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**Economic Sociology and the sociology of economics**

**What is sociological about the sociology of economics?¹**

**Some recent developments**

By

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Economics is a well-traveled subject, both by scholars and popular writers. Its history is replete with bestsellers and efforts at vulgarization: every year brings its cortege of books, pamphlets, TV and radio shows, by professional authorities or skilled mavericks, which explain economic mechanisms, theories, facts and trends to vast audiences. The discipline and profession of economics themselves often attract public attention, and at times real controversy. Denunciations of the "dismal science", lost in mathematical sophistication and cut off from the real world, are a recurrent discussion topic in intellectual circles and public opinion outlets.²

Yet beyond these popular literatures, the study of economics is also a lively academic
specialization. First dominated by historians of economics, this field of research is now being surreptitiously colonized by sociologists. This recent transformation has both expanded the domain of empirical investigation and brought new questions to bear on the study of economics. More importantly, perhaps, it has also shown that the sociology of economics has a distinctive role to play within economic sociology - first and foremost as a source of insight into the formation (and transformation) of economic cultures and ideologies.

The history of economic thought tradition

Most of the scholarly research about economics emanates from a subfield of the discipline called "history of economic thought". Partly because they share a firm and well-institutionalized sense of disciplinary hierarchies and boundaries, economists have always regarded the history of their science as an academic specialty in its own right. From the field’s early days as a separate discursive area, it flourished with histories of economic doctrines, textbooks, dictionaries, and encyclopedias, and constantly re-invented its own foundations (Schumpeter (1954), for instance, went back to Aristotle). As a result, it has always been common practice among economists to contribute to the history of economic ideas and theories one way or another, either through exegesis, biography, or intellectual history. For the most part, it was mainly a history about eminent personalities and important texts, although there were brilliant exceptions. Economics is, after all, the only social science to bestow upon its "great men" the same veneration given sometimes to the geniuses of physics. Thus not only are economists granted a Nobel Prize since 1969, but the field possesses a variety of lesser distinctions - a fellowship from the Econometric Society, the Clark medal in the United States, now a "best economist" prize in France- and even an established pantheon in the form of an international Who's Who in Economics? (Blaug 1999)

Compared to other social sciences, economists have also been remarkably interested in the epistemological underpinnings of their discipline and in the philosophical assessment of its scientific status. Many prominent economic writers were historically involved in such exercises. Several efforts to reconstruct the history of economics in Popperian and Lakatosian terms took place after World War II. Witnessing the mathematization of the discipline, Popper himself had celebrated its "Newtonian revolution." (1979) And Friedman's 1953 essay was tremendously influential in setting the field’s methodology in a positivist framework through the principle of "instrumentalism" - or the notion that the scientific character of economics depends not on its assumptions, which can be unrealistic or even false, but solely on its ability to make predictions.

This, for the most part, is the way the study of economics looked like at mid-century. The ideology was, broadly speaking, positivist: the view that the discipline's development could be understood as an instance of cumulative scientific progress was dominant. Therefore, there existed an established corpus, which constituted the legitimate object of investigation for historians of the discipline.

This traditional model, however, started to collapse in the 1970s, both on the historical and on the methodological fronts. First, from a valuable pastime carried out alongside many productive scientific careers, the history of economics turned into a full-time research enterprise, which set out to contest conventional interpretations, unearth forgotten authors and texts, and rewrite the history of economics with a less strictly exegetic focus. Today the new subfield possesses an influential medium with the review History of Political Economy (HOPE) -the principal forum for historians of the discipline- and is organized around a host of specialized national and regional conferences and associations. Intellectual development in economics is increasingly understood as stemming from the interaction of its practitioners with a variety of social and political contexts, rather than as a pure result of
individual genius or the cumulative progress of knowledge. Stimulated by Coats' work on the professionalization of British and American economics (1993), historians have thus produced important monographs on the institutionalization of the discipline in various countries. In 1990 *History of Political Economy* started to devote its annual supplements to the institutional development of economics, rather than to its most familiar subject of economic theories and texts. Among the finest products of this revolution in the traditional history of economics is Bernstein's (2001) detailed study of the rise and fall of the economics profession's public purpose over the twentieth century -with a golden age towards the mid-1960s.

The second important development is that the positivist epistemological model came under attack from a variety of standpoints, both within and outside the philosophy of science. One of the most creative attempts in this area was the emergence of a research agenda centered on the rhetoric and style of argumentation in economics, showing that economic writing is carefully constructed to make a rather muddled research process look scientifically rational and objective. Thus McCloskey's (1985) well-known study revealed that much of the standard literary forms found in economic papers (e.g. appeals to authority, analogies, hypothetical toy economics, experimental format) are all rhetorical tools that authors mobilize in order to persuade their readers. In a related vein, Mirowski's (1989) historical account showed that nineteenth century neoclassical economics followed closely the evolution of paradigms within physics, mimicking the latter's intellectual procedures and representation of the world in order to gain scientific status.

