Economic Sociology:

An Examination of Intellectual Exchange

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Abstract. *Economic sociology* covers the gray area between the disciplines of *economics* and *sociology* and brings scholars from both disciplines together to communicate over topics of interest. This communication provides debate that stimulates and strengthens *social theory,* which in turn, allows for better *policy* recommendations. A major area for concern in the development of economic sociology has been the presence of *economic imperialism* combined with *economic hubris,* the effects of which could suffocate economic sociology. These phenomena are examined along with the trends over the past twenty years in the development of economic sociology and the relative impact that "economic sociologists" from both disciplines are having on their respective fields. Observing these trends will allow for an analysis of the developments in economic sociology and a assessment of where it is going in the future.

I

Introduction

Scholarly interest in the gray area overlapping economics and sociology has brought about intellectual exchange between the two disciplines concerning common issues. The work in this area concerns issues of interest to both economists and sociologists and has been called economic sociology, socioeconomics or socio-economics (Stinchcombe, 1983; Ritzer, 1989; Swedberg, 1990; 1991; Etzioni and Lawrence, 1991; Burgenmeier, 1992). Economic sociology is the intellectual arena where the "unrealistic, but clean models in economics and the 'verstehen' oriented dirty hands of sociology" meet (Hirsch, Michaels and Friedman, 1987, p. 324). Economists tend to be concerned with theoretically oriented mathematical models of rational individual maximization ("clean models"). Sociologists, on the other hand, tend to be theoretically disjointed and empirically driven ("dirty hands"). These divergent approaches of economists and sociologists prevented the intellectual exchange of research across disciplinary boundaries for much of the twentieth century (Swedberg, 1990).

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Swedberg (1990; 1991) believes that the isolationist tendency of the two disciplines is coming to an end as economists use the economic method to explain social phenomena, and as sociologists use social theory to broaden the scope of economic theory. Economic sociology brings the two social sciences together. The intellectual exchange between disciplines will inform economic sociology and allow its practitioners to produce better research as well as to provide better policy recommendations.

Past attempts at a synthesis between economics and sociology have been made. For example, in the early 1950s at Harvard economists James Duesenberry, Carl Kaysen and James Tobin got together with sociologists Talcott Parsons, Neil Smelser and Francis X. Sutton. This effort, however, was short-lived and was not as productive as it could have been (Swedberg, 1990). Another attempt was made at Carnegie Tech by Herbert Simon, but his behavioral economics did not succeed in changing the mind-set of main stream economics (Swedberg, 1990).

Current attempts at integration between economics and sociology are being made by many influential theorists and researchers. While among the economists, Gary Becker stands out above the rest. Oliver Williamson and George Akerlof have also contributed. Becker's insight of using economic theory to explain traditionally "non-economic" phenomena has been taken seriously in economic sociology. Classics, such as *Human Capital, Economics of Discrimination,* and *The Economic Approach to Human Behavior,* have drawn considerable admiration and criticism from sociologists and economists (Swedberg, 1990). However, similarly insightful materials by sociologists (like Mark Granovetter, Ronald Burt, and Harrison White) appear to have been influential only in sociological circles, and for the most part, been ignored by main-stream economists. For these reasons, there seem to be two phenomena dominating the revival of economic sociology.

The first is "economic imperialism" and the second is "economic hubris." Economic imperialism, which has been well documented, occurs when economists use their own theory, namely neo-classical theory based on the three assumptions of (1) constant preferences (2) maximizing behavior, and (3) market coordination of social participants (Becker, 1976), to explain social phenomena (Radnitzky and Bernholz, 1987; Swedberg, 1990). Economic hubris, which has not been well documented, is when economists fail to recognize the important contributions by sociologists concerning topics of interest to both sociologists and economists. Economic imperialism is a good thing for social science in general, and sociology in particular, because it allows for a new approach to, and debate about, traditional sociological problems.

Economic hubris, on the other hand, is not beneficiary to the social sciences. Economic hubris comes about when economists feel that the "elegant" and "clean models" of economics are superior to the "dirty hands" verstehen approach of sociology. This feeling among economists tends to produce one-sided research that could benefit from more sociological input and would produce stronger theory and better policy recommendations.

Since the major goals of economic sociology are to inform social policy and develop social theory, economists and sociologists must both participate (Hirsch, Michaels, and Friedman, 1987). If communication between the two disciplines does not take place Swedberg, says "social problems will be analyzed as if they had no economic dimension and economic problems will be analyzed as if they had no social dimension" (Swedberg, 1990, p. 3). This will lead to flawed research, inadequate theory, and poor policy recommendations.

