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# The Sociology of Development and the Development of Sociology

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# The Sociology of Development and the Development of Sociology

by Andrew Schrank

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The so-called Great Recession of 2008-2009 has been widely portrayed as a threat to the discipline of economics [Conway 2009; Economist 2009; Kaletsky 2009]. The dismal science not only failed to anticipate the biggest crisis of the postwar era but responded “in terms that would be quite familiar to economists in the 1920s and 1930s” [Clark 2009], and the discipline’s opinion leaders are therefore beginning to wonder whether they have made any progress at all over the course of the last half century [Clark 2009; Eichengreen 2009; Krugman 2009].

Sociologists cannot help but feel a sense of *schadenfreude* at the “existential crisis” [Conway 2009] of a discipline that had not only assumed a hegemonic position in the social sciences writ large, but had been making inroads into their own subject matter (e.g., crime, fertility, organizations, etc.) for generations.<sup>1</sup> After all, the decade had begun with sociologists asking themselves “What’s wrong with sociology?” [Cole 2001] and closed with the *Economist* asking “What went wrong with economics?” [Economist 2009]. When economists responded that the problem was not with the discipline per se but with “the sociology of the profession”

<sup>1</sup> My favorite example: Trevor Pinch of the Department of Sociology at Cornell asks why economist Robert C. Merton received a Nobel Memorial Prize in Economics for his insights into derivative pricing – which in light of the current crisis appear deeply flawed – when his father, sociologist Robert K. Merton, failed to receive parallel honors for his insights into the increasingly relevant “self-fulfilling prophecy.” Pinch concludes that the Nobel Committee should consider revoking Robert C. Merton’s prize. See Shea [2009].

[Rodrik 2009], the irony was almost too rich to contemplate [see also Eichengreen 2009].

The risk, however, is that in their haste to celebrate and take advantage of the backlash against economics sociologists will forego a no less important opportunity to address their own disciplinary shortcomings. In fact, the relevant question for sociologists is not “What went wrong with economics?” but “Why did sociologists lose so much ground to a discipline that was apparently stuck in a blind alley for fifty years?”

The answer should be of particular interest to sociologists of developing societies, for their subfield entered the postwar era with a number of comparative advantages and nonetheless lost ground and influence to economics over time [Swedberg 1987, 94; see also Portes 1997; Ruttan 2001]. What explains the halting progress of development sociology over the course of the past half century? And what might be done to correct it? I trace the answer in part to a lack of disciplinary self-confidence that manifested itself in an unacknowledged tendency to imitate – rather than challenge – mainstream economic perspectives on three key issues: the universality of individual rationality, the sources of social order, and the nature of national development. And I therefore conclude that sociologists of development can best revitalize their subfield by re-engaging and building upon the classical tradition.

### **Individual Rationality: Assumption or Variable?**

Parsonian sociologists defended their turf by portraying sociology as the “study of nonrational behavior” [Kalleberg 1995, 1214] and leaving the field of rational action to the economists [Parsons 1937; see also Stinchcombe 1986; Baron and Hannan 1994], and postwar development sociologists therefore embraced a rigid division of labor in which economists were responsible for the study of “economic” activities and sociologists were responsible for their “noneconomic” underpinnings, correlates, or counterparts (e.g., norms, values, emotions, roles, primary group loyalties, etc.).<sup>2</sup> “The fact that ‘traditional’ economies were still embedded in a variety of social institutions was, however, to the sociologist’s advantage,” writes Richard Swedberg. “At least until the economies in the ‘new nations’ had been fully rationalized, the sociologist had a task to perform” [Swedberg 1987, 95].

While modernization theorists accepted the portrait of a traditional society imbued with nonrational behavior, and therefore embraced their assigned task with gusto [see, e.g., Geertz 1963; Finkle and Gable 1966], their critics balked at the no-

<sup>2</sup> The roots of the distinction between a “rationalist” economics and a “nonrationalist” sociology are, of course, attributable to Pareto. See Finer [1966].

tion of a “nonrational and anti-profit seeking” periphery [Frank 1998, 324; see also Wallerstein 1971, 359; Valenzuela and Valenzuela 1978, 545], and therefore abandoned modernization theory for Marxist and radical alternatives that emphasized class, power, and imperialism in the late 1960s and 1970s [Frank 1969; Wallerstein 1974; Taylor 1979]. What were the long term consequences? According to Richard Swedberg, the revolt against modernization theory turned the specifically *economic* aspects of underdevelopment into a “respectable field” of sociological investigation [Swedberg 1986, 97]. Sociologists no longer had to content themselves with the study of “non-economic barriers” to development but could instead take on the key question of “rational, efficient economic activity” [Hoselitz 1952, 14] as well.

