itself can be tantamount to violence, ravaging the mind and the body. Poverty also provides the context for the brutal interactions between individuals under extreme pressure or exploiting vast power differentials. Young men exchange gunfire. Women and girls are raped and beaten by their boyfriends and families. Bourgois and Jeffrey Schonberg (2009), for example, liken the homeless encampment of heroin users they studied to an “ethical gray zone” in which violence was ubiquitous.

Violence creates special challenges for communities and criminal justice agencies. It tears at the social bonds that hold communities together. Violence is a social problem ready-made for a criminal justice solution, satisfying our appetite for moral judgment and punishment. Violence looms in the background as a rival explanation that must be explored. To what degree does violence form part of the context in which Central Division embarks on an aggressive program of policing? The book says little about the problem of violence one way or the other; but for those who are interested in reform, the social problem of violence in disadvantaged communities poses one of the biggest obstacles to a non-punitive and socially integrative criminal justice.

Poor communities and attempts to manage them now stand at a crossroads. Wars on drugs and crime are being discredited. Incarceration rates are falling. Community advocates have forced a national conversation about race and policing. At the same time, public assistance for the poor has become more stingy and conditional on employment. The poorest who have dropped out of the labor market are, for the most part, on their own. Down, Out, and Under Arrest provides a penetrating snapshot of this juncture and sees hope in community activism. But while activists might resist intrusive policing, solutions to the problems of neighborhood poverty, homelessness, and violence remain elusive in communities like Skid Row.

References

How to Think like an Economic Sociologist

According to Google Scholar, over his long and distinguished career Mark Granovetter has written a remarkable number of “blockbuster” publications, with two very influential articles at the top of the list: “The Strength of Weak Ties” (Granovetter 1973) and “Economic Action and Social Structure” (Granovetter 1985). These have generated more than 43,000 (!!) and 34,000 (!) citations, respectively. Even without Google Scholar’s “big data,” however, almost all sociologists would recognize Granovetter’s seminal contributions to network analysis and economic sociology, among other topics. With

this kind of bravura performance, what
could he possibly do for an encore? The
answer is contained in a new book, *Society
and Economy: Framework and Principles*. The
title says it all: this summary work draws
on a lifetime of research and outlines Grano-
vetter’s approach for how we might best
understand the entanglements of economy
and society. It is a relatively short book,
too. A following volume promises to present
fuller applications of the framework, so
readers are encouraged to stay tuned.

The ghost of Nobel prize-winning econo-
mist Gary Becker haunts some of the argu-
ment, but Granovetter is at pains to avoid
simply replacing Becker’s “economics impe-
rialism” (e.g., Becker 1976) with a sociological
equivalent. Instead, Granovetter borrows
ideas without great concern about their intel-
lectual ancestry and is generally uninterested
in policing disciplinary boundaries; he is
a pragmatist rather than an imperialist and
embraces multiple loosely coupled ideas
rather than a unitary edifice of common
assumptions and axiomatic propositions. Nor
does he want to attribute fundamental
causal priority to one level of society only
(e.g., social networks cause the economy):
nothing is reliably base, nor is anything
always superstructure (p. 135). Inspired by
his 1985 article, many sociologists made dis-
agreement with economics the rallying cry of
the new economic sociology. Early findings
from behavioral economics (e.g., Kahneman
and Tversky 1979, Tversky and Kahneman
1986) simply reinforced, with evidence,
sociological critiques of the rational choice
theory at the heart of neoclassical economics.
But Granovetter has decided that a positive
program for economic sociology is better
than a negative one. Even when true, saying
that economics is wrong is getting to be a
tired talking point.

Granovetter maintains a critical perspec-
tive and opposes various forms of reduction-
ist, functionalist, and culturalist explanations
(pp. 3–11). He wants to explain three levels of
economic phenomena: individual action,
economic outcomes, and economic institu-
tions (or micro, meso, and macro levels). He
restates his critique of “under” and “over”
socialized conceptions of human action and
updates his 1985 “embeddedness” thesis,
which originally focused on networks, to
mean “the intersection of economic with
noneconomic aspects of society, including
not only social networks and their conse-
quences but also cultural, political, religious,
and broadly institutional influences” (p. 15).

Network embeddedness is itself split into
different categories: relational embedded-
ness, structural embeddedness, and tempo-
rnal embeddedness. The first concerns the
specific relations that an individual has
with others, the second concerns the impact
of the overall structure or architecture of
social networks, and the third marks the tem-
poral durability of human interaction: for
example, a social relationship may lie dorm-
iant for years but become quickly and fully
reactivated if the situation warrants. The
individuals who are embedded in these
ways have different kinds of motivations.
Their actions can be instrumentally rational,
or not, ego-oriented, or not, and economically
or socially oriented. These three distinc-
tions create eight different motivational
combinations. One particular configuration,
ego-oriented instrumentally rational action
in pursuit of an economic purpose, charac-
terizes classical *homo economicus*, but clearly
there are other motivational configurations
that animate human action in the economy.

