



The Classic Tradition in Economic Sociology

1

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1 Introduction

Economic sociology is more than a century old, which means that it covers a huge amount of material. Since the revival of economic sociology in the mid-1980s, the literature in the field has grown very quickly and become increasingly hard to survey for the individual researcher. What should one read and what can be disregarded? What is there to learn and what to ignore? These questions point to the problem of cumulation in sociology (e.g., Gans 1992; Collins 1999; Abbott 2006). Here the general rule is (paraphrasing Whitehead) that a science that hesitates to forget what is not worthwhile, is lost. The reason for this is that unless a generally agreed upon tradition exists, which clearly states what is valuable, each individual researcher is faced with the task of making their way through a jungle of studies and deciding this on their own.

This has a number of negative consequences, which should be spelled out. First, it means that the wheel will be periodically reinvented. How many times have economic sociologists shown that the neo-classical economists' ideas of profit maximization, rational choice, and in more general terms, *homo economicus* are unrealistic? Another drawback is that new studies run the risk of easily being forgotten, since they are not

linked to other research and therefore cannot be incorporated into the existing tradition. Who, for example, remembers today Erving Goffman's work in economic sociology (e.g., Goffman 1972, 1982)? Finally, and perhaps most importantly, some of the most valuable insights of earlier researchers, which could be of great help to today's economic sociologists, have been forgotten. This is the case with much of what Weber says in his chapter on economic sociology in *Economy and Society*. It is also true, more generally, for his interpretive sociology (Weber 1978).

What should be kept and what can be forgotten in a research tradition? This is obviously a key question for all sciences, and not easy to answer. One interesting answer, however, can be found in C. Wright Mills' idea of what he calls "the classic tradition" (see especially Mills 1960, 1–17). In this chapter, Mills' notion will play a central part. While it is common among sociologists to refer to and praise the classics, Mills' approach is different. First, by the term *classic* he means the general qualities of a work that make a study classic, regardless of whether these are found in contemporary studies or in studies that are old enough to qualify as a classic in the conventional sense. Secondly, he spells out what it is that makes a study classic; and on this point he has some suggestive ideas.

As a concrete example of how Mills envisioned the classic tradition in sociology, one can take his reader in sociology, *Images of Man*:

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The Classic Tradition in Sociological Thinking (1960). As one would expect, it contains excerpts from the works by sociologists such as Marx, Weber and Durkheim. However, it also contains some writings by non-sociologists such as Walter Lippman, and by more recent sociologists such as Karl Mannheim. In explaining what makes a study a classic, Mills advances the following argument. In a classic you will find a *model* of how something of consequence for society works, which can inspire a number of different *theories*. While the model itself cannot be tested, according to Mills, the individual theories can. Even if an individual theory turns out to be wrong, the original model will still stand; and it is this quality that makes it a classic.

Mills' idea of what constitutes a sociological classic is, to some extent, similar to what Robert K. Merton means by the Phoenix Phenomenon (Merton 1984, 1091). According to Merton, there are a small number of sociological theses, which after being proven incorrect, reemerge like a phoenix from the ashes. The best-known example of this is *The Protestant Ethic and the Spirit of Capitalism* by Max Weber (1930). Unlike Mills, Merton does not try to nail down the qualities that make a classic into a classic. He is satisfied to point out that sociologists should avoid the mistake of believing that every new piece of research represents an improvement over what is already known. Merton refers to this latter tendency as "the fallacy of the latest word," and it is clearly part of Whig history or the tendency to look at the past exclusively from the perspective of what is dominant today (Merton 1984, 1092).

In the following pages I will try to be more precise than Mills and Merton in explaining why the works of Marx, Weber, and some others qualify as contributions to the classic tradition in economic sociology. I will argue that a classic has something new to say on a number of different topics. It can transmit a strong vision in combination with a research program; point to one or several new economic phenomena; use a new type or a new source of data; introduce a new method for collecting data or for analyzing these; or transgress the boundaries of economic sociology and neighboring sciences in a successful

manner. After a presentation of some of the people and works that are part of the classic tradition in economic sociology, I will conclude by outlining a few ways in which it is possible to work in the classic tradition and add to it.

2 The Classic Tradition

2.1 Alexis de Tocqueville

Sociology became an academic discipline at the end of the nineteenth century, but the sociological type of analysis, including economic sociology, goes further back. The early parts of the nineteenth century are especially interesting thanks to the work of Tocqueville (1805–59) and Karl Marx (1818–83). Both saw their analyses as a form of political economy and that the economy should be regarded as an organic part of society, with links especially to the state. In brief, the split, which would later develop, between the way in which sociologists and economists view the economy did not yet exist. Tocqueville wrote two major works during his lifetime, one on the United States in the 1800s, *Democracy in America* (Tocqueville 2004), and one on the Revolution of 1789 in France: *The Old Regime and the Revolution* (Tocqueville 1988). Both contain a number of interesting analyses of the economy which, to repeat, was seen as an organic part of society (e.g., Swedberg 2009). Just as Tocqueville drew on several different sources for his analysis, including early forms of the interview and the survey, he also viewed economic phenomena as the result of many different forces, such as work, greed, and emotions.

