbron@msh-paris.fr

J. Heilbron

Erasmus University, Rotterdam, The Netherlands

The “new economic sociology,” which has become one of the liveliest subfields of contemporary North American sociology, has elicited much in the way of commentary, systematic presentations, debate and controversy, but it has not yet been the focus of proper sociological analysis. In this article we analyze the genesis and development of the subfield, and raise the more general question as to how subdisciplines emerge within the context of the North American academic system. If, as Andrew Abbott has recently pointed out,¹ the functionalist view of research specialties developing through an increasingly refined process of differentiation cannot account for recurring reinventions and cyclical change, it becomes necessary to rethink the dynamics of academic specialization. Embedded in a highly structured set of national and international institutions (degrees, departments, journals, professional associations), disciplines are relatively stable academic units.² For researchers, disciplines may be defined as the “collective capital” of specialized methods and concepts, mastery of which constitutes the “entry pass” to the discipline.³ Competition over the dominant definition of the scientific practice within a given discipline entails a continual dynamic which generates processes of migration toward promising fields; this results in the rise of certain specialties to the detriment of others, an ongoing process of classification and reclassification. The subdiscipline of economic sociology in the United States is a recent example of this dynamic at work. We propose to analyze some of its general mechanisms as well as its specific properties, the latter due to the North American context.

Schumpeter qualified the established relationship between sociology and economics as one of “mutual ignorance.” However, “economic sociology” had long been on the scientific agenda of social scientists, sociologists and economists alike. The expression “economic sociology” and the project of developing such a subdiscipline date back to the end of the nineteenth century, when the social sciences were first being instituted as university disciplines and the main boundaries were constructed within and between the social science disciplines. Weber, Simmel, Durkheim, Simiand, Halbwachs, Pareto, Schumpeter, and Veblen are among the authors who helped define the particular field and approach.⁴ But with the gradual separation of the disciplines over the twentieth century and the correlative closure of each, interdisciplinary fields were increasingly abandoned. Within sociology, economic sociology was gradually marginalized. Industrial sociology and the sociology of work and occupations took on only a part of economic sociology’s objects of study (organizations of production, “human relations”), leaving economists with a monopoly on the study of the more specific economic issues like market structures, price formation, money, and related matters. A similar process of closure was underway in economics. Whereas certain representatives of the Marginalist Revolution had invoked the need for an “economic sociology” (Jevons), and even contributed to its development (Pareto), economists in the following generations increasingly accepted the idea that economics was the science of rational choice and it was up to the other social sciences to study non-rational choice. This distinction facilitated and legitimated a much more rigid disciplinary

¹ Andrew Abbott (2001). *Chaos of disciplines*. (Chicago: University of Chicago Press).

² Johan Heilbron (2004). A regime of disciplines: Toward a historical sociology of disciplinary knowledge. In Charles Camic and Hans Joas (Eds.), *The dialogical turn: New roles for sociology in the postdisciplinary age* (23–42). (Lanham: Rowman & Littlefield).

³ Pierre Bourdieu (2001). *Science de la science et réflexivité* (129). (Paris: Raisons d’agir).

⁴ On the history of economic sociology see Jean-Jacques Gislain and Philippe Steiner, *La sociologie économique (1890–1920)* (Paris: Presses Universitaires de France, 1995), and Richard Swedberg, “Economic sociology: Past and present,” *Current Sociology*, 35 (1987): 1–221.

division of labor, putting an end to the early version of institutionalism and historical approaches within economics.

How did “economic sociology” re-emerge under these conditions? Was it a mere re-labeling operation, a diplomatic move within an academic world now dominated by economics, or an offensive on the part of sociologists to re-conquer a domain seen as crucially important to the contemporary social world? In addition to the empirical questions and how to interpret them, we address the more general issue of the social dynamics of academic specialties. One of the main questions here is whether the emergence of the “new economic sociology” can be properly understood from the micro perspectives prevalent in social studies of science and some of the contemporary sociological approaches to scientific specialties. Demonstrating that the various micro perspectives are insufficient, we will argue that only an approach that combines the analysis of concrete patterns of interaction with a more structural perspective in terms of academic fields will enable us to understand fully the dynamics at work in the creation of a new academic specialty like the new economic sociology.⁵

To analyze the genesis and dynamics of the subdiscipline, we have selected a group of key authors, based on their participation in the main events through which this academic subdiscipline was constructed—namely three major collective works,⁶ a reader,⁷ the *Handbook of Economic Sociology* (1994), participation in the Russell Sage Foundation seminar (see below), and mentions of these authors as “key people” in the first assessments of, and programs for, the subdiscipline then coming into being.⁸ After identifying the 31 authors who were involved in at least two of these “events”,⁹ we asked each one for a CV and a list of his or her publications. To understand the structure of internal group relations and their development over time, we analyzed the inter-citations for the whole of the 1980–2000 time period. We also interviewed three key authors.

Rupture and renewal in the North American social sciences

The first studies that came to be seen as belonging to the “new economic sociology” were done in the 1970s. The label was not yet in use at that time, and it is only in retrospect that these studies were categorized as new economic sociology. These works had been

⁵ Randall Collins has most systematically highlighted the interactive dynamics of intellectual creativity, see *The sociology of philosophies* (Cambridge, MA: Harvard University Press, 1998) and *Interaction ritual chains* (Princeton: Princeton University Press, 2004). Pierre Bourdieu has, in various works, focussed more strongly on the structural dynamics of the intellectual field, even in those cases such as the literary field where the degree of institutionalization is comparatively low, see Pierre Bourdieu, *The field of cultural production* (Cambridge: Polity, 1993).

⁶ Sharon Zukin and Paul DiMaggio (Eds.), *Structures of capital: The social organization of the economy* (Cambridge: Cambridge University Press, 1990), re-edition of a special issue of *Theory and society* (1986); Roger Friedland and A. F. Robertson (Eds.), *Beyond the marketplace* (New York: Aldine de Gruyter, 1990); Richard Swedberg (Ed.), *Explorations in economic sociology* (New York: Russell Sage Foundation, 1993).

⁷ Mark Granovetter and Richard Swedberg (Eds.), *The sociology of economic life* (Boulder, CO, San Francisco, Oxford: Westview Press, 1992).

⁸ See historical introduction to Granovetter and Swedberg (Eds.), *Sociology of economic life*, and Richard Swedberg, “New economic sociology: What has been accomplished, what is ahead?” *Acta Sociologica*, 40/2 (1997).

⁹ The lists of key authors excludes authors who were only occasionally involved in the events in question (A. F. Robertson, Sharon Zukin), as well as younger authors whose primary contributions were published after 1989 (Bruce Carruthers, Frank Dobbin, Brian Uzzi).

published in a period of crisis and renewal in the social sciences. The 1970s marked the end of the hegemonic status of Parsonian functionalism, or more broadly, of the “Capitoline triad” – Parsons, Merton, and Lazarsfeld – that had dominated North American sociology for years.¹⁰ The break with this “orthodoxy” was accompanied by a wave of renewal attempts which became possible by a sharp increase in the number of students and doctoral candidates, unprecedented levels of financial support, and an outspoken public interest in the discipline. The renewal movement was linked in part to the rise of the “new left” and the student protest movements of the time, many of whose partisans belonged to the post-war baby-boom generation.

The number of annual PhDs in sociology rose from 150 in 1960 to over 700 in 1976. During the same period, membership in the American Sociological Association (ASA) doubled. Funding increased steadily from 1960 to 1969, with a spectacular rise in the early 1970s.¹¹ As one of the contemporary authors interviewed observed:

In the sixties and early seventies there was a lot of money for graduate students. It was amazing. People were having free rides for five, six years, people getting jobs without having finished their degrees, people getting tenure without having a PhD. The year I got into graduate school in 1974, they brought in forty graduate students, the two previous years they had brought in a hundred each year.

The following decade, from the mid-70s to the mid-80s, was one of continuing decline. The number of PhDs and ASA membership fell, as did the level of research funding. By the mid-1980s the annual number of PhDs had gone from a high of 734 in 1976 to around 500; from 1974 to 1985 the number of sociology majors fell from 36,000 to 12,000.¹²

The increase in students and funding levels in the early 1970s was accompanied by a sharp rise in number of sociological journals.¹³ One of them, *Theory and Society*, founded in 1974 by Alvin Gouldner, set out to become a forum for “all those working in the advancing edges of social theory.” The introduction to the first issue not only announced in no uncertain terms the end of the “old intellectual paradigms” and a challenging, varied set of new ones, but presented in-depth analysis of the political situation (oil crisis, Watergate). Other journals, among them *Contemporary Sociology* (first published in 1972), tried more modestly, by means of book reviews and review essays, to provide full coverage of the various new currents and movements.