The consequences were at best ambivalent, however, for in their effort to exorcise the ghost of Parsons from their subfield the radicals wound up embracing the “economistic fallacy” [Polanyi 1977; Somers 1990] of universal market rationality. Thus, Immanuel Wallerstein acknowledged “that, in the absence of specific social pressure to the contrary, men will tend to define their self-interest in terms of expanded personal consumption” [Wallerstein 1971, 359]. Andre Gunder Frank derided the very notion of a “traditional society” devoid of self-regulating markets [Frank 1970; see also Frank and Gills 1993]. And their radical contemporaries hewed so closely to the assumption of individual utility maximization that by the late 1970s Dudley Seers felt the need to highlight the unanticipated “congruence of Marxism and other neoclassical doctrines” [Seers 1979; see also Leys 1986; Dodgshon 1977; Schwartz 2007].

Economic reductionism was by no means the only alternative to the Parsonian division of academic labor, however, for the discipline as a whole was beginning to treat rationality as a “variable to be explained” [Stinchcombe 1986, 7] by way of reference to social structure rather than an assumption to be invoked by neoclassical economics. While the consequences included the so-called new economic sociology’s “campaign to regain lost territory” [Ruttan 2001, 24], they were all but foregone by sociologists of development who denied the importance of noneconomic relationships [Frank 1998, 19] and refused “to budge from the level of global generalization” [Portes 1997, 233].<sup>3</sup>

The point is less to defend the modernization theorists than to recognize that their critics have embraced a reductionist portrait of human nature with a questionable sociological pedigree [Skocpol 1977; Stern 1988]. “Reductionism in the service of parsimony is no crime,” they might reasonably respond [see, e.g., Wallerstein 1988,

<sup>3</sup> See Dore [1973] and Evans [1979] for noteworthy exceptions. Evans’ discussion of the cultural constraints on rationality is particularly insightful.

881]. Neither the orthodox economists nor their radical critics are blind to the existence of noneconomic motivations, after all; they are simply unconvinced of their analytical importance. Are they correct? I address the question by reconsidering the sources of social order in the following section.

### **The Sources of Social Order: Self-Interest or Self-Restraint?**

Economists tend to portray social order as a product of self interest. “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner,” wrote Adam Smith, “but from their regard to their own interest” [Smith 1999, 19]. His descendants tend to agree, and Avner Ben-Ner and Louis Putterman have therefore gone so far as to admit that much of modern “economics can be seen as an elaboration of Smith’s celebrated remark” [Ben-Ner and Putterman 1998, 359].

The limits to the economic perspective are nonetheless well known. While rational actors uninhibited by legal or normative prohibitions would in all likelihood pursue their self-interest by means of force and fraud, the emergence and efficacy of legal and normative prohibitions are difficult to reconcile with the self-interested behavior of rational actors [Basu 2001].<sup>4</sup> What, then, prevents a Hobbesian war of all against all? Economists tend to sidestep the question by *assuming* that norms and institutions will facilitate exchange. “Once this is granted,” writes Kaushik Basu, “the efficiency of markets is ensured – barring of course the standard difficulties associated with externalities and returns to scale” [Basu 1983, 2011].

While the origins of norms and institutions would therefore appear to constitute the “big money questions” in the contemporary study of developing societies, and are by all rights “sociological” in nature, they have been all but ignored by development sociologists who have instead scored rhetorical points against their neoclassical rivals by noting that any state (or institutional configuration) capable of ensuring a statically efficient outcome by defending property rights and enforcing contracts could in all likelihood “beat the market” by pursuing industrial policy as well [Lall 1996, 23; Evans 1998, 68; Wade 2003, 634-635]. In fact, Peter Evans recognizes that social order is less the product of self-interest than self-restraint [Evans 1995, 25-28] but nonethe-

<sup>4</sup> A self-interested actor powerful enough to build the appropriate institutions would have little incentive to do so, and a self-interested state elite powerful enough to enforce contracts and property rights would be better off confiscating wealth [Evans 1995; Weingast 1995]. No less an authority than Kenneth Arrow therefore admits that “the model of the *laissez-faire* world of total self-interest would not survive for ten minutes; its actual working depends on an intricate web of reciprocal obligations, even among competing firms and individuals” [Arrow 1982, 271]. Of course, Polanyi [1977] makes a similar point.

less brackets the question of institutional origins in his classic book on states and industrial transformation and instead examines “their impact on subsequent changes in society, more specifically at their impact on industrial organization” [*ibidem*, 41].