Tocqueville's work was undoubtedly influenced by his vision of society as moving from being controlled by an elite (aristocracy), to the elite losing power to people in general (democracy). This is also how he viewed the economy; there was a movement in the Western world from a small aristocracy controlling most of the land, to common people owning increasingly more of the land as well as other properties. Tocqueville was also deeply concerned that the idea of equality, including economic equality,

would become so strong in modern society that it would threaten the idea of freedom.

In his study of the French Revolution, Tocqueville provides a portrait of the tense relations that existed in France between the social classes since the Middle Ages. He emphasized the great impact that taxation has on the social structure through the ways in which it is organized. In this manner, he pioneered what would later be called fiscal sociology. He also had many interesting things to say about the ways in which the confiscation of property, which took place during the Revolution, affected the general morality of the population, including the sense of honesty.

However, it is in his analysis of the U.S. economy that Tocqueville made his most important contribution to economic sociology. He stressed that in the 1830s, when he visited the United States, the main culture of the country (by which he meant the Northern states) was already thoroughly commercial in nature. Here, as elsewhere in *Democracy in America*, Tocqueville emphasized the entrepreneurial spirit of the American population, which, in other words, existed long before the country was industrialized. There were no peasants in the United States, as there were in Europe, only farmers. These farmers were not as deeply attached to the land as peasants were attached in Europe. Americans took advantage of every opportunity to sell goods. The same strong commercial spirit was everywhere. Americans liked to make money and in the absence of a fully developed class system many opportunities existed. The type of rigid classes, which characterized feudalism in Europe, did not exist in the United States; and a new type of classes, with more open boundaries, was appearing.

Tocqueville also emphasized how much the Americans liked to take risks with their money, in the hope of making a profit. Failures did not deter them. Bankruptcy was not seen as discrediting, as was the case in Europe. Tocqueville also noticed that when U.S. ships sailed across the Atlantic, they were much faster than European ships. The reason for this had nothing to do with the construction of the boats, nor that the sailors on the American ships were

better paid, in fact they were not. The reason was something else: Americans enjoyed taking risks. They sailed even when the weather was bad, always venturing ahead, in the hope of making more money.

The United States, in brief, had a *profit-oriented and entrepreneurial culture* already in the 1800s. Through his emphasis on the role that culture and emotions play in the economy, Tocqueville made an important contribution to economic sociology. His obsession with inspecting things for himself, and always using primary sources, even when secondary sources were available, has also raised the bar for later generations of economic sociologists.

2.2 Karl Marx

Like Tocqueville, Marx had a vision of how economy and society are linked to one another; neither can be understood without the other. While Tocqueville pointed to the movement from the elite to the common person, Marx saw the key to historical change in labor (cf. Lukács 1980; Marx 1990). In all societies one must work for a living, according to Marx; this is an existential condition for individual beings. According to *Capital*, "labor . . . is a condition of human existence which is independent of all forms of society" (Marx 1990, 133). The focus on human labor and the need to make a living were related to Marx's materialistic view of human beings. While modern sociologists have tended to single out the relational nature of society, this was not the case with Marx. People do not only interact with one another but also with nature. Long before Bruno Latour, Marx also understood the importance of material objects for human beings.

From the beginnings of history, Marx argued, people have organized themselves in groups. There are those who exploit the work of others, and those who are exploited. As history moves on these two groups take on a number of different forms; and technology plays an important role here. Yesterday's masters and slaves eventually became today's capitalists and workers. The antagonism between capitalists and workers,

who constitute the two basic classes of capitalist society, will eventually result in a revolution. In communist society, property and work will be shared in an egalitarian manner.

What characterizes capitalist society, according to Marx, is that everything is either a commodity or turning into one. This includes the individual whose work now becomes something that can be bought and sold, resulting in alienation and exploitation. Work creates surplus value, which drives capitalist society. "Accumulate, accumulate! That is Moses and the prophets," we read in *Capital* (Marx 1990, 742). While the basic law of capitalism is simple enough, its impact on society is not. Many different factors, Marx explains, help to account for the uneven and at times catastrophic course of capitalist society. There are, for example, tendencies within a capitalist economy which push the capitalists to increase exploitation. There also are factors that make the workers grow in number and eventually become radicalized.