In this context of disciplinary expansion, political revolt, and accelerated academic renewal, a plurality of new approaches were developed ranging from the diverse micro-sociology currents (ethno-methodology, symbolic interactionism, phenomenological approaches) to radical movements such as neo-Marxism, feminism, third-worldism, and including the not yet fully formed approaches of network analysis, historical sociology, and, in the sociology of organizations, various versions of neo-institutionalism. These new initiatives were carried forward by researchers in a variety of positions in the academic field. Some, such as Harrison White (see below), had already amassed considerable

¹⁰ Pierre Bourdieu, “Vive la crise! For heterodoxy in social science,” *Theory and Society* (1988) 17: 773–788 and *Science de la science*, 41.

¹¹ Data in Stephen Turner and Jonathan Turner, *The impossible science: An institutional analysis of American sociology* (London: Sage, 1990), especially p. 138.

¹² William D’Antonio, “Recruiting sociologists in a time of changing opportunities,” in *Sociology and its publics*, ed. Terence Halliday and Morris Janowitz (Chicago: University of Chicago Press, 1992), 99–136.

¹³ Lowell Hargens (1991). Impressions and misimpressions about sociology journals. *Contemporary Sociology*, 20, 343–349.

scientific capital. Others were young PhDs with less scientific capital, born during or just after the war, and who had done their graduate studies during the rise of the new left and the protest movements. They had entered the profession thanks to the exceptional demographic changes affecting the university. Many of them refused to be affiliated with a specific discipline, calling instead for interdisciplinarity or, in the case of feminists and Marxists, an expressly anti-disciplinary stance. Using the term “social theory” in place of “sociology” and pleading the cause of a “new type of social scientist,” as was done in *Theory and Society*, was one way for this new generation of social science researchers to finalize its break with disciplinary and other divisions they no longer considered meaningful.

In economics in the 1970s, new approaches were also being developed; they shared a critical perspective on the Keynesian synthesis. Two in particular should be mentioned because they explicitly crossed the boundary between economics and sociology: Gary Becker’s “economic approach to human behavior” and Oliver Williamson’s neo-institutionalism.¹⁴ Meanwhile, the notion of “economic imperialism” began to spread. Used at first by partisans of such imperialism, it later acquired a sharply critical connotation.¹⁵ While sociology went through a process of institutional contraction after the mid-1970s, economics expanded greatly after the neo-liberal turn in politics at the end of the 1970s, becoming sociology’s main competitor for students, research funds and public attention.

It was during the decade of the 1970s, as a multitude of new approaches more or less emancipated from disciplinary divisions were being developed and “economic imperialism” advanced, that the first works were written which in the next decade would be categorized as belonging to the “new economic sociology.” Those works served as primary references for defining and legitimating the new branch of the discipline.

Dispersed initiatives

At the source of what would ultimately be called “new economic sociology,” we find a number of different initiatives developed by a group of key authors. Their trajectories enable us to understand both the origin of the movement and the logic of how it was organized by academic entrepreneurs in the years 1985–1994 as they “reinvented” economic sociology (Table 1).

The group of key authors we selected on the basis of their involvement is composed of three generations of sociologists. The members of the first generation are Charles Perrow, Arthur Stinchcombe, and Harrison White, all of whom defended their dissertations in sociology in 1960; the second generation is made up of 20 authors who defended their dissertations in the late 1960s or 1970s; the third of eight authors who wrote their PhD dissertations slightly later, often under the direction of members of the preceding generation, such as Mark Granovetter and Michael Schwartz. We may note that none of the oldest authors participated in the functionalist current dominant in their time; they

¹⁴ O. E. Williamson’s *Market and hierarchies* was published in 1975; Becker’s manifesto, *The economic approach to human behavior*, in 1976.

¹⁵ For a partisan’s programmatic statement, see Gordon Tullock, “Economic imperialism,” in *Theory of public choice*, ed. James Buchanan and Robert Tollison (Ann Arbor: University of Michigan Press, 1982), 317–329. The expression was later used critically; see for example Gerard Radnitzky and Peter Berholz (Eds.), *Economic imperialism: The economic approach outside the field of economics* (New York: Paragon House Publishers, 1987).

Table 1 Selected key authors, year and university of their PhD, and the number of internal citations

	Place and data of defence of the PhD (Sociology, unless otherwise specified)	Number of times cited 1980–1990 (Self references not counted)	Number of times cited 1991–2000 (Self references not counted)
Granovetter Mark	Harvard, 1970	76	90
Burt Ronald	Chicago, 1977	65	64
Mintz Beth	SUNY Stony Brook, 1978	57	21
Useem Michael	Harvard, 1970	49	28
White Harrison	MIT, 1955 (Theoretical Physics) and Princeton, 1960	45	44
Perrow Charles	Berkeley, 1960	44	13
Mizruchi Mark	SUNY Stony Brook, 1980	36	43
Stinchcombe Arthur	Berkeley, 1960	33	23
Eccles Robert	Harvard, 1979	26	17
DiMaggio Paul	Harvard, 1979	25	58
Block Fred	Berkeley, 1974	21	6
Hamilton Gary	Washington, 1975	16	15
Fligstein Neil	Wisconsin-Madison, 1979	13	30
Sabel Charles	Harvard, 1978 (Government)	13	9
Hirsch Paul	Michigan, 1973	12	12
Abolafia Mitchel	SUNY Stony Brook, 1981	11	3
Powell Walter	SUNY Stony Brook, 1978	11	31
Baker Wayne	Northwestern, 1981	10	23
Biggart Nicole	Berkeley, 1981	8	6
Brewster Stearns Linda	SUNY Stony Brook, 1983	8	21
Portes Alejandro	Wisconsin-Madison, 1970	7	8
Meyer Marshall	Chicago, 1967	5	6
Schwartz Michael	Harvard, 1971	5	0
Zelizer Viviana	Columbia, 1977	5	17
England Paula	Chicago, 1975	3	4
Romo Frank	Yale, 1986	3	4
Swedberg Richard	Boston College, 1978	3	9
Friedland Roger	Wisconsin-Madison, 1977	2	3
Lazerson Mark	Wisconsin-Madison, 1985	1	1
MacGuire Patrick	SUNY Stony Brook, 1986	0	2
Smith Charles	Brandeis, 1966	0	5

represented instead two other currents – Perrow and Stinchcombe: the sociology of organizations; Harrison White: network analysis – the alliance of which constituted the social and intellectual foundation of the new economic sociology. Only five women appear on the list, signifying that economic sociology was a predominantly male endeavor in which aspects that are associated with “feminine” concerns have been underrated.¹⁶

The “number of times cited” refers to the number of times each author was cited during the given period in articles published by the 30 other selected key authors. Self-references were not counted. Using the Social Science Citation Index, the data have several drawbacks: they favor older publications, underestimate the influence of scholars outside

¹⁶ On the gender issue, see Viviana Zelizer, “Enter culture,” in Mauro F. Guillén, Randall Collins, Paula England, and Marshall Meyer (Eds.), *The new economic sociology: Developments in an emerging field* (New York: Russell Sage Foundation, 2002), 101–125.

the established circle, and, in co-authored articles, the name of the first author only is noted (name occurring first in alphabetic order when no hierarchical relation was established among authors). This means, for example, that though the book Michael Schwartz wrote with Beth Mintz was regularly cited between 1980 and 1990, Schwartz does not have his rightful place in the table; i.e., third during the first period.