The charge of economic hubris along with the trends in the development of economic sociology are the foci of this paper. To demonstrate the extent of economic hubris as well as trends in the development of economic sociology, a social problem is chosen that is of concern in both economics and sociology - discrimination in labor markets. Labor markets have been a major area of study for economists and discrimination has been an important phenomenon of interest to sociologists. By combining the two dependent variables, a satisfactory forum is provided for a study of communication patterns in economic sociology.

An empirical analysis of the communication between disciplines will provide insight into the development of economic sociology. Communication can be quantified by using citations and references to demonstrate trends in the amount of contact, as well as the influence each discipline has upon the other. The amount of contact is important in demonstrating overall trends in the quantity of communication between the disciplines over the years. This communication on the other hand, is important in determining the amount of influence each discipline has on the other. This allows for the uncovering of economic hubris, if it exists, and a study of recent trends.

Three hypotheses are tested to examine trends over the past twenty years in economic sociology: (1) economic sociology is having a significant impact on the disciplines of sociology and economics; (2) economic hubris exists; and (3) there has been a trend toward more economists being used in sociological research and sociologists being used in economic research over the past twenty years.

II

Method

To ENSURE that the most influential economic and sociological articles were chosen, the three most prestigious substantive journals were selected from each discipline. The ratings for the journals were obtained from a source in economics (Liebowitz and Palmer, 1984) and a source in sociology (Allen, 1990) which used roughly the same method to assess the relative impact of the journals on their respective disciplines. The journals chosen in sociology were the *American Sociological Review,* the *American Journal of Sociology,* and *Social Forces.* In economics the *American Economic Review,* the *Journal of Political Economy,* and the *Review of Economic Studies* were selected.

The *Social Science Index* was used to ensure unbiased sampling. The headings, "discrimination in labor markets," "discrimination," and "affirmative action" were chosen from the *Index* for the past twenty years to determine trends. All articles from 1973 to 1993 under these headings from the preselected journals were chosen for the sample.

Communication was defined as cross-citations between any two articles. All references were cross-checked in all articles by the first author. If the first author of a book or article was referenced in at least two journal articles that author was chosen for the analysis. A sub-list of those referenced in both an economics journal and a sociology journal was also compiled. If a person was cited twice in the same article, only the first reference was counted to avoid bias from numerous citations of one person within one article. The names of the first authors were then further broken down by discipline. An individual's discipline was determined using both previous knowledge of an individual's discipline and the *National Faculty Directory* (1994).

Twenty-three articles were selected in sociology and 24 articles were selected in economics (a bibliography of all articles used for the sample is in Appendix A). The first authors of all references in the 47 articles were compared. The people who were cited in both an economics journal and a sociology journal were labeled "economic sociologists," since they provide intellectual exchange between the disciplines. These, "economic sociologists" provide the most unique opportunity to examine trends in the communication of ideas between sociology and economics because they are informing research in both disciplines.

III

Findings

THE FIRST HYPOTHESIS concerns the impact of economic sociologists on the disciplines of economics and sociology. Twenty-six percent of those people cited in more than one article from the sample were economic sociologists. Of the 28 economic sociologists, 14 were economists, or working in related fields, eight were sociologists or working in related fields, and six were in other disciplines (Law, Political Science, and Mathematics). The 28 people accounted for a total of 97 citations, or an average of 3.5 references per article.

The second hypothesis, that economic hubris exists, is supported by the data. Sociologists accounted for a total of eight out of 46 references in economics journals by economic sociologists. The fourteen economists accounted for 23 of the 51 economic sociologist citations in sociology journals.

A Fisher's exact probability was computed for comparing the proportion of economists cited in sociology journals to the proportion of sociologists cited in economic journals. The null hypothesis for this test was that the proportions were equal. In other words, that the same proportion of non-disciplinary economic sociologists were cited in each of the two disciplines. The alternative hypothesis was that the proportions were not equal. A p-value of .0036 was obtained from the analysis, which means that the probability of obtaining a value of the test statistic as or more supportive of the alternative hypothesis is .0036.

The third hypothesis, that there has been a trend toward more economists being cited in sociology journals and more sociologists being cited in economics journals, is not supported. A t-test was performed to see if there were any trends toward more references of scholars from the other discipline in both economic and sociology journals. The mean of the economic articles citing sociologists was compared to the mean of all the economic articles. No significant difference was obtained. The same held true for economists cited in sociological journals. The trend in references seems to be rather constant over time.

IV
Discussion

Hypothesis 1. Economic sociologists are having an impact on the disciplines of sociology and economics in the area of discrimination in labor markets.