Unlike Engels, Marx lacked personal knowledge of life inside the factories. He did however locate one very rich empirical source on industrial work in England, namely the reports of the factory inspectors. These were full of details and figures on what was happening inside the factories and became an important source for *Capital*. Marx described the ill-treatment and exploitation of the workers with a realism that is still hard to match. Marx's second great source for *Capital* was the literature of the economists. Unlike Tocqueville who had only read a few works in political economy, Marx was an expert, or rather, he turned himself into an expert after arriving in London in 1849, where he settled down for good.

What Marx wrote on economic theory is still of great interest to economic sociologists. He should, for example, be credited with having developed a pioneering analysis of the way that the categories of economics have come into being. He criticized the economists for using economic concepts without understanding that these presupposed the existence of very specific social conditions.

Marx is also unique among economic sociologists for his organic mix of a historical approach and an analytical perspective. It is not easy to combine a diachronic and a synchronic approach in a single analysis, but Marx succeeded. There is also his call to action in his writings. One of his most famous quotes reads, "philosophers have hitherto only interpreted the world in various ways; the point is to change it" (Marx 1978, 144). One may or may not agree with this statement, but it is hard to find a more effective way of raising the issue of whether or not knowledge of the economy should have a practical value.

2.3 Max Weber

In a formal sense, it was Max Weber who founded economic sociology. It was he who first used the term *economic sociology* (*Wirtschaftssoziologie*) and who also provided the very first detailed account of what it studies and how to approach the topic. From this time on, economic sociologists were also academics. Marx was a revolutionary and Tocqueville a politician; both rejected the university as a place to work. Weber laid the academic foundation for economic sociology in Chap. 2 of *Economy and Society*. The size of this chapter is that of a small book; and it contains an extremely valuable presentation and discussion of the basic concepts of economic sociology (Weber 1978, 63 ff.). Weber's approach also differs from the broad, society-based analysis of the type one can find in Tocqueville and Marx. He preferred a considerably more narrow and academic approach, namely an economic sociology that could complement economics.

Weber essentially applied his interpretive sociology to economic phenomena, creating in this way an *interpretive economic sociology*. What is distinctive about Weber's type of sociology is the importance that is assigned to the element of *meaning*. When one studies the economy, one always has to consider the meaning with which the actors invest their actions. This means

individuals since Weber rejected the idea that corporate entities can act.

In the second chapter of *Economy and Society*, “Sociological Categories of Economic Action,” Weber outlines the basic concepts of economic sociology. In addition to the general sociological concepts that are presented and discussed in Chap. 1, some new ones are added. The concept of economic action should, for example, be constructed in the following way. First, in order for behavior to become an action, it has to be *invested with a meaning*. Second, this type of action is only social if it is oriented towards other actors or to an order (*Ordnung*). Economic action also has to be peaceful to qualify as economic action; and it is aimed at the satisfaction of a desire for utilities. These utilities refer not only to the consumption of goods, which is the standard goal of economic action, but also to profit. By adding profit Weber could include profit-making in his concept of economic action.

In this way Weber laid a conceptual foundation for his interpretive analysis of the economy, which he also applied to a series of economic phenomena in Chap. 2 in *Economy and Society*. All economies, he here says, are based on either the principle of house-holding or that of profit-making. The former is centered around the satisfaction of basic needs, the latter around making more money. A firm, for example, is a profit-maker, while the family is a household. The medieval manor and the welfare state are two other examples of households. There are also economic phenomena that display a mixture of Weber’s two categories. A family firm, for example, has elements of both profit-making and household; and the neo-liberal state is a household that encourages profit-making.

While Chap. 2 in *Economy and Society* represents the theoretical part of Weber’s work in economic sociology, the essays in his 3-volume work *Collected Essays in the Sociology of Religion* contain many of his most important studies in this field. The most famous of these is *The Protestant Ethic and the Spirit of Capitalism*. It should, however, be pointed out that this study was part of a giant project on the economic ethic of the world religions (Weber 1930). One

important aim of this project was to extend the analysis in *The Protestant Ethic* to religions in other parts of the world, such as Hinduism, Buddhism, and Taoism in India, and China. Similar to Marx and Tocqueville, Weber did not limit his analysis to Europe.

Another important goal of Weber’s project on economic ethics was to draw attention to the role of work. This was especially done in *The Protestant Ethic*. Weber’s emphasis on the centrality of work in capitalism was not very different from that of Marx. Marx, however, had viewed labor as the motor of all economies, and emphasized how it had become a commodity in capitalism; Weber’s emphasis in *The Protestant Ethic* was quite different. He focused on the meaning of the work to the individual, more precisely on work in the form of a calling. In capitalist society one has to work all the time; and work is never finished. Weber and Marx agreed, however, that modern capitalism severely constrains the individual, and in this sense impoverishes her life.

2.4 Joseph Schumpeter

Weber’s idea of an economic sociology was not followed up by many sociologists in Europe nor in the United States. But as always, there are exceptions; and one of these is Joseph Schumpeter (1883–1950). Schumpeter quickly established himself as a brilliant young economist of the Austrian school. By this time, it can be added, it was the rule in academia that economists should work on the economy and sociologists on society.