Harrison White and his followers

In retrospect, the initial core of the “new economic sociology” seems to have been located at the top of the university hierarchy, around the intellectual project Harrison White developed in the 1960s at Harvard.¹⁷ Nearly half of the key authors are linked directly or indirectly to White, and most of the young sociologists particularly active in constructing the new economic sociology, namely Granovetter, DiMaggio, and Schwartz, were students of his.¹⁸

White, born in 1930, was then a young professor; his first published studies in sociology were on the mathematics of kinship relations,¹⁹ the Impressionist revolution,²⁰ social mobility, and the labor market.²¹ At the time he was working on the uses of mathematics in the social sciences²² and a re-founding of sociology on bases other than functionalism, dominant at the time. White had a Ph.D. in theoretical physics and was led by his aptitudes to resolve sociological enigmas and construct mathematical models (in some cases imported from physics) to account for the social realities under study. Whereas James Coleman, another major mathematical sociologist, ultimately returned to traditional mathematical micro-economic tools in his *Foundations of Social Theory*, White was more inventive, ambitious, less reverential toward academic traditions, and seemed more at ease doing empirical studies and constructing models than theoretical re-founding. (This, at any rate, is the gist of the criticism of his main theoretical work, *Identity and Control*). He nonetheless intended to re-found sociology using a “structuralist” approach based on

¹⁷ White developed and transmitted most of his thinking on network analysis in the “Introduction to Social Relations” course he gave at Harvard, which attracted many of the future “structural school” protagonists.

¹⁸ Six of the authors studied here wrote their PhD dissertations at Harvard (see Table 1); five of them were White’s students (Granovetter, Useem, Schwartz, DiMaggio, Eccles); see Reza Azarian, “The general sociology of Harrison White” (PhD dissertation, Stockholm University, 2003), 213–216. The second generation of authors (including Mintz, Mizruchi, Abolafia, Brewster Stearns, McGuire) often wrote their dissertations under the direction of former students of White’s, namely Schwartz and Granovetter, then young professors at Stony Brook. White also had profound direct and indirect influence on several other authors in this group: Burt wrote his thesis at the University of Chicago with Edward O. Laumann, another student of White’s; Fligstein was a colleague of White’s at Arizona; Baker wrote his thesis at Northwestern but corresponded regularly with White and some of his students.

¹⁹ *An anatomy of kinship: Mathematical models for structures of cumulated roles* (1963). (Englewood Cliffs, N. J.: Prentice Hall).

²⁰ With Cynthia White (1965). *Canvases and careers: Institutional change in the French painting world*. (New York: Wiley).

²¹ *Chains of opportunities: System models of mobility in organizations* (1970). (Cambridge: Harvard University Press, 1970).

²² “Uses of mathematics in sociology,” in *Mathematics and the social sciences*, ed. J. C. Charlesworth (Philadelphia: American Academy of Political and Social Science, 1963). For the field of mathematical sociology at the time, see Aage Sorensen and Annette Sorensen (1975). *Mathematical sociology: A trend report and a bibliography*. *Current Sociology*, 23/3, 9–153.

network analysis, which would enable the researcher to get beyond both atomistic and holistic approaches to social reality.

The project of developing network analysis as a critical tool for a new type of sociology was not at first applied to economic objects. Members of the “Harvard school” set about using network analysis in a variety of areas, ranging from urban social stratification (Laumann) and scientific networks (Mullins) to inter-acquaintanceship networks and abortion (Nancy Lee). Mark Granovetter, when considering his thesis topic, hesitated between the marriage market and the labor market, ultimately deciding on the latter.²³ Yet White’s interest in economics was longstanding. As early as 1952–53, Paul Samuelson’s course had left him with the feeling that economics was moving in “the wrong direction”: “I thought I knew why, but at the time it was only an intuitive feeling.”²⁴ Moreover, some of his early mobility chain studies already bore on how a particular market worked – the labor market. But it was only in 1975–1978, in an interdisciplinary seminar he gave at Harvard on mathematical models in the social and biological sciences, that White discovered new economic theories and explicitly defined the project as a sociological approach to markets.²⁵ In the late 1970s he began working on producers’ markets and, with Robert Eccles, on the problem of “price and authority” in economic transactions. In 1981 he published his renowned article, “Where do markets come from?” which many economic sociologists today think of as the “act that truly founded the field” (interview). When White and his students analyzed markets as social structures or brought to light complex combinations of “price” and “authority” in intra- and inter-business transactions, they transcended the traditional division of labor between economists and sociologists according to which economists were in charge of markets and price mechanisms while sociologists handled organizations. There is no doubt that this initiative was also conceived, at least in part, as a response to the offensive being launched by economists such as Gary Becker, who were moving into areas traditionally occupied by sociology. White clearly announced this in one of his first papers on the sociology of markets (1978): “Since Becker and other economists had begun to analyze sociological problems, sociologists should take on economics problems.”²⁶

Retrospectively, then, White and his entourage at Harvard can be thought of as the original center for the renaissance of economic sociology. And yet with the exception of White’s own studies, few economic sociology studies were done at Harvard. Of the 30 dissertations White directed during his 23 years there (1963–1986), only Mark Granovetter’s and Robert Eccles’s were in that specific field. Works of another of White’s students, Michael Useem, may also be cited. Of the same generation as Granovetter and Schwartz, Useem studied elites – specifically the role of teaching institutions in reproducing them²⁷ – and with Paul DiMaggio, art patronage.²⁸ He later specialized in the economic elite, first

²³ Interview with Mark Granovetter in Richard Swedberg, *Economics and sociology* (Princeton: Princeton University Press, 1990).

²⁴ Interview with Harrison White in *ibid.*, 79.

²⁵ *Ibid.*, 82. Among economists attending the seminar were Stephen Marglin, Tom Schelling, Mike Spence, and Richard Zeckhauser.

²⁶ Harrison. C. White, “Markets as social structures” (paper presented at a conference of the American Sociological Association, 1978), quoted in Swedberg, *Economics and Sociology*, 17.

²⁷ Michael Useem and S. M. Miller (1975). Privilege and domination: The role of the upper class in American higher education, *Social Science Information*, 14, 115–145.

²⁸ Michael Useem and Paul DiMaggio, “Social class and arts consumption: The origins and consequences of class differences in exposure to the arts in America,” *Theory and Society*, 5 (March 1978): 141–161, and Michael Useem and Paul DiMaggio, “The arts in class reproduction,” in *Cultural and economic reproduction in education*, ed. Michael Apple (London: Routledge and Kegan Paul, 1982).

studying their involvement in non-economic institutions such as museum administrative boards, then their involvement in politics, and bringing to light the existence of an “inner circle” of big business entrepreneurs, who were, as he saw it, the politically active segment of the economic elite.²⁹

The Stony Brook crucible

Though the initial intellectual thrust came from White at Harvard, it was at the State University of New York at Stony Brook that the most visible studies of the first period of the reemergence of economic sociology were done. Stony Brook was well below Harvard on the North American university hierarchy;³⁰ it was a relatively new institution (1956) whose initially stated function was to train “math and science teachers.” The Ph.D. program in sociology was relatively new and there was pressure to prove it was a good program. Stony Brook brought in young professors whose major work was yet to be done and who viewed their academic position there as a way of launching a career while remaining in or near New York City.

The importance of the “Stony Brook school” in renewing economic sociology undoubtedly has to do with the key role played by three professors simultaneously present there: Michael Schwartz and Mark Granovetter, both students of Harrison White, and Charles Perrow, specialist of organization theory, who was just then publishing one of the first rigorous critiques of the new economic approaches to organization.³¹ This Stony Brook group prefigured the alliance between network analysts and sociologists of organization that later became the core of new economic sociology.

A number of authors cite the major influence of Michael Schwartz at Stony Brook. In the early 1970s, in an atmosphere still marked by the social movements of the 1960s, a large number of students with Marxist sensibilities gathered around Schwartz, who was close to Marxism while simultaneously being an heir to White and specialist of network analysis.³² Schwartz inspired his students to study the structure of North American capitalism and the power of financial institutions. Recent technical advances in network analysis, namely Bonacich’s centrality analysis,³³ enabled him and his students to restart

²⁹ Michael Useem (1984). *The inner circle: Large corporations and the rise of business political activity in the U.S. and U.K.* (New York: Oxford University Press).

³⁰ In the 2005 *US News and World Report* ranking of US universities, Harvard is first whereas Stony Brook is 106th.

³¹ Charles Perrow, “Markets, hierarchies and hegemony: A critique of Chandler and Williamson,” in *Perspectives on organization design and behavior*, ed. A. van de Ven and W. Joyce (New York: Wiley, 1981) (includes a response from Williamson), and Charles Perrow, “Economic theories of organizations,” in C. Perrow, *Complex organizations*, 3rd ed., (New York: Random House, 1986), text republished in the special issue of *Theory and Society* (1986) and *Structures of Capital* (1990). Mitchell Abolafia, for example, says his theoretical approach developed out of the combined influences of Perrow and Granovetter; see preface of *Making Markets* (Cambridge: Harvard University Press, 1996).

