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**Alejandro Portes, Economic Sociology. A Systematic Inquiry. Princeton: Princeton University Press, 2010, 320 pp.**

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## Book reviews

### **Alejandro Portes, *Economic Sociology. A Systematic Inquiry*. Princeton: Princeton University Press, 2010, 320 pp.**

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Do we need another systematic book on economic sociology? Since the Granovetter's paper on embeddedness the field has expanded considerably, both empirically and theoretically, and a number of handbooks and review papers have been published. Scholars seem to agree on few key core concepts (e.g. embeddedness, social exchange, institutions) and on a list of main topics to be investigated (e.g. work, innovation, markets). Is there something new to add to this state of affairs? Portes seems to think there is. His book – a collection of ten chapters on key topics of economic sociology – is an attempt to clarify the constitutive elements of economic sociology. Portes thinks that the discipline has gone through a loss of direction [p. 1] and that a broad discussion on its core elements is imperative. These elements are: i) meta-theoretical principles; ii) explanatory mechanisms; iii) strategic sites of inquiry. Portes argues that in the vast majority of treatises of economic sociology these three elements are unevenly mixed in the concepts of embeddedness. Before analysing these three points, the Author [Chapter one], following Weber's methodological guidelines, argues that economic sociologist should take more seriously the Weber-Merton way and build midrange ideal types, which “represent the core of economic sociology” [p. 5].

In Chapter two, three assumptions or “meta-theoretical principles” that ground the field are illustrated and discussed. These are the social embeddedness of the economy, the unexpected consequences of purposive action and the pervasive influence of power. Despite their differences, these assumptions “posses a commons status because of their high level of abstraction and general unfalsifiability” [p. 13]. With regard to the first one, Weber, Polany and Granovetter highlighted the social nature of economic exchange: values, social approval, status, social structure and interaction combine in a multiplicity of ways in concrete exchange and modify what are supposed to be economically rational actions. Just because actions are socially embedded, Portes goes on, “the end point may be quite different from that originally anticipated” [p. 18]. This is the second general principle of the field and Merton is clearly the focal reference point. Portes identifies five different alternatives to the standard “linear purposive action” schema: i) the real goal is not the apparent one; ii) the real goal is not what the actors actually achieve; iii) the real goal emerges from the situation itself; iv) the original goal is real, but the end state is contrary to its intent; v) the original goal is real, but it is achieved by an unexpected combinations of events. Each model is illustrated through examples taken both from classical and contemporary works [pp. 20-24]. Finally, the third general assumption of the field is power. Portes carefully underlines that power is different from embeddedness and criticizes contemporary economic sociology for its neglect of power. These three principles lead to a number of lower-level concepts or explanatory mechanisms and strategic sites of inquiry.

Chapter three to chapter six explore what Portes labels the “explanatory mechanisms” of the field, namely social capital, social institutions, and social class. Is should

be stressed that from these chapters onwards the book becomes deeper and more innovative. The first two chapters are just a summary of well-known points, while the rest of the book deal with familiar concepts in an innovative way. Put succinctly, social capital flows out of embeddedness at a lower level of abstraction and unexpected consequences of rational action are caused by social capital for it gives rise to informal bonds, sympathies and enmities among role occupants. This is really a key point, since it forces us to clarify the multiple and surprising connections between formal organization/instrumental rationality and informal settings/prosocial expectations. In this chapter Portes recalls many claims of his previous work of social capital such as individual vs. collective benefits, sources vs. consequences, positive effects vs. downside. Two examples from the field of immigration follow: i) the bounded solidarity among members of a particular group who find themselves affected by common events in a particular time and place, as in the case of the Miami riots triggered by the shooting of two African American cyclist by a Colombian-born policeman and ii) the entrepreneurial enclave among immigrants in the New York City Dominican community. The second explanatory mechanism is the concept of institutions [Chapter four]. As social capital, this concepts also has multiple and often divergent meanings. As the Berkeley economist Gerald Roland said in 2004 “we are all institutionalist now” [p. 49]. But do we univocally know what do the concept of institutions mean? For Portes, institutions are “the symbolic blueprint for organizations. They comprise the set of rules, written or informal, governing relationships among role occupants in organizations like the family, the schools; and the other major institutionally structured areas of social life: the polity, the economy, religion, communication and information, and leisure” [p. 55]. Cultural and structural elements – along with their causal connections – need to be included in a general framework to understand the role institutions play in shaping social and economic outcomes. Portes offers two examples relating to the advent of institutionalism to the field of economic development: i) the failure of institutional monocropping, ii) the privatization of the Mexican Economy. To these he adds a discussion on the problem of institutional change [pp. 63-67] and a summary of the different but complementary perspectives on institutions offered by political-economy, neo-institutionalism and new economic sociology [pp. 67-70]. Chapter five and six deal with the issue of social class. Portes criticizes three fallacies of class analysis (realist, classless and reification) to endorse a view based upon four insights [p. 79]: i) durable inequalities define the “deep structure” of social phenomena; ii) classes are defined by their relationship to one another; iii) classes are defined also by differential access to power; iv) class position is transmissible across generations. These basic assumptions are translated in a classification of social classes (Grand Capitalist, Capitalist, Rentiers, Elite Workers, Common Workers, Petty Entrepreneurs, Redundant Workers), which is applicated both to describe large-scale economic change and to the specific issue of labour immigration [pp. 89-95 and 95-100]. Chapter six extend this analysis to the effect that neoliberal reforms had to Latin America class structure. Portes thus shows that today the subordinate classes comprise approximately 80 percent of Latin American population. The unequal distribution of wealth in Latin America is thus reframed in terms of class analysis, showing both the huge disparities in income between the dominant class and the rest of the population and a wide variation of these disparities across countries [pp. 112-121]. In the final

pages of this chapter, Portes applies Merton's analysis on "Social Structure and Anomie" to show how the increase in crime and violence in Latin America can be accounted by the fact that "desiderable standards of modern consumption were broadcasted for all to see and want, while the means to attain them were available to only a few" [p. 121].

Chapter seven, eight and nine discuss the three strategic research sites: the informal economy, ethnic enclaves and middlemen minorities, and transnational communities. For each field, the Author summarizes the pertinent literature, illustrates the empirical evidence and offers an original explanation of facts and trends. The explanatory mechanisms (social capital, social institutions and social class) are thus combined with the meta-assumptions (social embeddedness, unexpected consequences, power) to concrete research topics. Finally, the last chapter illustrates how this toolbox can be fruitfully applied also to illuminate a key theme of contemporary economic sociology: the sociology of markets.

Having summarized the book, we can now return to the initial question. Do we need another systematic book on economic sociology? My answer to this point is yes, but we need to figure out that this book is not "just" an economic sociology book. Portes deal with general issues about epistemological issues that span the boundaries of the discipline. His arguments about explanation and prediction [pp. 6-9], for instance, may well be applied to a sound sociological explanation in general. Furthermore, it must be stressed that Portes expands the domain of economic sociology to political sociology and sociology of development. This is key, since there is a trend in contemporary economic sociology to narrow its focus on few themes (such as innovation, firm and labour market) through the lens of network analysis. To stand out against this trend, Portes's line looks closely at development issues and offers an institutional perspective on their explanation. Another merit of Portes is the reintegration of class analysis and large-scale inequalities in the field of the discipline. Class analysis and stratification represent surely a major accomplishment of contemporary sociology, but their contribution to the explanation of large-scale inequalities can be enhanced by economic sociology toolbox. For all these reasons, I also think that the book can be fruitfully used as student's handbook to teach economic sociology, comparative political economy and sociology of development.

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