Schumpeter, however, did not feel that he had to limit his views to economics in this sense, and early showed an interest in economic sociology and economic history. In order to understand economic life, he argued, one has to go beyond economics of the type that existed in academia. Towards the end of his life, Schumpeter summarized his vision of the study of the economy as one of *social economics* (*Sozialökonomik*). This type of economics draws on four disciplines: economic theory, economic history, economic sociology, and statistics

(Schumpeter 1954, 12 ff.). The primary task of economic sociology is to study economic institutions, and that of economic theory to analyze economic mechanisms (see also Schumpeter 1951). Economic historians add the historical dimension to the analysis, and the statisticians contribute a concern with data.

During the early stage of his career, Schumpeter wrote three articles that he referred to as his work in sociology. These dealt with taxation, social class, and imperialism (Schumpeter 1991a, b, c). While all of these studies are well worth reading and studying today, the article on taxation with its full program for a fiscal sociology is of special importance.

But Schumpeter's most interesting contribution to economic sociology cannot be found in any of these three essays. For this, the reader has to turn to his most important contribution to economic theory, namely his theory of entrepreneurship. In his late 20s Schumpeter had worked out the basic ideas for his famous theory of the entrepreneur, which can be found in *The Economic Theory of Development* (1934). Before Schumpeter's book on entrepreneurship was published, economists had been unable to account for much of the dynamics of economic life since they relied heavily on some form of equilibrium analysis. Schumpeter broke this trend, even if he never succeeded in presenting a formal theory of entrepreneurship. His verbal theory, however, is impressive enough and still very suggestive. Schumpeter's basic idea is that the entrepreneur creates a new combination of already existing elements. This results in a number of different types of innovations, such as new goods, new methods of production, and/or new markets. However, it is not enough to produce a good that represents an innovation, the entrepreneur must also overcome the resistance against doing something new. This resistance is very strong, and can be found among the workers, among the population at large, and in the mind of the entrepreneur herself.

While it may be argued, as Schumpeter does, that the idea of combining economic resources of different types belongs to economics, it is nonetheless clear that the part of his analysis that deals

with resistance is squarely sociological. What Schumpeter had created can either be seen as a mix of elements from two academic disciplines, or as a very successful combination which illustrates that a full analysis of economic phenomena must draw on elements from both economics and sociology. The same boundary-crossing tendency can be found in what has always been Schumpeter's most popular work, *Capitalism, Socialism, and Democracy* (1942). This book consists of a series of essays in which Schumpeter deals with such topics as the nature of democracy, how to make sense of Marx, and what modern socialism is like. The main focus of the work, however, is on contemporary capitalism. In Schumpeter's view, modern capitalism was in deep trouble by the mid-1900s since the capitalists had become too weak to stand up and defend it. While the early capitalists had heartily embraced profit and property, modern managers and owners did not. As a result, the future of capitalism looked very gloomy to Schumpeter at the time of his death. This happened in 1950, long before the revival of enthusiasm for capitalism that Schumpeter longed for and that came with neoliberalism.

2.5 Karl Polanyi

Much of Schumpeter's sensibility was formed by what happened in Europe during World War I and its aftermath, as opposed to Tocqueville, Marx, and Weber who were all part of the Old World. The same can be said about Karl Polanyi (1886–1964), who, like Schumpeter, had grown up in the Austro-Hungarian Empire, only to see it disintegrate after World War I. Polanyi had an academic background, but not in economics. He learned economics on his own but never became an expert like Marx or Schumpeter. However, he did have a deep interest in economic affairs; and this made it easy for him to work as an economic journalist. He worked as a journalist in Austria in the 1920s and early 1930s; and his articles from these days represent an important part of his work.

Polanyi escaped to England in 1933 as the political situation in Austria became increasingly tense. It was here that he transformed himself into a serious scholar. This is similar to what took place in England with the young Marx, when he became the Marx of *Capital*. What Polanyi studied in England, which turned him from a journalist into a scholar, was economic history. What especially fascinated him was the history of early capitalism in England. He poured over books on the historical emergence of factory workers and industrial capital.

The main result of Polanyi's research in England was the work that was to become his most famous, *The Great Transformation* (1944). Its central theme is that the birth of capitalism had unleashed greed of a type that had never before existed in human history. It was a level of greed that in Polanyi's mind, would end up by tearing human society apart and completely destroy nature. Capitalism was a threat to human beings as a species; it was absolutely imperative that it should be stopped.