³² In the book version of his thesis, *Radical protest and social structure* (New York, Academic, 1976), XI, Schwartz thanks both White and other academics and a number of other figures and associations for their ideas, help, and encouragement, namely the Black Panther Party, Lenin, Mao Tse Tung, and Karl Marx. In the words of one of our respondents, “The Stony Brook crowd were really Marxists who caught on to network analysis.”

³³ Cf. P. Bonacich (1972). A technique for analysing overlapping memberships. In Herbert Costner (Ed.), *Sociological methodology*. (San Francisco: Jossey-Bass).

research into “interlocking directorates”; i.e., inter-business ties created by the fact that corporations share some of the same board members. Between 1978 and 1980, Beth Mintz, Mark Mizruchi, and Peter Mariolis defended their Ph.D. dissertations on these subjects at Stony Brook,³⁴ bringing to light the central position of major New York-based commercial banks and insurance companies in the North American inter-firm business network. These themes have also been studied by Mark Mizruchi and Linda Stearns, two sociologists who likewise studied at Stony Brook.

And it was at Stony Brook in the late 1970s that Mark Granovetter wrote his first theoretical articles criticizing economics. During his years as assistant professor at Harvard, he had been first and foremost a network analyst. Only later did he begin calling for a sociological approach to economic phenomena, first in a text explicitly comparing economic and sociological approaches to income differences – a subject traditionally belonging to the domain of economics³⁵ – then with the article that would become new economic sociology’s “manifesto”: “Economic action and social structure: the problem of embeddedness.”³⁶ This article, like the work of his colleague Charles Perrow, was a critical response to Williamson’s program. It was also at Stony Brook that Granovetter began working with Patrick McGuire on the history of electricity production and distribution, demonstrating the explanatory power of network analysis and enriching the criticism of economic neo-institutionalism. The fact that the market for the production of electricity was divided among private firms (instead of being a public monopoly or being provided by domestic production) was not the outcome of technical efficiency but rather of the network structures of the entrepreneurs involved.

It should be noted, however, that Harvard and Stony Brook did not have a monopoly on network analysis applied to economic phenomena. During the same period, Ronald Burt from the University of Chicago was undertaking studies of links between administrative boards, but with a different focus than Schwartz and his students. Burt had been Laumann’s student and was close to the rational choice current (he had worked as James Coleman’s research assistant), and he now revisited rational choice, introducing social networks as a structural constraint.³⁷ Burt’s work on inter-organizational ties aimed to show that such ties only developed where there were strong market constraints and could be interpreted as strategies for escaping those constraints.³⁸ Wayne Baker, from Northwestern University, applied network analysis to the social dynamic of “floor trading” in his analysis of the Chicago futures market. Baker showed that the size and shape of concrete interaction networks had an effect on futures price volatility. He later studied inter-business relations

³⁴ The book versions of these studies became “classics” of new economic sociology: Beth Mintz and Michael Schwartz, *The power structure of American business* (Chicago, Chicago University Press, 1985); Mark Mizruchi and Michael Schwartz (Eds.), *Intercorporate relations: The structural analysis of business* (New York, Cambridge University Press, 1987); Mark Mizruchi, *The American corporate network, 1904–1974* (Beverly Hills: Sage, 1982).

³⁵ Mark Granovetter (1981). Towards a sociological theory of income differences. In I. Berg (Ed.), *Sociological perspectives on labor markets*. (New York: Academic).

³⁶ Granovetter (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91/3.

³⁷ Cf. Ronald Burt (1982). *Toward a structural theory of action: Network models of social structure, perception and action*. (New York: Academic). Burt’ actors seek to maximize their utility but under the structural constraint defined by the fact that they occupy a certain position in the networks they are part of.

³⁸ Cf. Ronald Burt (1983). *Corporate profits and cooptation: Networks of market constraint and directorate ties in the American economy*. (New York: Academic).

(businesses and investment banks,³⁹ businesses and advertising agencies⁴⁰). As mentioned, Ronald Burt and Wayne Baker had ties with White and his students.

Varieties of neo-institutionalism in sociology of organizations

Although the main current of the emerging new economic sociology was network analysis applied to economic phenomena, a second current, the sociology of organizations, had also given rise to studies that may be retrospectively described as founding works for the subdiscipline. Whereas network analysis was clearly associated with the Harvard-Stony Brook affiliation, the sociology of organizations was being renewed in a variety of university centers (Wisconsin, Northwestern, Chicago, Columbia, U.C.-Berkeley, Washington) rather than any single one. Mark Granovetter, who with Richard Swedberg had developed the strategy for promoting economic sociology, observed in 1985–1986 that organization sociologists were the most knowledgeable about the real functioning of the economy and that it was crucial to collaborate with them in constructing the new subdiscipline.⁴¹

In the 1970s the sociology of organizations was increasingly perceived as a dynamic research field that offered a more realistic approach to the economy than critical or neo-Marxist currents, which were on the decline. Together with the career openings in the burgeoning number of business schools (see below), organization theory was perceived as a promising branch of the discipline.

I remember thinking that organization theory was very boring indeed. What happened was that people began to take issue with the contingency theory, the idea that there are rational feedback mechanisms, the theory that business schools teach and make their money with: managers matter because they rationally interpret their environment. In the late seventies people started to question that. The population ecology approach argued that people do not have a choice, that it is all about selection and resources. John Meyer started to argue that instead of selection or resources, it is all unclear and basically a matter of stories people tell, that – in other words – it is about claims to expertise and legitimacy. (...) Everybody started to realize that organizations had to be at the center of the way it all worked. If you want to take class out, which is what happened, what is the alternative? If social class is not the principle by which people and things are distributed in modern society, people will move from class to organizations, and from Marx to Weber. People were searching for a way of looking at things that was more concrete, that had mechanisms that were observable. (Interview)

Whereas the traditional sociology of organizations had focused on the internal functioning of organizations, and especially that of bureaucracies, the approaches developed in the late 1970s were interested in inter-organizational relations and in the diversity of economic organization.

³⁹ Wayne E. Baker (1990). Market networks and corporate behavior. *American Journal of Sociology*, 96/3 (November).

⁴⁰ Wayne E. Baker, Robert R. Faulkner, and Gene A. Fisher (1998). Hazards of the market: The continuity and dissolution of interorganizational market relationships. *American Sociological Review*, 63, 147–177 (April).

⁴¹ Richard Swedberg (1987). On economic sociology: An interview with Mark Granovetter (1985/86). Research report, 14. Department of Sociology, Uppsala University.

The first challenge for neo-institutionalist sociologists of organizations, in combating the illusion that there was “one best way” and a simplistic market/organization dichotomy, was to analyze the functioning and effectiveness of types of organization other than that of large integrated, multidivisional firms. Following the example of Arthur Stinchcombe’s demonstration that craft administration of production was just as rational and profitable as bureaucratic organization, several sociologists worked on new institutional configurations such as “Italian districts” (Lazerson) and, more generally, “small firms networks” (Perrow); “charismatic” direct selling organizations (Biggart), and “Asian conglomerates” (the Japanese *keiretsu* and Korean *chaebol*) (Biggart and Hamilton).⁴² Authors studying these cases of highly effective organization modes showed that their functioning could not be explained by simple economic principles like economies of scale and scope or transaction costs.

