



Book Review

Hand Book of Economic Sociology for the 21st Century

Annabhujhula J C Bose*

Andrea Maurer (ed.) (2021), Handbook of Economic Sociology for the 21st Century, Springer, Pages: 304, ISBN: 978-3-030-61618-2, EUR 179.99

Mainstream economics has lately got a lot of flak. Its proponents have indulged in the 'sin and misery' of desocialisation of economics. Their theories are separated from social theory through the adoption of individualistic methods and neglect of social relations and structures.

As Jackson (2013) argued, mainstream economics has "little feeling for culture, as it dismisses the cultivation of individuals within an institutional setting. Culture is important in social theorising through its ability to connect individual and social levels of analysis and avoid over-reliance on one level. Each level depends on the other - individual agents develop their capabilities only inside their social environment; social structures and relations persist only if they are reproduced by individual agency. This interdependence has been appreciated in recent social theory, where it is termed agency/structure duality and is offered as an antidote to individualistic or structural reductionism. Mainstream economics ignores duality arguments and relies on individual rationality as its sole foundation, either omitting social and cultural factors or treating them as secondary, external influences."

* Department of Economics, Shri Ram College of Commerce, Delhi, India; ajc.bose@srcc.du.ac.in

Economists have, therefore, the pressing option and responsibility of resocialising economics by paying heed to the history of economic thought; dropping the definition of economics as the study of scarcity and choice; pursuing explicitly non-reductionist approach; permitting greater pluralism of theory and method; removing the wall between economic and social theory; using mathematics more critically and selectively; drawing parallels with humanities, not the natural sciences; and responding to student demands for a more varied economic syllabus.

But they are not just doing it as enthusiastically as sociologists have done. The latter have already meticulously endeavoured to develop the subject of 'economic sociology' or 'social economics'. In doing so, economic sociologists are killing two birds with one stone, so to speak. On the one hand, they aim at providing more realistic explanations, analyses, and empirical studies of economic topics than standard economic theory. On the other hand, they also claim to fill the gap left by modern sociologists who ignored economic issues during the twentieth century and therefore missed one of the most exciting topics in modern society.

How social economics has evolved in terms of its classic and new 'avatars' and has become a lively research field in order to understand the socially embedded and institutionalised contexts of economic life, can be gauged from the contributions in the book taken up for review here. It will be very fruitful if the various contributions in this book were to be read in conjunction with those of its related predecessors such as *Handbook of Social Capital* (2009) edited by Svendsen & Svendsen; *The Handbook of Economic Sociology* (2005) edited by Smelser & Swedberg; *The Sociology of Economic Life* (1992) edited by Granovetter & Swedberg; and Smelser's classic book, *The Sociology of Economic Life* (1963).

The Handbook offers a breathtaking detour of its three parts. Part I contains eight chapters exploring how and why social factors shape economy. All of them provide deep sociological insights and tools to analyse the modern economy and especially how society and economy are intertwined. Part II, with nine chapters, makes the most fascinating reading. It illustrates the social constitution and structuration of particular markets, institutional settings and innovation, alternative forms of organising the economy, and how

social movements and societal views influence the economy. For example, there are empirical studies of 'online markets', 'attention markets' and 'informal markets'; of social and informal institutions and institutional change as a framework of economy; and of alternative forms of organising production and consumption of goods and services. Finally, Part III, with two chapters, discusses the positive and negative sides of modern capitalism, and more interestingly, the need for social responsibility in the economy. The latter chapter aptly concludes thus: "Societies in the twenty-first century have been and still are confronted with many grand challenges or wicked problems. Such challenges are characterised by involving high levels of complexity, uncertainty, and evaluative struggles affecting a large number of people, often on a global scale. Problems such as climate change, pandemics, global migration, or social inequality are often inherently related to the organisation and functioning of the global economy, markets, and economic action. Tackling these challenges therefore involves a better understanding and explanation of how the economy works. Arguably, economic sociology has an important role to play here in three different ways: by providing a critical understanding of evaluation struggles, by analysing markets as governance mechanisms, and by identifying the conditions for responsible economic action. First, economic sociology has already started addressing the problems of valuation and evaluation, as well as of uncertainty in the constitution and development of markets. Yet, struggles on how global issues are framed, understood, and evaluated, how this in turn is absorbed by markets, and affects social inequality and environmental preservation still needs to be more thoroughly understood. Second, while economists and political scientists have emphasised the ability of markets to address climate change, some economic sociologists have provided important insights into the difficulties of markets as forms of economic governance. Third, economic sociology has also something to say on the difficulty for consumers and corporations to assume responsibility. While responsibility in economic action is always somewhat precarious, under specific conditions it might help solve collective good problems, whereby consumers, corporations and civil society might gain, if such action complements the economic governance by the state and organised

interest. Therefore, responsibility seems to be an important concept in addressing pressing social problems from an economic sociology perspective, since it connects economic action to its consequences for the broader common good.”

To conclude, sociologists are better than economists in analysing economic life although, unfortunately, the latter continue to have primacy in shaping public policy. But hopefully, with the persistence and worsening of social problems like low employment levels, stagnant or declining wages, mental depression due to economic insecurity, drug addiction, premature death, stigmatisation of the poor on ascriptive attributes and so on and so forth, sociologists as social advisers will sooner or later replace economists as economic advisers, in shaping public policy for common good.

Reference

Jackson, William. (2013). The Desocialisation of Economic Theory. *International Journal of Social Economics*, 40 (9).