However, there were also forces that countered the onslaught of capitalism, and these were mainly the workers. Each time the capitalists made a new attempt to squeeze more profit out of the workers, these responded with resistance in the form of strikes. According to Polanyi, there is a general tendency in society to respond to the activities of capitalists with a countermove, something he termed the "double movement" (1944, part II). The results of the double movement, however, were not always positive. Many people who had their livelihoods destroyed by capitalism were not progressive. The emergence of fascism and Nazism was an example of this (1944, part III). In Polanyi's view, the original impulse to these extreme right-wing movements could be traced to England in the 1840s, when capitalism was unleashed for the first time.

Polanyi defined himself as an economic journalist in Austria and as an economic historian in England, but he turned into an economic anthropologist in the United States in the 1940s. Drawing especially on the work by anthropologists, Polanyi started to write about economic life in pre-industrial societies (1966, 1968). This

represented an innovation from the perspective of economic sociology, which usually focused on the period from the early 1800s and onwards. Another innovation from this time was Polanyi's writings about Africa, a continent which no earlier economic sociologist had written about (Polanyi 1966). Today's student of economic sociology will also want to read Polanyi's study of the beginnings of economic thought in Classical Greece, "Aristotle Discovers the Economy" (Polanyi 1957). While modern economists view Adam Smith as the father of economics, according to Polanyi, it was Aristotle. Another result of Polanyi's work from his anthropological period was his typology of economic action. While Weber had argued that all economies were either profit-making entities or households, Polanyi introduced a different set of basic categories that described how key economic actions in a society must be *embedded* or anchored in society's institutions. This can only be done in three ways: through *reciprocity*, *redistribution*, or *exchange*.

Polanyi lacked both the encyclopedic knowledge of Weber and the capacity Marx to meld historical and analytical perspectives. Contrary to Weber and Marx, however, Polanyi left a set of categories behind, which are extremely flexible and easy for today's economic sociologist to work with. These are *embeddedness* and the three modes of economic action *reciprocity-redistribution-exchange*. Exchange is linked to the institution of the market; redistribution to the institution of the state; and reciprocity to the institution of the family. There were also many other topics, besides these three institutions, which can be analyzed with these categories. There is a similar flexibility to the concept of embeddedness.

It should also be noted that what all of Polanyi's studies have in common is a critical attitude to the way modern markets operate. In his view, capitalist markets have been dis-embedded from the rest of society and have become a threat to humanity. As a consequence, this type of market must be re-embedded in the social and political institutions of society. It is imperative not to think that the capitalist market

is the only type of markets that can work. This idea is central to the thought of Polanyi, who famously referred to “our obsolete market mentality” in the title of one of his articles (Polanyi 1968).

2.6 Mark Granovetter

Both Schumpeter and Polanyi were lone voices in a field that had more or less stalled as an academic enterprise after the death of Weber. It is true that an attempt was made in the 1950s and early 1960s by Talcott Parsons and his student Neil Smelser to revive economic sociology, but it lacked intellectual force and did not gather much academic support (e.g., Parsons and Smelser 1956; Smelser 1963). It was not till the mid-1980s that economic sociology started to come alive again. This time it came in a different shape that earned it the name *new economic sociology*. The strengths and the weaknesses of the economic sociology that now came into being have much to do with its relationship to the past. The insights in economic sociology of Marx, Weber, and Tocqueville were little known to the sociologists who now took center stage and ushered in the new type of economic sociology. Instead, these sociologists relied heavily on the type of sociology that had developed in the United States during the twentieth century.

Mark Granovetter (1943–) is the foremost new economic sociologist and the author of a brilliant dissertation using networks to explain why some people succeed in getting a job while others do not (Granovetter 1974). Granovetter had originally set out to explain why friends and family can be of more help in this enterprise, than what fleeting contacts and acquaintances can. He, however, found that the opposite to be true. The result was expressed in the title of one of his most cited articles, “The Strength of Weak Ties” (Granovetter 1973).

Reading through *Getting A Job* (1974), the book based on Granovetter’s dissertation, the reader is also struck by the author’s knowledge of economics. One gets the same impression when reading the article that Granovetter

published in 1985 and which was to become the manifesto of new economic sociology, “Economic Action and Social Structure: The Problem of Embeddedness” (Granovetter 1985). It is clear that Granovetter viewed his own work as being in dialogue with economics, as evidenced by his many references to Arrow, Williamson, and other economists. In his manifesto for new economic sociology, the term economic sociology is however not to be found. Instead, Granovetter viewed his article as a contribution to structural sociology, by which he meant the network type of analysis that his thesis adviser Harrison White had helped to develop. In fact, what Granovetter seems to have taken as his primary aim was not so much to continue and add to the tradition of economic sociology, but to reform economic analysis in general, with the assistance of sociology. In an interview from this period, he stated for example that what he hoped to accomplish with his work was to advance economic analysis itself, and to do this by solving problems that the economists had failed to grasp (Granovetter 1987).