**Economic science through the lens of science studies**

Another remarkable example of the growing maturity of the study of economics as a "field" is the fact that historians and sociologists of science are increasingly turning their attention to it. To a certain extent, this transformation can be considered a far-remote consequence of the revolution in science studies operated by Kuhn's pathbreaking *Structure of Scientific Revolutions*. As is well known, the book, published in 1968, had a considerable impact on the study of science. On the one hand, it provided an alternative framework to positivism for judging the scientific character of a particular research or disciplinary program, by focusing on paradigmatic strength instead of the traditional Popperian criterion of falsifiability. On the other hand, it constituted a powerful assessment of the eminently social character of any scientific practice. In Kuhn's view, science emerges from a complex nexus of social experiences, which are embedded in the routine life of the community of scientists. This line of analysis was then largely expanded by the post-kuhnian "sociology of scientific knowledge" (or SSK).

For the most part, however, the new science studies had largely defined their project around a demystification of research procedures in the natural sciences and did not pay much attention to the social scientific disciplines, economics among them. This is dramatically changing today, on both the historical and sociological fronts. Particularly remarkable as a successful attempt to reshape the history of economics from a history of science point of view is Philip Mirowski's 2002 opus on the emergence of game theory. Mirowski (himself an economist) applies to economics the increasingly influential view that cybernetic themes and models, actively engineered by the US military, came to shape the modern sciences in the wake of World War II and the Cold War. Drawing on a breathtaking wealth of archival evidence, Mirowski shows that the origins of game theory (and even, to a certain extent, of modern general equilibrium analysis) are to be found in wartime and post-war exchanges with military operation research, for the most part financed and contracted out to the U.S. Department of Defense.

The work of the Israeli sociologist Yuval Yonay (1994, 1998) provides perhaps one of the most explicit applications of SSK concepts and methodologies to the study of economics.
Applying Bloor’s (1976) principles of symmetry and impartiality to the history of economics, Yonay resuscitates institutionalism as a major intellectual player in interwar economics. His 1998 book on intellectual competition in American economics during the interwar offers a complex account of the relationship between the knowledge produced, its pretension to a "scientific" status, and the strategies of the actors sustaining it. Relying on Latour and Callon’s actor-network theory, Yonay uses published methodological statements to investigate the controversy between institutionalism and traditional neoclassical theory. The ultimate outcome of the episode (the dismissal of institutionalism and the rise of mathematical economics), he argues, did not inevitably follow from differences in the scientific objectivity of each school’s productions, but from repeated "trials of strength" in which each side sought to forge alliances and convince audiences that it better fit an accepted canon of science.

Breslau and Yonay’s (1999, 2002) new research program pushes this constructivist line of analysis further. Ambitioning to transfer the model of laboratory studies to the analysis of article writing in economics in order to uncover the field’s "epistemic culture" (Knorr-Cetina 1999), Breslau and Yonay show that mathematical modeling is a not simply guided by rhetorical rules, but by embedded disciplinary rules that operate at the level of the field’s social structure. After repeatedly interviewing economic authors about the process of article writing, they find that "vaguely defined but generally accepted conventions regarding the movement from [economic] reality to models" (p41) constitute a meta-structure, which effectively constrains the scientific process.

Sociologizing economists

The above-mentioned body of research is fundamentally "science-centered": it is concerned with the production, translation, diffusion of particular economic discourses and ideas. Yet, as Foucault insisted, knowledge wields power: the ability to name and define economic reality is inseparable from the ability to act upon this reality. To use Callon’s phrase, the distinctiveness of economics as a science is its fundamentally "performative" character. The way in which the relationship between economics and reality has been often framed, he argues, is quite misleading: It is not so much that economists observe and describe how the economy functions. Rather, "economics, in the broad sense of the term, performs, shapes and formats the economy" (1998, p2). Sociologists, then, should turn their attention towards the "embeddedness of markets in economics" - and study how economic ideas routinely construct and transform economies.

The idea is very elegantly and powerfully put. Part of it is not new: an important body of institutionalist scholarship already deals explicitly with the influence of economic ideas on policy (Weir and Skocpol 1985; Hall 1989; Rueschemeyer and Skocpol 1996; Campbell 1998; Stryker 1989; Campbell and Petersen 2001) or with the massive "economicization" of public bureaucracies and political elites that has accompanied the turn toward neo-liberal policies (Markoff and Montecinos 1993 and forthcoming; Centeno 1994; Loureiro 1996; Centeno and Silva 1998; Eyal 2000; Babb 2001; Dezalay and Garth 2002). One way or another, these works address the question of the shifting status of economics as a professional practice with transformative power.