Neo-institutionalists took up two complementary challenges: showing the variety of economically efficient types of organization and explaining the opposite cases, i.e., organizational convergence and homogeneity. To understand institutional isomorphism, it was necessary to shift the level of analysis and study not specific organizations but the emergence and development of fields of inter-organizational relations. This change in perspective made it clear that the convergence of organization models could not be explained entirely by the economic efficiency of the type of organization, but required reference to sociological mechanisms such as constraint (the organization’s dependence on its environment), cognitive or cultural imitation (uncertainty and the resultant tendency to adopt what is perceived as the best-performing organizational model), and normative isomorphism (linked to the diffusion of norms by groups of professional experts).⁴³

The cultural approach

The third and last research current is the cultural approach, represented by Viviana Zelizer in particular, with others, including Charles Smith and Paul DiMaggio, making significant contributions as well. Zelizer’s works have their origin in the moral protest against generalized commodification, which was the focus theme of several conferences and interdisciplinary book projects. Her thesis co-director, the functional sociologist Bernard Barber, wrote an incisive chapter on “The Absolutization of The Market” for one of these interdisciplinary volumes, *Markets and Morals* (1977). In her overall project to explore areas

⁴² Stinchcombe’s classic article, “Bureaucratic and craft administration of production” (1959), was republished in Granovetter and Swedberg (Eds.), *The sociology of economic life*, (Boulder, Co.: Westview, 1992). Lazerson’s study on the Italian districts and Perrow’s on “small firms networks” were published in Swedberg, ed., *Explorations in economic sociology* (New York: Russell Sage Foundation, 1993). See also Nicole Biggart *Charismatic capitalism* (Chicago: University of Chicago Press, 1989), and on the Asian economy, see Gary Hamilton and Nicole Woolsey Biggart “Market, culture, and authority: A comparative analysis of management and organization in the Far East,” *American Journal of Sociology* (supplement 1988), and Marco Orrù, Nicole Woolsey Biggart, and Gary Hamilton, *The economic organization of East Asian capitalism*, (London: Sage, 1997). Similar studies aiming to identify forms of economic organization other than the one described by Chandler and Williamson include Charles Sabel and Michael Piore’s in *The second industrial divide* (1984), and Charles Sabel and Jonathan Zeitlin’s in *World of possibilities*, ed. Sabel and Zeitlin (1997).

⁴³ See contributions in Walter Powell and Paul DiMaggio (Eds.), *The new institutionalism in organizational analysis* (Chicago: University of Chicago Press, 1991). For a view on the proliferation of “neo-institutionalisms” in various disciplines, see P. Hall and R. Taylor, “Political science and the three new institutionalisms,” *Political Studies*, 44 (1996): 936–957, and Paul DiMaggio, “The new institutionalisms,” *Journal of Institutional and Theoretical Economics*, 154/4 (1998): 696–705.

of observable tension between commercial and moral values, Zelizer successively worked on the emergence of life insurance, the baby market, and the social meaning of money.⁴⁴

Although the cultural current was included in the academic process of constructing the “new economic sociology” (see below), it was relatively marginal. The distribution of internal citations per current shows the strong advantage of network analysts and neo-institutionalists; they firmly dominated the references, especially in the 1980s. There were not only few representatives of the cultural approach,⁴⁵ they rarely cited each other and were seldom cited by other key authors. It was as if Viviana Zelizer’s works played the role of “cultural guarantee” within a subdiscipline largely dominated by formal and institutional models of social relations.

The two-sided role of the business schools

What paradoxically stimulated and facilitated the development of economic sociology research and the field overall was the increasing presence of sociologists in business and management schools. In 1976, demand for sociology professors in North American universities took a dive. The situation of sociology departments contrasted sharply with business schools, however; the 1980s were the years of “the MBA boom,” as one of our respondents dubbed it. And the new business schools were ready to hire sociologists, specifically organizational theory specialists.

In the mid 1980s there were a growing number of sociologists in business schools, and we found ourselves alongside economists, some of whom attacked or dismissed our work. Paul Hirsch said he played anthropologist to the “tribe” of economists he worked with, trying to figure out their assumptions and methods. A number of us decided it was time to recapture, in at least a small way, studies of the economy, and by the late 1980s there was a discernible movement among sociologists, many in business schools, to revive economic sociology. (Interview)

Nearly half of our key authors teach or once taught in business or management schools.⁴⁶ But while the move into these schools stimulated the rise of economic sociology,

⁴⁴ Bernard Barber, “The absolutization of the market” in *Markets and morals*, ed. G. Dworkin, G. Bermant, and P. Brown (Washington D.C: Hemisphere, 1977), 15–31; Viviana Zelizer, *Morals and markets: The development of life insurance in the United States* (New York: Columbia University Press, 1979), *Pricing the priceless child: The changing social value of children* (New York: Basic, 1987), and *The social meaning of money* (New York: Basic Books, 1994).

⁴⁵ Charles Smith published studies on traders and the functioning of auctions; Mitchell Abolafia used an ethno-cultural approach to study the stock market, and Paul DiMaggio contributed chapters on cultural aspects of economic life to *Beyond the marketplace* (1990) and the first edition of the *Handbook of economic sociology*. Yet only Viviana Zelizer worked to realize a consistent intellectual project around a historical and cultural approach to the economy.

⁴⁶ Paul DiMaggio and Walter Powell were at the Yale School of Organization and Management; Mark Granovetter at the Stanford School of Business for a time and Kellogg Graduate School of Management. Wayne Baker and Mark Mizruchi run the Center for Society and Economy of the University of Michigan Business School, while Michael Useem runs the Center for Leadership and Change Management at the Wharton School of Management. Marshall Meyer and Useem are involved in the Penn Economic Sociology and Organizational Studies (PESOS) Center of the Wharton School of Management and are members of the University of Pennsylvania’s sociology department. Paul Hirsch and Brian Uzzi teach at the Kellogg School of Management at Northwestern University; Nicole Biggart at the Graduate School of Management at the University of California at Davis; Ronald Burt at the University of Chicago Business School and l’INSEAD at Fontainebleau.

it also produced the effects of a brain drain, enticing certain sociologists to turn to more lucrative activities such as management studies or business consulting.⁴⁷ This is well illustrated by Wayne Baker's itinerary: he began his career with research into "floor trading" and continues to publish research articles, but he is also publishing "how-to" books on maintaining and accumulating one's "social capital." Another example is that of Michael Useem, who studied economic elites, and besides scholarly work now also writes advice books for business leaders.⁴⁸ A third example is that of Robert Eccles who, after academic work, left a tenured position at the Harvard Business School for consulting.

The development of economic sociology in business schools also worked to attenuate the critical thrust crucial to so many of the pioneering 1970s works. By focusing analysis on business organizations, and their intra and inter-organizational ties, business school economic sociology accelerated the decline of neo-Marxist critical models.

The construction of "economic sociology"

It follows from this brief overview that the new attempts to analyze economic questions were at first inspired by various intellectual projects and continued to coexist without close ties. The "economic sociology" label was not being used yet, and our inter-citation analysis indicates that internal divisions were stronger than common interests.

During the first period, 1980–1985, prior to publication of Granovetter's manifesto, the internal citation pattern indicates four clear sub-groups or blocks in the sense of network analysis (see table in Appendix 1):

- (1) Unrelated authors who did not cite each other during the period (England, Sabel, Abolafia, C. Smith, Zelizer) or had not yet published at that time (Romo, McGuire, Lazerson).
- (2) Researchers who were making intensive use of network analysis techniques, i.e., those at Stony Brook around Michael Schwartz (Schwartz, Brewster Stearns, Mizruchi, Mintz), as well as Ronald Burt and Wayne Baker. The authors linked to Schwartz were also related to others (Block, Friedland, Useem) by neo-Marxist affinities.
- (3) Authors using a neo-institutionalist perspective in the sociology of organizations (DiMaggio, Powell, Biggart, Hamilton, Fligstein, Eccles).
- (4) A group that can be defined not in terms of any particular approach but rather by the seniority and prestige of its members (Perrow, Granovetter, Stinchcombe, Portes, Hirsch, White, and Marshall Meyer). They are often cited, specifically by Group 3 authors, but rarely cite other key authors (with the exception of Granovetter, who was already "networking" to bring researchers together).

The citation structure indicates that the different groups were not closely linked. For example Group 2 authors (network analysts or Marxists), while citing each other regularly, never cited Group 3 neo-institutionalist authors during the period.

⁴⁷ As Charles Perrow put it, the field of organization studies "is swamped by the interest of business schools," cf. Perrow, "An organizational analysis of organizational theory," *Contemporary Sociology*, 29/3 (2000): 469–476.

⁴⁸ Wayne E. Baker, *Networking smart: How to build relationships for personal and organizational success* (New York: McGraw-Hill, 1994) and *Achieving success through social capital: Tapping hidden resources in your personal and business network* (San Francisco: Jossey-Bass, 2000); Michael Useem, *The leadership moment: Nine true stories of triumph and disaster and their lessons for us all* (New York: Random House, 1998) and *Leading up* (New York: Random House, 2001). For a critical account of network analysis, see Luc Boltanski and Eve Chiapello, *The new spirit of capitalism* (London: Verso, 2006).

In the evolution of the citation relations over time, 1985 was a turning point. Starting in 1986 the average number of key authors cited by other key authors went up to 19 (with a high of 23 that year), whereas from 1981–1985 it had kept steady at around 12. Ecumenism was strong after 1985: inter-citation matrices grow dense and the structure brought to light by the structural equivalents method no longer shows consistent or stable partitions.