This, however, was not to be. The economists were not interested in meeting sociologists halfway, as Granovetter had hoped, something that forced him to, instead, turn his energy to developing economic sociology. He eventually also redirected the rest of his work in sociology to economic sociology. The attentive reader of his work in economic sociology will find a number of creative ideas, as well as solid empirical analyses. Two of his most productive ideas from these years are his theory of business groups and his analysis of economic institutions as social constructions (Granovetter 1994; Granovetter and McGuire 1998). In a recent volume, entitled *Society and Economy*, Granovetter has summarized his theoretical approach (Granovetter 2017).

A special mention should also be made of Granovetter’s popularization of the term *embeddedness*, which he had borrowed from Polanyi and which can be found in his 1985 article. The concept of embeddedness was recast mainly with the help of networks. All economic actions, Granovetter argued, are embedded in

social structures that are made up of networks. While his students have sometimes advocated a quantitative approach to the idea of embeddedness, Granovetter himself has continued to view it as an umbrella term, that is, as a sensitizing type of concept that needs to be complemented by other concepts (Granovetter in Krippner et al. 2004, 133).

2.7 Pierre Bourdieu

New economic sociology did not, as mentioned, try to anchor itself in the tradition of the economic sociology of Tocqueville, Marx, and Weber. Instead, it created a number of contributions of its own, drawing mainly on various strands of sociology that were prominent in the 1980s in the United States, such as structural sociology, industrial sociology, sociology of consumption, just to name a few. European economic sociologists did something similar in the 1990s, even though it was heavily influenced by U.S. sociology at this time.

The work by Pierre Bourdieu is an exception to this trend. Trained in philosophy and close to ethnography, Bourdieu began his social science work in Algeria and quickly displayed his great potential as a sociologist. Bourdieu, however, was more interested in general sociology than in any of its sub-areas, including economic sociology; and this was especially true during his early period. It is, however, possible to extract a distinct analysis of the economy already from Bourdieu's work in Algeria and view it as a contribution to economic sociology. By proceeding in this way, one will find a very interesting analysis of the way that Algerian peasants and workers looked at economic life, including their work. Two fine examples of this are *Travail et travailleurs en Algérie* (Bourdieu 1963) and *Algeria 1960* (Bourdieu 1979).

Once Bourdieu had identified himself as a sociologist, he began to study all of society and its major institutions, including the economy. Together with two colleagues he, for example, initiated a pioneering study of a bank, in which he focused on the way that common people look

at the official economy, including such topics as loans from banks and the rate of interest (Bourdieu et al. 1963). In today's terms, *The Bank and Its Customers* (which was never completed and published) can be seen as a study in economic literacy.

Bourdieu was also the author of a hugely successful study of consumption, called *Distinction* (Bourdieu 1986). Less spectacular, but equally penetrating, is his study of real estate from some 20 years later, in which Bourdieu mapped out how people think and how they approach the project of buying a house (Bourdieu 2005b). The same powerful imagination that the reader first encountered in the studies of Algeria is here directed at common people's ways of thinking and dreaming about owning a home. Bourdieu also analyzed the role of the state in the housing market and showed how it had switched from supporting public housing to encouraging people to own their own house.

Bourdieu's commitment to certain political values was clearly mirrored in his critique of the French government. He is also the author of a number of short texts, in which he discusses various economic questions of the day, such as the policies of the IMF, the European Central Bank, among others (Bourdieu 1998, 2003). Taken together, these writings contain an early and insightful critique of neoliberalism.

According to Bourdieu, elements of this neoliberalism could also be found in the new economic sociology that had emerged in the United States. U.S. network sociologists were, for example, criticized for not understanding the role of power in the economy. They traced the interactions of the actors with the help of networks but failed to understand the way that structural power operates in a field. During this period Bourdieu also wrote an important essay on general economic sociology, in which he forcefully attacked the tendency of economists to analyze economic life as if social relations did not exist. The economists' view of human beings, he charged, is distorted and cannot be used for scientific purposes. "*Homo economicus* . . . is a kind of anthropological monster" (Bourdieu 2005a, 82).

2.8 Single Contributions to the Classic Tradition

So far, in discussing the classic tradition in economic sociology, only major figures in economic sociology have been discussed. However, a tradition consists of individual contributions, not of individual people. The following question therefore needs to be asked: do also single articles and monographs produced by lesser figures belong to the classic tradition, as defined by Mills? The answer is naturally yes. It should also be added that while Mills exclusively speaks of what he calls, *models* as making up the classic tradition, one may also want to add a few other forms that these contributions can take. One can, for example, contribute to the classic tradition also by introducing *new methods*, *new types of data*, and/or *new topics* in economic sociology.

Since the time of Weber, many important studies of the economy have been carried out with the help of the following four innovations in the sociological method: the interview, participant observation, the modern survey and regression analysis. These methods have been used to analyze such topics as life in the workplace, people's consumer habits, and stratification (e.g., Gouldner 1954; Dalton 1959; Lazarsfeld 1959; Blau and Duncan 1967; Lazarsfeld et al. 1971; Moss Kanter 1977).