It is unfortunately impossible in the space allowed to review the vast intellectual territory covered by all these works. I will, therefore, limit myself to discuss a few original perspectives in this new "macro" sociology of the economics profession. Admittedly, the tradition is quite heterogeneous, and draws its analytical tools from a large variety of theoretical sources, from Bourdieusian "field" analysis to Abbott’s theory of the professions and comparative political sociology. One common insight, however, is the idea that the study of economics should not limit itself to the bounded world of disciplinary discourse and scientific productions, but involves a much broader set of social objects, organizations, and practices. Rather than taking the object "economics" as given and scrutinizing its
internal operation in great detail, this tradition adopts an "externalist" perspective that questions how the object itself is socially constructed by the broader social context. In other words, one of the key questions addressed by this literature concerns not how people write or do economics, but who is authorized to speak about, or act upon, the economy, and why.

My own work (Fourcade-Gourinchas 2001 and forthcoming) is an attempt to put some of these themes in a comparative perspective, and to understand the sociological mechanisms upon which such authority is constructed across countries. I rely on an historical study of the institutionalization of economics in the United States, Great Britain and France since the end of the nineteenth century to show that political cultures and institutions in these three countries gave rise to very different economics professions and disciplines: In Great Britain, for instance, an amateur gentry oriented to public service produced a scientistic profession organized around elite institutions and personalities, that nevertheless relies greatly on the institutions of civil society - e.g. political parties, the press, and interpersonal networks - to convey its ideas to policy-makers. In the United States, the absence of elite state technocrats meant that political institutions created a market for "depoliticized", technical, economic expertise. This produced a strong institutional basis for an economics discipline that is profoundly rooted in the imperatives of empirical relevance and scientific quantification. Finally, in France the centralizing nature of political institutions long conflicted with the economists' commitments in favor of free trade and laissez faire. The state remained reluctant to grant formal recognition to economic discourse, which resulted in a slow and limited incorporation of the discipline in university education. At the same time, it actively sponsored administratively-based forms of economic knowledge, which, after World War II especially, gave rise to a powerful and fairly autonomous sector of scientific production.

While the analysis above tends to privilege differences across countries, the work of Lebaron (1997, 2000) and Dezalay and Garth (2002) exemplifies best a "field" approach centered on the power struggles within national fields of economic knowledge. The sociologist's task, in this view, is to map out the different segments involved in the contest for legitimacy, to understand the logic of positions, and to describe the dynamics that underlie transformations in the field's social and intellectual structure. Applying Bourdieusian field theory to the study of French economics, Lebaron (1997, 2000) sets out to reveal the sociological mechanisms that preside over the construction of a "belief" in economics in modern societies. One way to achieve this is by showing that economics is eminently a science of power. Through detailed empirical study, Lebaron shows that the social characteristics of economists largely explain their position within the scientific space: Occupational location and intellectual stance in economics are basically split along the two Bourdieusian dimensions of the volume and structure of capital, and both spaces are homologically related. Another way is by documenting extensively the progressive construction of a quasi-religious belief in markets, sanctified by the authority of science, and particularly noticeable in the neo-liberal evolution of French economics training, research, and economic policy.

Dezalay and Garth (2002), whose book was reviewed in the last edition of this newsletter, similarly rely on field analysis -but translate it to the global level. Turning their internationally legitimate forms of scientific capital into politico-administrative capital, economists, they argue, have entered Latin American public bureaucracies and political elites en masse since the 1970s, ultimately displacing the traditional supremacy of gentlemen-lawyers over economic governance. Part of this movement was set in motion by developments within the North-American academic field -including power struggles between different segments of the profession that were "exported" and played out in the South. These processes of transformation were highly uneven across countries, however, and largely shaped by domestic institutions (the authors examine closely the cases of Argentina, Chile, Mexico and Brazil).

Though she is more sensitive to the interaction between elite competition and the
grassroots context, Babb (2001) conveys a similar point in her study of the transformations of Mexican economics over the twentieth century (her main reference, however, is Abbott's model of professional competition, not Bourdieu's field dynamics). Managing Mexico describes the dramatic evolution of post-war Mexican economic ideology from "developmentalism" to "neoliberalism" as a consequence of ideological struggles in the society at large and, in particular, the radicalization of Mexican student politics in the 1960s and 1970s. The financial side of the technocracy responded to these challenges by actively sponsoring conservative economics training programs and tightening its connections with American universities, thereby engineering the stock of expertise on which the neoliberal transition would be ultimately built.