Before 1985, then, it is reasonable to speak of different, relatively disconnected research currents. Academic entrepreneurs with a strategy to bring these disconnected currents together, to forge “new combinations,” as Schumpeter said, and to institutionalize the new arrangement, appeared only in the second half of the 1980s. Instrumental for any academic strategy is to find a common label.

Institutionalization strategies

Several attempts were made to shape and redefine this emerging field of studies. At first, the number of occasional meetings, often inter- or multidisciplinary, increased but without any institutional ambition. Later, two partially competing institutional projects were developed; Amitai Etzioni’s, aimed at instituting exchange among representatives of several disciplines, and a quite different project claimed a primary affiliation to the discipline of sociology while remaining open to a variety of orientations.

One of the important multidisciplinary encounters was the one organized by Sharon Zukin and Paul Dimaggio, who co-edited a special issue of *Theory and Society* on structures of capital (1986). The issue reflected the journal’s intention to promote a new type of social theory and social scientist (see above). Underlining the new importance of economic questions, it presented itself as a rapprochement between the neo-Marxist political economy tradition, represented by Sharon Zukin, and socio-institutional organizational analysis, represented by DiMaggio. What the two approaches shared was the conviction that economic phenomena were “embedded in non-economic social relations,” and the corresponding rejection of the neo-classical model. Another interdisciplinary encounter produced *Beyond the Marketplace*, a set of papers given at a 1988 conference at Santa Barbara and edited by R. Friedland and A. F. Robertson (1990). These highly varied studies of markets seem to share little more than opposition to neo-classical economics and the general aim of “rethinking economy and society.”

Etzioni’s was the only explicit, persistent strategy to institutionalize an interdisciplinary project. In 1985, Etzioni announced the creation of a pluri-disciplinary field he called “socioeconomics,” defined very generally as an approach that would take non-economic variables into account when analyzing the economy, an approach that also reflected a concern to anchor economic questions in normative frameworks.⁴⁹ The term “socioeconomics” was readily received and spread fairly quickly. Etzioni published his manifesto, *The Moral Dimension: Toward a New Economics*, in 1988; that same year he organized the first “socioeconomics” conference, and the following year he created the Society for the Advancement of Socioeconomics (SASE), an international association supported by some of the best-known scholars. Its main activity was organizing pluri-disciplinary colloquia and other meetings.

The notion and label “economic sociology” developed parallel to “socioeconomics” while involving the opposite kind of strategy. Economic sociology promoters aimed to

⁴⁹ Amitai Etzioni, “Toward socioeconomics,” *Contemporary Sociology*, 14 (1985): 178–179 and “Founding a New Socioeconomics,” *Challenge*, 29/5 (1986): 475–482.

bring and hold together sociologists working on the economy and to reconstruct and promote this branch of the discipline. “Socioeconomics” and “economic sociology,” which may seem similar movements, were therefore, at least to some degree, opposed projects for organizing the research field: the intra-disciplinary strategy of the economic sociologists ran counter to Etzioni’s interdisciplinary one.

An emerging emblem

The expression “economic sociology” did not reappear until the 1980s. In neither White’s 1981 article nor Granovetter’s 1985 manifesto – the two texts retrospectively considered “inaugural” – does the author speak of undertaking an “economic sociology” study. White proposes embedding neo-classical business theory in a “sociological approach to markets”⁵⁰ and relates his undertaking to the “imperfect competition” studies initiated by Edward Chamberlin. Granovetter designates “modern structural sociology” by the generic term “embeddedness approach,” and more specifically, “embedded approach to economic life.”⁵¹ Only in the last lines of the article does he call for sociologists’ participation in “the study of economic life,” regretting that they have been so long cut off from “this large and important aspect of social life and from the European tradition – stemming especially from Max Weber...”

The term “economic sociology” rather discreetly reappeared, as far as we know, the first time in 1982 as the title of one of Harrison White’s seminars at Harvard, a course he gave several years running.⁵² Organization sociologist Arthur Stinchcombe actually used the term at about the same time for the title of a book presenting a historical and comparative type of macrosociology in which economic organizations played a crucial role (1983). Although the book lays claim to economic sociology as its general framework, it is in fact a critique of neo-Marxist authors (Skocpol, Wallerstein, Wright). Rejecting these new approaches, Stinchcombe made the case for a type of sociology that would allow for a more “nuanced” analysis of economic structures than the neo-Marxist variety.⁵³

The notion of economic sociology and its implied claim to a sub-disciplinary status were taken up again by Granovetter in a 1985 roundtable, where he set up an opposition between the old economic sociology (which he identified with industrial sociology and Parsons and Smelser’s approach), and “new economic sociology.” Whereas the old version had “suddenly died out,” new approaches were being developed that no longer shied away from a direct attack on microeconomics:

My position is that there is something basically wrong with microeconomics, and that the new economic sociology should make this argument loud and clear, especially in the absolutely core economic areas of market structure, production, pricing, distribution and consumption. What is wrong is that economic actors are not atomized from one another, as the theory requires us to believe, but are involved in interaction and structures of interaction that are theoretically central to outcomes.⁵⁴

⁵⁰ Harrison C. White (1981). Where do markets come from? *American Journal of Sociology*, 87/3, 518.

⁵¹ Mark Granovetter “Economic action and social structure: The problem of embeddedness,” 493. It is interesting to note that Granovetter identifies Domhoff’s and Useem’s work on economic elites as “sociological study of business” and describes Mintz and Schwartz’s book as “recent Marxist literature on ‘hegemony’ in business life.”

⁵² Azarian, “The general sociology of Harrison White” (PhD dissertation), 201–212.

⁵³ Arthur Stinchcombe (1983). *Economic sociology* (255). (New York: Academic).

⁵⁴ Granovetter, unpublished note of August 1985, quoted by Richard Swedberg in “New economic sociology: What has been accomplished, what is ahead?” *Acta Sociologica*, 40/2 (1997): 161–182.

Granovetter further developed this stance in a 1988 colloquium published as “The Old and the New Economic Sociology: A History and an Agenda.”⁵⁵ In the historical part of the work he refers to studies by Richard Swedberg. The preceding year, Swedberg had co-published a programmatic article, “The paradigm of economic sociology.”⁵⁶ The paper had actually been presented and printed in Sweden in 1985. It was Paul DiMaggio, who contacted the authors and asked them to submit it to *Theory and Society*, which published the article in 1987. Parallel to this programmatic statement, Richard Swedberg had also documented the historical development of what was indeed becoming a subdiscipline in “Economic sociology: past and present,” published in *Current Sociology* (1987). These works enabled Granovetter to position his project within a tradition different from the functionalist one and the related term “economy and society.”

Swedberg, a Swedish sociologist who had written his dissertation in the United States, explained his use of the term with reference to classic sociologists, also citing its clear sociological grounding. Although he acknowledged that the term “economic sociology” had never been regularly used in the United States,⁵⁷ he was of the opinion that “economy and society,” which was used there, did not suit this kind of study. Though “economy and society” was very current (Swedberg indicates that in 1984, one in four sociology departments offered a course of that name), it was too closely linked to Parsoniansism and an image of scientific sterility. Swedberg’s work explicitly aimed to “give economic sociology the status of autonomous discipline within sociology”⁵⁸ and was a crucial step in the construction of the new label.

Despite occasional use of the label “sociology of economic life,” “economic sociology” was coming to predominate. In *Economics and Sociology* (1990), Swedberg presented Granovetter as “the leading scholar in this movement, which is sometimes called ‘new economic sociology.’” And Zukin and DiMaggio in their introduction to *Structures of Capital* (1990), where they republished texts from the 1986 special issue of *Theory and Society* in addition to new ones, affirm that all texts in the book are in the field of “economic sociology.”⁵⁹

Granovetter’s and Swedberg’s undertakings thus led to a legitimate, historically grounded label that indicated, on the one hand, a clear break from Parsoniansism and, on the other, underscoring a primary affiliation with the discipline of sociology, a clear distinction between the new subdiscipline and all critical or pluri-disciplinary currents.

Competing definitions

The increasing acceptance of “economic sociology” as a convenient common label did not mean, however, that there was consensus on its purpose and meaning – quite the opposite. As we have seen, the main authors were of different intellectual and academic origins and

⁵⁵ Published in Roger Friedland and A. F. Robertson (Eds.), *Beyond the marketplace*.