It is more difficult to single out individual studies from the years after the mid-1980s that constitute contributions to the classic tradition in economic sociology. One major reason for this is that these studies are much closer to today, something that always makes it difficult to decide what will last and what will not. Of the ones that will be mentioned in the next few pages, posterity will probably eliminate some and add a few others. There is also the additional problem that much of modern sociology, including economic sociology, has rather tenuous links to what was produced in sociology before the advent of U.S. mainstream sociology. The latter mainly emerged after World War II and is still very strong; and this has had some negative consequences which are worth mentioning since

they affect the issue of cumulation in economic sociology. There is a danger, for one thing, that the wheel will be reinvented at regular intervals. New contributions may also be lost because they will not be properly anchored in the classic tradition.

There are, however, studies in contemporary economic sociology that represent important contributions to the classic tradition. Most of these do so by virtue of opening up new areas or topics in the economy. One of these is the area of finance or the sociology of finance. Studies in this genre often describe how some financial institution has come into being, how different financial institutions operate, or what physical objects are used in their operations such as computers and telephones. The leading scholar in this field is Donald Mackenzie (e.g., Millo and MacKenzie 2003; MacKenzie 2006), Greta Kipper's work on the emergence and nature of financialization (Krippner 2012) should also be mentioned.

Another topic that has been opened up by today's economic sociologists is that of children and their relationship to the economy. There are currently studies on children and consumption, as well as studies on children's work and their socialization into the world of money. A pioneering work in this field is *Pricing the Priceless Child* by Viviana Zelizer (1985). Drawing on court records, which represent a rarely used source in economic sociology, she documents how children in the past were valued in terms of their labor and how today they are instead valued in terms of the emotions they evoke.

Zelizer has also made another innovative addition to economic sociology, this time to money. In contrast to the general tendency of looking at money as something neutral and non-social, she has shown how money is often differentiated according to the purpose for which it is intended. Housewives may put aside some money for food, other for the children, and so on (Zelizer 1994). There is no neutral money of the type that economists speak of, according to Zelizer, only "social money."

Finally, Zelizer has also helped to introduce emotions into economic sociology, which was a topic that had lain dormant since Tocqueville's

pioneering work. She has emphasized how emotions and economic values do not represent two separate spheres in people's lives but intermingle and co-exist in various ways (e.g. Zelizer 2007). Another powerful study of the role of emotions in the economy can be found in *The Managed Heart* (1983) by Arlie Hochschild. Airplane stewardesses, she shows, have to smile and look happy as part of their work. Bill collectors, in contrast, have to pretend to be angry and threaten people in order to make them pay. Both perform a special type of emotional work, according to Hochschild.

Another interesting addition to the classic tradition can be found in the recent work on valuation in economic life. Weber's interest in the role of values in economic life, especially in his many volumes on the economic ethics of world religions, is foundational here. He did not, however, address the question of how a price is placed on items that are hard to evaluate, such as art, wine, or nature. This, however, is something that recent economic sociologists have done (e.g., Beckert and Aspers 2011).

Something should also be said about a topic that may well represent the most important contribution of new economic sociology to the classic tradition, in the sense that it has a generality that goes well beyond specific economic topics. This is the role of gender in the economy. There is no general model for this, in the sense of C. Wright Mills. Still, gender does play a role in a huge number of economic phenomena and should therefore, in principle, be included in all economic-sociological analysis. As to studies in new economic sociology on the role of gender in the economy, it is clear that some of the works already mentioned by Zelizer and Hochschild contain important contributions to this area as well (e.g., Hochschild 1989; Zelizer 2005). Besides the topics that these two scholars have analyzed, one can also mention male versus female work in the household, caring work, unequal pay, under- and overrepresentation of men and women in various jobs, and the mistreatment of pregnant women and mothers in the labor force (the penalty of motherhood; e.g.,

England 1992; England and Folbre 2005; Correll et al. 2007; Zelizer 2013).

What has been written so far in this chapter about single contributions by various economic sociologists only covers part of the richness of the classic tradition in economic sociology. There are also many other interesting monographs and articles, especially on individual topics, such as markets or work, to just name two. Also, historians, anthropologists, economists and economic journalists have made many excellent contributions to economic sociology in a broad sense. The names of people such as Fernand Braudel, Marcel Mauss, John Maynard Keynes, Nancy Folbre, and Michael Lewis are a reminder of this.

It is also easy for someone who is interested in economic sociology to read too much, which means that little energy is left over for one's own contribution. In the concluding remarks, where the issue of cumulation is taken up once more, also this issue will be addressed. Some suggestions will be given for how to work in a practical way with just a few of the works in the classic tradition in economic sociology.