Table 1

JOURNAL CITATIONS

Discipline	Economics	Sociology	Total
Same	38	24	62
Other	8	25	33
Total	46	49	95

Twenty-six percent of those people referenced twice in the articles from the sample were economic sociologists. These references were found in the most prestigious journals in both disciplines. This indicates that economic sociologists are being taken seriously by the major articles on discrimination in labor markets by both economists and sociologists.

Hypothesis 2. The observation that sociologists are not cited in economics journals is what would be predicted by the tendency toward economic hubris. Swedberg (1990) offers the following explanation for its emergence "A feeling among economists that their science was clearly superior. . ." (p. 4). If economic imperialism combined with economic hubris persists, then intellectual exchange between economics and sociology may be in jeopardy. As Burgenmeier wrote:

> Economic thinking is being applied to more and more fields in an effort to demonstrate the superiority of an economic approach to social issues. Such a demonstration may well turn out to be counter-productive, since it puts real interdisciplinary collaboration ever further out of reach (Burgenmeier, 1992, 112).

This does not mean that the economic approach is not relevant to the development of economic sociology. The devout belief in the economic approach, however, is not good for the development of social theory and policy because it ignores the "dirty hands" approach of sociology. For example, Gary Becker (1990) avers that rational choice theory should be the dominant paradigm in the social sciences because a neo-classical economic approach explains social variables better than other social theories. Etzioni and Lawrence (1991) believe this arrogant attitude of the rational choice economists comes from their simplistic view of human nature when contrasted to a sociological position:

> Neo-classical economists view man as a two-legged calculator, efficient and cold-blooded. But truth reveals him more often as muddleheaded, part morally conflicted and selfish, part morally dedicated and caring, and prone to moving in herds (Etzioni and Lawrence, 1991, 3).

By ignoring the empirical "dirty hands" world of sociologists:

> Economists pay a heavy price for the very simplicity and elegance of their models; empirical ignorance, misunderstanding, and, relatedly, unrealistic and bizarre policy recommendations (Hirsch, Michaels, and Friedman, 1987, 323).

The sociological approach, on the other hand, acknowledges the presence of economic theory by citing it in their research. For instance much of the work in sociology on labor markets and stratification combines elements from economics and sociology (Swedberg, 1991). By including economists in their research, the present authors believe that sociology, as a discipline, is developing a good sense of economic sociology. However, economists who see the importance of social theory in the development of economic sociology are making contributions as well (Swedberg, 1991). Scholars like James Montgomery believe that more integration is possible and that hubris should be avoided. "Social structure may be successfully integrated into formal economic analysis. Continued interdisciplinary research . . . should provide new insight into labor-market operation" (Montgomery, 1991, 1414).

Hypothesis 3. The trends in intellectual exchange in the top journals show no significant increase in cross-citations over the years. If there is a trend toward more production in economic sociology, then the top journals have been relatively unaffected by any such developments. One reason for this is that the most prestigious journals have the highest standards for publication and would not let relevant research on a particular topic from any field go unexamined by a contributor. Given this assumption another possible implication for the findings concerning hypothesis II could be that the reviewers for the economic journals do not think sociological scholarship is relevant to economics.

V

Conclusion

SWEDBERG'S ASSERTION that action in the field of economic sociology is taking place does not receive support from this analysis. However, the observation that there are no significant trends towards more intellectual exchange in the top journals could be because the top journals stay more constant over time and do not get drawn into recent trends or fads. Other journals may, however, show a significant increase in communication between sociology and economics. Also new journals (like *Rationality and Society,* with its impressive editorial staff of sociologists and economists) are and would support the assertion that renewed action is taking place in the field of economic sociology.

We believe Swedberg (1990; 1991) is right in saying that this is an exciting time in the development of economic sociology. He indicates that the borders between the two disciplines are open and the lines that separate one discipline from the other are being redrawn. The new economic sociologists should see the importance of combining the "clean models" of economics with the "dirty hands" of sociology in order to develop better social policy and a more united social science.

There should be interest in exploring the gray area between economics and sociology without arrogant tendencies. Sociologists have taken the economists advances into sociology seriously, but mainstream economists, as demonstrated, fail to take the writings of sociologists on economic topics seriously. We believe that joint exploration will provide new and exciting research in both disciplines as well as in economic sociology. As Hirsch, Michaels and Friedman (1987) put it;

True Scientific progress may in fact be based on a combination of, or dialectic between 'clean models' and 'dirty hands,' not solely one or the other. Pure elegance of models leads to sterility, and unwillingness to abstract from and go beyond one's data leads to pure narrative (p. 333).

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Appendix

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