⁵⁶ Richard Swedberg, Ulf Himmelstrand, Göran Brulin, “The paradigm of economic sociology,” *Theory and Society* 16 (1987): 169–213. The paper was originally published in June 1985 as a Research Report by the Department of Sociology of Uppsala University. The same series also published Swedberg’s interview with Granovetter (published in 1987) and Talcott Parsons’s Marshall Lectures (published in 1986).

⁵⁷ With the exception of Stinchcombe’s book and Neil Smelser (Ed.), *Readings on economic sociology* (Englewood Cliffs, N. J.: Prentice Hall, 1965).

⁵⁸ Richard Swedberg (1987). Economic sociology: Past and present. *Current Sociology*, 35, 1–221.

⁵⁹ See Zukin and DiMaggio’s introduction to *Structures of capital*, 28.

used different approaches, so while they all tended to accept the label, they differed on its precise meaning and implications. In the late 1980s, in fact, several authors proposed competing research programs.⁶⁰

Swedberg, Himmelstrand, and Brulin were the first to try to define the field in the 1985/1987 article where they systematically opposed the postulates of economic sociology to those of the neo-classical paradigm. They began by observing that classic economic sociology represented a strong theoretical position that was discontinued. They then referred to Parsons and Smelser's joint attempt, which they said had proposed a mere complement to economic analysis rather than an alternative. And they defined three tasks for the "new economic sociology" coming into being: acquiring greater familiarity with the economics literature; choosing major economic issues that would be more than merely complementary to economic analysis; and constructing non-ideological, middle-range theories characterized by a creative mix of empirical and theoretical research.⁶¹

The definition Granovetter proposed in his afore-cited 1988–1990 agenda was not as far-reaching but more immediately practicable. It was based on the practice of empirical research and was specifically focused on the social network approach, referring to "socially located" actors and economic actions that can be explained only with reference to a system of relations of which the actors are a part. In this approach, institutions are social constructions whose creation may be analyzed in terms of networks (as the examples of immigrant-owned businesses and electricity production and distribution showed). Macro-sociological concepts were excluded from this approach, as was reference to political conditions and cultural frameworks.⁶²

In her 1988 agenda, Viviana Zelizer was quick to reproach Granovetter and other representatives of the "social structural" school for excluding all reference to cultural factors. While she recognized the usefulness of a "social structural approach to markets (White, Burt, Granovetter)," she regretted its being used "at the expense of the cultural dimension." Zelizer saw the move to exclude culture as an effect of the anti-Parsonsonianism on which this current had been constructed, but also as a condition for establishing dialogue between economists and sociologists, which Granovetter favored, at least in the early period. Meanwhile she defined her approach, the "'multiple market' model" in terms of what it was not; i.e., as equidistant from "cultural absolutism and social structural absolutism."

In their introduction to *Structures of Capital* (1990), Zukin and DiMaggio take up and enlarge Granovetter's concept of "embeddedness," distinguishing four types—cognitive,

⁶⁰ Granovetter in "The old and the new economic sociology: A history and an agenda" (first version published in 1988) and with Swedberg in the introduction to *The sociology of economic life* (1992); Zelizer in "Beyond the polemics on the market: Establishing a theoretical and empirical agenda" (1988); Zukin and DiMaggio in the introduction to *Structures of capital* (1990), Friedland and Robertson in the introduction to *Beyond the marketplace* (1990).

⁶¹ Swedberg, Himmelstrand, and Brulin, "Paradigm of economic sociology."

⁶² Although Granovetter more recently insisted on the compatibility of his model with analyses focused on "the essential influence exercised on individual actions and networks by cultural and political forces that exceed those actions and networks" (*Le marché autrement* [Paris, Desclée de Brouwer, 2000], 37; this was only in the French edition of his work and after the agitation of the competitive struggle to define and dominate the field had subsided. As Granovetter recalled in 1999, he and other students of White were initially "aggressively uninterested in cultural or mental states..." (see "Mark Granovetter on Economic Sociology in Europe" in *Economic sociology: European Electronic Newsletter 1/1* (1999): 10–12, <http://econsoc.mpifg.de>).

cultural, social, and political – and proposing a sociological program that will also integrate research in political economy and in the fields of cognitive and cultural studies. Compared to Granovetter and Swedberg, who each have had a specific type of entrepreneurial activity, Paul DiMaggio played the role of theoretical synthesizer, bringing together different approaches and proposing more integrated conceptual schemes. More than any other member of the group of key-people, he attempted to provide bridges among the various currents, and especially among institutional, cultural, and structural approaches. His particular role is apparent in the network structure of internal citations. Over the years 1980–2000, DiMaggio had by far the highest score of “betweenness” of the key-people (see table on Appendix 2).⁶³

Support from the Russell Sage Foundation

The re-centering on economic sociology, which occurred after 1985 to the detriment of critical and anti-disciplinary approaches (critical theory, neo-Marxism, etc.), was due in great extent to the sponsorship from the Russell Sage Foundation, secured by Granovetter and Swedberg. Indeed, the success of research programs does not depend exclusively on how academic peers receive them but also on possibilities for mobilizing external support. Major foundations play a crucial role in the United States, especially in the first phase of institutionalizing a new field.

The material and symbolic support given to the new economic sociology by the Russell Sage Foundation was decisive in its rapid institutionalization. Based in New York and devoted entirely to supporting research in the behavioral and social sciences, the Foundation had backed “behavioral economics” projects in the 1980s; the fact that Robert Merton and Neil Smelser were on its advisory board meant it was also open to sociological approaches. In 1987 the Foundation contacted Mark Granovetter for its project “to open up economic issues to more socially and behaviorally informed approaches,”⁶⁴ and 2 years later it decided to back Granovetter’s project to publish a major treatise on “economic sociology” and organize a seminar to explore the state of the field. The seminar, presided over by Granovetter, was held in New York in 1990–1991 with 16 scheduled participants of highly varied currents, mainly from eastern and northeastern universities, some of whom were awarded fellowships for the academic year there.

Since the seminar, the Russell Sage Foundation has supported a number of economic sociology projects and published or co-published a series of major reference works, first among them a collection of papers that developed out of the seminar, edited by Swedberg and entitled *Explorations in Economic Sociology* (1993). The publication that contributed most to producing an academic definition of the field and bringing it into full existence is probably *The Handbook of Economic Sociology* (1994, 2nd edition 2005), edited by Neil Smelser and Richard Swedberg. This monumental 800-page work, presented as a critical inventory of the work produced by a solid research movement, was first and foremost a

⁶³ The “Freeman betweenness centrality” of an actor measures the number of paths connecting pairs of authors that go through him.

⁶⁴ Swedberg, preface to *Explorations in economic sociology*, 15–16.

manifesto, a performative act, which, while claiming to describe and take stock, has in fact defined and created the subfield.⁶⁵

Conclusion

Like all new research fields, the new economic sociology was produced by a redeployment of relatively diverse researchers under a single academic label. The fact that academic entrepreneurs took up the traditional term of the European “founding fathers” allowed them to claim they were renewing the discipline while distinguishing themselves from (1) the old homegrown denomination, “economy and society,” discredited since the decline of Parsonsianism, (2) anti-disciplinary currents such as neo-Marxism, also on the decline in the 1980s, and (3) interdisciplinary movements like Etzioni’s “socioeconomics.” The relative unity of the new economic sociology was due more to this set of demarcations than to a well-defined paradigm or specific intellectual approach.

The new economic sociology obtained its *scientific legitimacy* by bringing together two promising new currents: network analysis and neo-institutionalism in sociology of organizations, along with the more marginal cultural approach. The inter-citation structure for the key authors clearly shows that there was little in the way of exchange among these currents during the early 1980s. While the inter-citation rate – i.e., positive, polemical, and diplomatic relations – clearly increased in the later 1980s, there was much less change in research realities. Grouping researchers together under the same label did not fundamentally change research practices or shift boundary lines between network analysis, sociology of organizations, or more ethnographic or cultural approaches. Above all, the “economic sociology” label made it possible to group together fairly diverse research practices and reintegrate them into the structure of the academic field, thereby obtaining the support required for institutionalization. From an international perspective, despite reference to classical authors, particularly Weber, the new economic sociology was constructed primarily out of indigenous traditions and practically without reference to non-American contemporary research. The work of, for example, Pierre Bourdieu, who began reflecting on the relations between sociology and economics while doing research on Algeria in the late 1950s, seems not to have played any explicit role and to have been discovered only recently.⁶⁶

Institutional legitimacy was quickly obtained thanks to the support of the Russell Sage Foundation, whose role corresponds to a particularity of the North American academic

⁶⁵ It is not by chance that the economic sociology section of the ASA adopted the Handbook’s subject ordering. Its stated mission was initially as follows: “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 sub-field. 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.”

