



Economic Sociology of Organizations

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In considering the boundaries of our subfield, it is interesting to contrast two different boundaries-- that between Economic Sociology (ES) and the discipline of Economics; and that between ES and the Sociology of Organizations (SO). Ironically, while the first boundary is very clear but sharply contested, the second boundary is blurry without being particularly contested. And this is interesting because in general, we tend to expect more intensive efforts at boundary-maintenance when boundaries are blurry (a classic cite for this idea is Erikson's *Wayward Puritans*).

So, how can this be? The simple answer is that what divides Economics and ES are the core set of concepts and tools used by each discipline and, more importantly, the people who use them. Indeed, it is hard to think of anyone who is difficult to classify as an economist or an economic sociologist. The wording on the diploma pretty much says it all. Indeed, this divide is so strong there is scarcely any confusion regarding how to assign scholars trained in business schools—i.e., whether they are sociologically-inclined or economically-inclined. Note as well that there is also little confusion regarding the identity of rational choice sociologists. The degree says it all.

If there is so little confusion about who is a sociologist and who is an economist, why is the boundary contested? I think the answer is well-known and can be described in Abbott's (*System of Professions*) terms as a jurisdictional battle. In particular, each discipline's core metaphors are highly "abstractable" such that virtually any question involving social behavior can be reframed according to these metaphors. And so, it is inevitable that practitioners of the two disciplines will "meet" each other across that wide terrain. (Of course, there are notable exceptions that hint at the limits of the respective metaphors—e.g., sociologists have made virtually no claim on the domain of macroeconomics; and economists have little to say about the domain of conversation analysis).

The boundary between ES and SO is quite different but relates to the first boundary in an interesting way. The differences are clear: the two subfields are populated by people with the same disciplinary identity and who apply virtually the same set of concepts and tools. Indeed, the overlap in memberships of the relevant ASA sections indicates that many of the very same people populate both subfields. I suspect that my typical response, when people ask me what I do, is similar to the response that many other ES members give: "I'm what's known as an economic or an organizational sociologist."

Yet if practitioners of SO and ES use the same concepts and tools and, in fact, are essentially the same people, why has the ES subfield grown so much recently?

Indeed, when we recently decided to launch a new PhD concentration at MIT, we decided to name it "Economic Sociology." And in general, this is the label I prefer. A reflection on the reasons for this takes us back to a contemplation of the first boundary.

In particular, I would argue that the core appeal of the ES label lies in its metaphorical capacity for "covering" a wider swath of the socio-economic terrain than does SO-- and in particular, for facilitating sociological work on what is (still) considered the terrain of economists. The desire to have such a banner is a natural outcome of trends within SO itself. While one could cite many trends in the 1970s and 1980s as laying the groundwork for the emergence of ES, one key trend was the shift of attention in SO from intra-organizational, to inter-organizational, processes. From there, it was a short step to focusing on *market* processes (and there is no one who would put "sociologist" and "market" together on a word-association test; I would submit that this will always be the case regardless of how good a job we do at studying markets. The flip side of that is that Economists can study "social interactions" till the cows come home, but they will never make much headway in convincing the general public that this is what economics study).

Indeed, while it took a little doing for some SO practitioners (notably, neo-institutionalists) to become persuaded that their research could apply to economic organizations, all that was needed in other areas was a little relabeling. One example is Glenn Carroll's "resource partitioning" theory (RPT), which was first articulated in a 1985 *AJS* article. By the late 1990s (e.g., Peli and Noteboom's 1997 *AJS* article), it became increasingly common to describe the theory as that of "market partitioning."

While one could pooh-pooh this as "mere" relabeling, such relabeling is important and says something about the identity claims that are being made. That is, RPT now obtains some of its rhetorical power from its serviceability as a shot over the bow of Economics. (And staking a claim on the market is particularly useful for helping to justify sociologists' presence in business schools; this doesn't always work-- particularly at b-schools that are ruled by economists. But the opposite case is more telling: there are essentially no rational-choice sociologists in b-schools).

In closing, it is worth considering why we still need SO if ES is so helpful in staking out valuable territory for sociologists. I would offer three reasons. First, in reorienting toward economic terrain, there is a danger that we "vacate" a key part of SO's original domain—i.e., non-profit organizations. Moreover, the link to SO is one of the key strengths of ES relative to Economics—i.e., our ability to recognize processes and mechanisms that are common to *organizations* rather than just to business organizations or *firms*. Second, a little division of labor may be a good thing. In particular, there are signs that as work on organizational environments has shifted out of SO and into ES, this has created more space within

sociology for long-neglected research on intra-organizational processes. And finally, as I have noted elsewhere (see my Comment in the June 2004 ASR), there is something about engaging in turf battles that has the potential to corrupt—i.e., to sacrifice our commitment to good research on the altar of scoring hits against economics. It is thus nice to have some “home” territory where we can relax and just focus on doing good sociology.