The point is less to criticize Evans and his interlocutors than to note that by treating the character of the state as an independent rather than a dependent variable they have played into the hands of their disciplinary rivals – by inviting an all but intractable debate over the merits of different development strategies [see, e.g., Srinivasan and Bhagwati 1999; Rodrik 2005] – and sacrificed a golden opportunity to exploit their own discipline’s comparative advantage in the study of norms, roles, values, and the like [Portes 2006].<sup>5</sup> Cobblers need not stick to their lasts, of course, but they abandon their lasts at their peril.

### **The Nature of National Development: Economic Growth or Social Transformation?**

The classical sociologists portrayed development as a process of *social* transformation: the subordination of feudalism to capitalism; the substitution of organic for mechanical solidarity; and the “disenchantment of the world” by rationality and science. While their descendants pay lip service to the classics, they rarely study social transformation in the classical sense of the term. On the contrary, they tend to study variation in growth rates across countries and over time [see, e.g., O’Hearn 1989; Arrighi *et al.* 2003; Firebaugh 2003] and in so doing mimic the mainstream economists they so often criticize [Crowly *et al.* 1998].

Growth econometrics are notoriously challenging, and the existing literature is therefore bedeviled by measurement [Kurtz and Schrank 2007], identification [Srinivasan and Bhagwati 2001; Rodrik 2005], and specification [Durlauf *et al.* 2005] errors. But the sociological contributions to the literature are particularly problematic, for they are also decoupled from both classical sociological theory and more recent attacks on the idea that the “systematic rank ordering of societies, on some dimension of problem-solving capacity, is feasible” [Granovetter 1979, 489]. The paradoxical result is that the study of national development is perceived as marginal to a discipline that claims Marx, Weber, Durkheim as its founders [Portes and Kincaid 1989, 481].

The problem is not with studies of growth per se but with their decoupling from the broader sociological tradition. Solutions might include the construction of

<sup>5</sup> A focus on norms and values has the added advantage of expanding the repertoire of available policy instruments to include not only measures that change individual incentives (i.e., costs and benefits) but also measures that “inculcate in human beings suitable values” [Basu 1983, 2012].

“observable social-structural indicators of what it is that grows with the growth of capitalism” [Stinchcombe 2003, 413] or the deployment of more precise indicators of the alleged sociological sources of economic growth and development [Evans and Rauch 1999]. But they should complement rather than substitute for studies that temper our obsession with growth in the first place by focusing on more “sociological” explananda including – but by no means limited to – social mobility [Torche 2005], anomie [Hagan *et al.* 1995], entrepreneurship [Schrank 2008], rationalization [Schrank 2009], and the like.

## Conclusion

Sociologists of development have achieved the all but impossible feat of rendering themselves marginal to both development theory and sociology. How did a subfield that had assumed responsibility for the study of “non-economic factors” in development [Hoselitz 1952, 10] in the 1950s lose influence at precisely the moment when non-economic factors began to loom so large in the development policy debate? My admittedly amateur intellectual history identifies three critical processes: the overreaction to modernization theory’s portrait of developing country irrationality and the corresponding embrace of the economic fallacy; the mimicry of economics and the corresponding invocation – rather than explanation – of institutions; and the study of growth rates and the corresponding redefinition of development. If development sociologists are to outgrow their malaise, I argue, they will have to reconsider these processes and their legacies and re-embrace the classical tradition.

They will not be starting from scratch. The classical tradition is venerable. Economics is vulnerable. And the new economic sociology has made meaningful progress in taking back territory already [Ruttan 2001]. Development sociologists would therefore be well advised to exploit and build upon these achievements in the years to come. Otherwise they will continue to lose ground in both the discipline and the social sciences as a whole.

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Schrank, *The Sociology of Development and the Development of Sociology*

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Abstract: Over the course of the past half century sociologists of developing societies have achieved the all but impossible feat of rendering themselves marginal to both mainstream development theory and contemporary sociology. This article offers a diagnosis and a prescription. On the one hand, it traces the halting progress of development sociology to a lack of disciplinary self-confidence that manifested itself in an unacknowledged tendency to imitate – rather than challenge – mainstream economic perspectives on three key issues: the universality of individual rationality, the sources of social order, and the nature of national development. On the other hand, it concludes that sociologists of development can best revitalize their subfield by re-engaging and building upon the classical tradition to study not only economic growth but more “sociological” explananda – like mobility, entrepreneurship, and rationalization – as well.

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*Keywords: economic development, social order, sociology, rationality, modernization.*

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