⁶⁶ See, for instance, Swedberg’s call for recognition of Bourdieu’s work in *Principles of economic sociology* (Princeton: Princeton University Press, 2003) and Bourdieu’s “Principles for an economic anthropology,” which is included in the second edition of the *Handbook of economic sociology* (2005). On economic sociology in France, which re-emerged at about the same time as in the US but in a far more interdisciplinary setting and without the label of economic sociology, see Johan Heilbron, “Economic sociology in France,” *European Societies*, 3/1 (2001): 41–67, and Philippe Steiner, “Pourquoi la sociologie économique est-elle si développée en France?” *L’Année sociologique*, 55/2 (2005): 391–416.

field. The Foundation made possible a process that in Europe developed much more slowly and in a less focused manner. It is remarkable that the strategy used to rapidly institutionalize the new subfield involved a very broad and eclectic handbook that assembled authors of nearly all currents and research areas by means of a conventional academic classification system. The notion of economic sociology thus represents not so much a specific intellectual as an institutional project, more an intra-disciplinary coalition than a distinct approach. But the significance of this alliance cannot be explained merely through comparisons with other currents within sociology. We cannot apprehend the creation of university disciplines and subdisciplines only through analysis of direct interactions among persons linked to each other by inter-acquaintanceship. The more structural conditions under which those interactions are produced must also be taken into account. Among such structural constraints were morphological effects, i.e., effects of overproduction of degree-certified sociologists during the 1970s enabling a strong contemporaneous thematic and theoretical differentiation, while the various strategies carried out in the late 1980s to create “economic sociology” and “socioeconomics” were both conditioned by the neo-liberal turn in politics, the emerging imperialism of economists, and the new possibilities offered by the surge in business schools.

To recall these conditions is not only to underline the importance of structural determinants but also to give a finer-tuned, more realistic account of the actors’ strategies and the possibilities and promises of their project. If the “new economic sociology” seems to have obtained a very specific position in contemporary sociology, this is not primarily because it was rapidly recognized as a full-fledged specialty. The significance of new specialties in fields that are only relatively autonomous also depends on the significance these specialties may have outside the discipline proper. It is important therefore to go beyond illusory self-sufficiency and microsociological models, which are often limited to intra-disciplinary dynamics (researcher “migration” or role “hybridization”), and to take into account the present or potential position of a specialty within the field of disciplines as a whole, as well as within the public space. From this perspective, economic sociology differs from most other sociological research fields in that it fulfills, at least potentially, two major functions that place it in a strategic position within sociology. First, it is in a position to take on the dominant paradigm in social sciences today, namely economic science and the rational actor model. Since every social field (law, sport, culture, religion) is nowadays confronted with economic models of analysis and policy making, economic sociology is of interest for the sociological understanding of all of these domains. Here, in contrast to certain earlier episodes, the confrontation with economics and economists is no longer purely external or metatheoretical involving much more than the moral implications or epistemological presuppositions of economic modeling. That confrontation takes place on the very basis of analyzing social processes, and what is at stake is nothing less than the empirical soundness and explanatory value of competing analytic propositions. With this ambition also comes the promise of new ways of understanding the questions that have been at the center of public debate since the economic crisis of the 1970s and the rise to power of neo-liberalism. The political and civic relevance of a sociological analysis of markets, the role of finance and deregulation and globalization processes, endow economic sociology with a significance that vastly exceeds the group of academic specialists of economic affairs.

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Appendix 1

Inter-citation structure of the key authors, 1980–1985

	1	9	24	26	23	16	31	15	5	29	4	6	2	18	19	11	25	7	13	8	3	22	28	10	20	12	27	21	14	30	17		
	Ab	En	Sa	Sm	Ro	Ma	Ze	La	Br	Us	Bl	Bu	Ba	Mi	Mi	Fr	Sc	Di	Ha	Ec	Bi	Po	Sw	Fl	Pe	Gr	St	Po	Hi	Wh	Me		
1	Abolafia																																
9	England	17																															
24	Sabel		7																														
26	Smith			4																													
23	Romo																																
16	MacGuire																																
31	Zelizer						2																										
15	Lazerson																																
5	BrewsterStearns																																
29	Useem									26	2	1		3	2			2									1						
4	Block		3								8					1																	
6	Burt									1	73															2			1	1			
2	Baker	2										1	4																			1	
18	Mintz									3	1	2		8	7																		
19	Mizruchi									2	3		5	7												1	1				2		
11	Friedland									1	2		3	12													1						
25	Schwartz									1	6	1	4	14	9		1																
7	DiMaggio									1	1							11			2				2	2	2	1	1	1	1		
13	Hamilton										1								3	3					1								
8	Eccles																			3							13	1					
3	Biggart											1								7	6			3									
22	Powell									1									2			2			2	1		1	1	1			
28	Swedberg										1	1											1			1						1	
10	Fligstein											1							1						4	3	2				1		
20	Perrow																						2			7	1						
12	Granovetter									1	1	2	1	1						3							8				2		
27	Stinchcombe																											6			1		
21	Portes																											16					
14	Hirsch																		1			1								3			
30	White																				1										3		
17	Meyer																									1	2					11	

Citation data is from the Social Science Citation Index. To analyze the inter-citation pattern we used the Concor method of Ucinet’s network analysis program applied to the “citing authors/authors cited” matrix. This method brings out “structural equivalents” in the network theory sense; that is, it divides the authors into groups (in this case, 4) whose individual members, while not necessarily linked to each other, are linked to the same set of

other individuals; that is, in this case, individuals who cite or are cited by the same set of individuals. Once the authors have been sorted by this criterion, the program constructs a blocked matrix where ties between two individuals are represented by row–column intersections, rows designating source (citing author), and columns target (author cited). Self-citations are included.

Reading example: In the articles published between 1980 and 1985, Useem, second block, cited (= row Useem) himself 26 times, Block twice (Bl), Burt once (Bu), Mintz 3 times (Mi), Mizruchi twice (Mi), DiMaggio twice (Di), Granovetter once (Gr); he was cited (= column Useem) 26 times by himself, once by Burt, 3 times by Mintz, twice by Mizruchi, once by Friedland, 6 times by Schwartz, once by DiMaggio, once by Powell, once by Granovetter.

Appendix 2

Table 2 Freeman Betweenness Centrality in the internal citation structure (1980–2000)

Authors	Scores of “betweenness”
DiMaggio	120.53
Granovetter	60.01
Eccles	58.68
White	47.22
Swedberg	47.02
Burt	40.52
Perrow	40.45
Mizruchi	37.12
Baker	35.64
Powell	33.27
Useem	32.72
Fligstein	30.29
Stinchcombe	21.88
Portes	16.72
Abolafia	15.92
Mintz	14.01
Friedland	13.77
Zelizer	10.31
Schwartz	10.00
Brewster Stearns	7.53
Hirsch	7.00
Block	5.98
Biggart	4.57
Hamilton	3.32
Sabel	2.74
Romo	0.98
Meyer	0.28
Lazerson	0.24
MacGuire	0.17
England	0.13
Smith	0.00

Bernard Convert is a sociologist at the Centre National de la Recherche Scientifique (France) and at Lille University (CLERSE Laboratory). His current research interests are the sociology of education, economic sociology and the sociology of the Internet. Recent publications are a collective work, *Repenser le marché* (2003) and *Les groupes professionnels et l'internet* (with L. Demailly) (2006 in press).

Johan Heilbron is a sociologist at the Centre de sociologie européenne (CSE) in Paris and at Erasmus University in Rotterdam. Among his research interests are the historical sociology of the social sciences, economic sociology, the sociology of culture and transnational exchange. Recent book publications are *The Rise of Social Theory* (1995), *The Rise of the Social Sciences and the Formation of Modernity* (with L. Magnusson and B. Wittrock, 1998, paperback 2001), *Pour une histoire des sciences sociales. Hommage à Pierre Bourdieu* (with R. Lenoir and G. Sapiro, 2004).