3 Concluding Remarks

So far in this chapter, the focus has exclusively been on the accumulation of knowledge in one particular subfield of sociology. One is however, also justified in asking what this means for sociology as a whole. How exactly does the communication of insights from economic sociology to sociology in general take place? Similarly, how are insights from sociology in general communicated to economic sociology? What about insights from one subfield to another? There is finally also the related issue of codification or the systematic arrangement of findings (Merton 1968, 155).

In trying to answer these questions, it should first of all be noted that accumulation in sociology is currently mainly taking place in its subfields (e.g., Collins 1999). It is also clear that most of the questions about cumulation, which have been mentioned in this chapter, point well beyond its

primary concerns. Suffice it to say that some of the key figures in economic sociology have developed models that are applicable to all of sociology. This is the case with Tocqueville, Marx, and Weber. There are also some insights in economic sociology that seem to be applicable to sociology as a whole. As examples of this, one can mention Polanyi's notion of embeddedness and Schumpeter's theory of entrepreneurship.

Finally, a few words should be said about the need to strike a balance between how much one needs to read in the classic tradition sociology, and how much energy one should devote to developing one's own ideas. While a thorough knowledge of the whole classic tradition in economic sociology is commendable, what may be more realistic for most people is to just acquaint themselves with most works in the classic tradition, in combination with making an intense study of a few of these. Mastering a limited number of models, as C. Wright Mills defines these, should be part of the education of any economic sociologist. Students who are interested in entrepreneurship should also focus on Schumpeter's model of the entrepreneur. Those who are interested in capitalism should also focus on the models of Marx, Weber and Polanyi. All of these thinkers are very rich, and working through their key writings a few times is highly recommended. At each reading one usually discovers several new ideas.

It is also clear that the most important way to deal with the classic tradition is not to comment on it, but to attempt to develop it further. This means to actively use some of its ideas and insights, build on these, and try to go beyond them. By proceeding in this way, one can combine the strength that comes from being part of a tradition with one's own strengths and interests. The tradition is kept alive and is further developed; and the individual researcher benefits from being part of it.

How exactly can this be done? How does one take something from the classic tradition and add to it? Should this be done when working with the empirical material or when trying to develop a theoretical argument? It is not easy to give a concrete answer to this kind of questions. Below

I have nonetheless tried to outline three *practical ways* in which this can be done. The two first were developed and taught by Robert K. Merton in his course on theorizing in sociology from the 1950s and 1960s (Swedberg 2019). The third comes from my own work with Schumpeter. All are applicable to economic sociology as well as to sociology in general.

The three ways of proceeding are called *respecification*, *reconceptualization*, and *recombination*. A brief description of each follows:

3.1 Respecification

All phenomena that are analyzed in sociology must be empirically specified. Adding to or subtracting from the current ways of doing this is the job of respecification. What constitutes what sociologists call *work* has for example been greatly expanded during the twentieth century, with household chores being added. Should one also include the effort it takes to keep one's own body healthy, as Hannah Arendt (1958, 96 ff.) has suggested? A phenomenon that, in contrast, has shrunk in scope is that of class. In the work of Marx, class was a broad social, political and economic category, while in modern stratification theory it has become a narrow sociological term.

3.2 Reconceptualization

Economic sociology has its own set of concepts, from those discussed by Max Weber in Chap. 2 of *Economy and Society* to those that have been added in new economic sociology (see e.g. the list in Swedberg 2016). All of these can be added to or redefined, a bit like empirical phenomena can be respecified. This is often done by changing the meaning of an existing concept, for example, embeddedness. One can also take a concept in general sociology and focus on its economic part, using say habitus to create economic habitus (e.g., Bourdieu 1979). There is also the strategy that Weber himself often used, namely, to take concepts from other sciences, change them a bit,

and turn them into sociological concepts (e.g., charisma).

3.3 Recombination

Schumpeter defined entrepreneurship and innovation as a new combination of already existing elements. In the classic tradition there are a number of concepts and ideas that can be recombined into new and interesting constellations. C. Wright Mills notes that “very many social theories seem to be, at least immediately, the rather direct result of combining ideas which no one has previously thought of combining” (Mills 1960, 9). As an example, he mentions Marx’s theory of capitalism which was the result of a combination of ideas from German philosophy, British economics, and French socialism.

That these three ways of working with insights from the classic tradition in economic sociology all start with the prefix *re* is no accident. It indicates that while they represent ways of moving the analysis forward in new and interesting ways, they are at the same time drawing on and grounded in a tradition. Other ways of dealing with the heritage of economic sociology are no doubt possible, as well as necessary. The reason for mentioning this is that it is imperative for the healthy development of economic sociology to be able to distinguish between what should be kept alive and further developed, and what should be forgotten and discarded. A science that does not care for its classic tradition is lost.

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