The question of transnational linkages and networks certainly represents one of the most exciting research avenues in the sociology of economics today. Beyond Latin America, Eastern Europe and Asia constitute the next frontier for students of economic knowledge. A good example is Bockman and Eyal's (2002) recent demonstration that the roots of East European neo-liberal transitions are to be found in the 1950s transnational debate about socialist economic calculation, and in the Cold-War era exchanges between economic reformers in Eastern Europe and libertarian social scientists in the United States and Britain. By underlying the role of individual networks and historical continuities, Bockman and Eyal dismiss easy explanations of the socialist transition to the market in terms of U.S. made intellectual exports.

The sociology of economics as economic sociology

The studies discussed above suggest that economic sociologists should care deeply about the sociology of economics - if only because it touches upon fundamental questions regarding economic representations, the organization of economies, and the formation and transformation of economic policy (as the expanding literature on the role of economists in neoliberal transitions plainly demonstrates).

But more importantly, as Callon remarked (1998), economic sociologists should care because we are still far from understanding properly the relationship between economics and the economy -between scientific representations and the construction of economies, between the production of tools for apprehending and dealing with the world and the redefinition of the world through the tools themselves. The performative power of economics goes well beyond and above the influence of economists as scientists, experts, professionals, or ideologues.

The task of a sociology of economics, therefore, has only begun.

Notes

1. This title is an allusion to the title of an article by Jens Beckert (1996)
4. Also see Backhouse and Middleton, 2000.
5. J.S. Mill, 1877; Cairnes, 1875; J.N. Keynes, 1891; Robbins, 1884; Hayek, 1967; Friedman, 1953; Blaug, 1992 are the most prominent in this second group. See Hausman, 1994, for a collection of statements by economists on these issues, and Redman, 1989, and 1991, for an extensive bibliography on the epistemology of economics.
works in this area include Schumpeter's History of Economic Analysis (1954), which, if centered around the discussion of analytical progress in economics, nonetheless offers detailed insights into the historical (both institutional and intellectual) context of economic discourse. Finally, see Whitley (1984, 1987) and Coats (1993) for efforts to offer a sociological theory of the development of Anglo-Saxon economics.

7. See in particular, among this series of edited volumes: Morgan and Rutherford, 1999 on the American interwar; Coats, 1997 on the post-1945 internationalization of economics; Goodwin, 1991, on 'economics and national security'; Coats, 1999, on the post-1945 evolution of economics in Western Europe.


9. In addition to the works mentioned in this paragraph, see Klammer et al., 1988.

10. This aspect is literally put to practice by Canterbery and Burckardt’s epistemological assessment of the status of economic knowledge. (1983) They argue that, while economics can be considered a science in the kuhnian sense (it possesses a rather unitary paradigm), it is clearly not one in the popperian sense of being able to make falsifiable propositions.

11. See Shapin, 1995, for an overview of the field.


13. Yonay’s data consists of “all the articles which were classified under the title ‘Methodology’ in the Index of Economic Articles 1924-1939.” (1998, p27)

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**PUBLICATION ANNOUNCEMENTS**


This volume re-engages Stinchcombe’s (1965) classic essay "Social structure and organizations," with original papers that extend this tradition with empirical studies of organizations and stratification, entrepreneurship, politics, and ideas and meanings in diverse economic and institutional contexts. The volume includes an introductory essay, nine empirical chapters, and three commentary essays, as well as a new postscript by Stinchcombe. The project charts an agenda for research on social structure and organization that gives a central place to culture, stratification, power and domination, and historical contingency in the idiom of Weber and the Pragmatist tradition of historical institutionalism.
Economics and Sociology (ISSN 2306-3459 Online, ISSN 2071-789X Print) is a quarterly international academic open access journal published by Centre of Sociological Research in co-operation with University of Szczecin (Poland), Mykolas Romeris University (Lithuania), Dubcek University of Trencín, Faculty of Social and Economic Relations, (Slovak Republic) and University of Entrepreneurship and Law, (Czech Republic). We welcome articles written by professional scholars and practitioners in: economic studies and philosophy of economics, political PDF | Economic sociology is the study of how the material conditions of life are produced and reproduced through social processes. The field of economic | Find, read and cite all the research you need on ResearchGate | The field of economic sociology can be separated into the sociology of markets and the sociology of consumption. The sociology of markets views markets as socially constructed arenas where repeated exchanges occur between buyers and sellers, under a set of formal and informal rules governing relations between competitors, suppliers, and customers. Markets are | Economic development is a fundamental part of the sociology of markets (Hall and Soskice, 2001). This literature has revealed. Economic sociology constitutes its own distinct subfield in sociology and can be briefly defined as the sociological analysis of economic phenomena. Economic sociology has a rich intellectual tradition and traces its roots to the founding fathers of sociology, especially to Max Weber and his Economy and Society (see Swedberg 1998). It should be noted that not only sociologists but also economists have made important contributions to economic sociology. This is particularly true for today’s economic sociology, which is the result of works not only by sociologists (such as Mark Granovetter and H