Chapters Two, Three, and Four of the book
consider the importance of norms, trust, and
power for economic phenomena. The discus-
sion reflects Granovetter’s deep skepticism
that either individual rationality or some
efficiency-enhancing evolutionary process
can explain norms, trust, or power. He show-
cases what a distinctly sociological approach
can offer. Norms concern popular concep-
tions about the proper and appropriate way
for people to behave. They are shared and
informally enforced and do not operate in
isolation from each other. Breaching a norm
can provoke intense emotional reactions of
shame and anxiety, and so enforcement is
often as much a matter of internal psycholo-
gy as external social sanctioning. And
ever since E. P. Thompson’s famous article
about moral economies (Thompson 1971),
researchers have known that norms apply
to economic action. “Price gouging” and
“predatory lending” are but two normative-
ly laden terms that denote market activity
that is widely deemed to be inappropriate,
even if it is perfectly legal. People often
make such normative judgments by comparing economic behavior to a reference transaction that “anchors” the interpretive frame. But the effects of norms on action are complex and seldom akin to simply following a rule. Rather, they are contingent on overlapping and reticulated social group memberships that shape the appropriateness of systems of norms. Granovetter particularly contests the idea that norms only become influential in the context of small, solidaristic communities, and he recognizes that the relationship between norms and rational self-interest remains an unresolved albeit important issue (p. 34).

Trust is the topic of Chapter Three. As many have recognized, trust makes an economy easier to operate. An economy that operates pervasively on a standing of caveat emptor (and its complement, caveat venditor) is one paralyzed by mistrust. Granovetter notes that there are almost as many definitions of trust as there are reasons for people to trust. Out of a large and growing social science literature, he identifies five sources: trust based on knowledge of another’s interests, trust based on personal relationships, trust based on group membership and social networks, trust based on institutions, and trust based on norms. There are many circumstances where one person trusts another, but it is never the case that the other is trusted because her actions are completely predictable (p. 74): that level of certainty is unknown in the social world. As with norms, Granovetter objects to the popular idea that small, solidaristic communities are uniquely able to create high levels of trust, or that in large-scale societies people evidence a generic level of trust in relation to all strangers. Such generalities risk resurrecting simple contrasts like gemeinschaft versus gesellschaft. They also overlook the real possibility that socially compact networks can be geographically and organizationally dispersed in a way that exploits “small worlds” network structures (Watts and Strogatz 1998). Whether I trust perfect strangers may not matter so much if I happen to know a guy who knows a guy.

Chapter Four deals with power, a core idea within sociology but one that economics generally avoids except when it is preceded by “electrical,” “bargaining,” or “statistical.” Granovetter identifies three sources of power: dependence, legitimacy, and “definitions of the situation.” His discussion of the first taps a rich sociological literature that focuses on control over resource flows as the basis for power. Person A has power over person B to the extent that she controls resources that person B needs or values. Following Weber, power based on legitimacy recognizes that sometimes person B’s obedience of person A is based on B’s belief that A’s power over B is right and proper. Whether A directly controls resources doesn’t matter since B voluntarily complies with A. In the third instance, A exerts power by setting B’s agenda or by framing the discourse through which B comprehends alternatives and interprets her situation. Granovetter then considers the circumstances under which an individual wields one or more of these types of power, and as a sociologist he is skeptical that power can be explained on the basis of individual characteristics. Instead, he favors consideration of how power derives from network position. Early research suggested that network centrality bestowed power, but later research showed that it depended on whether the network of exchanges was positive or negative (p. 105). The key question concerned whether transacting with one partner facilitated (positive) or precluded (negative) exchanges with others.

Another relevant network feature concerns brokerage. Bridging what Ron Burt (1992) calls a “structural hole” puts an individual broker in a position of strength, able to mediate between two (or more) social groups who are otherwise disconnected (except indirectly through the broker). Of course, if those separated groups do not wish to transact with each other, then the broker has no opportunity to exploit and gains no power. And if separated groups strongly wish to transact, they have an incentive to bypass the broker and deal directly with each other. Under such circumstances, structural holes have a tendency to disappear, along with the broker’s power, unless the broker successfully keeps separated groups apart. This dynamic tension characterizes many arbitrage situations where entrepreneurs exploit and maintain separate “spheres of exchange” (pp. 112–113).
Granovetter extends the discussion of brokerage to “small worlds” networks and then very adroitly links it all to C. Wright Mills’s classic discussion of power elites. He closes the chapter by underscoring the importance of the social, political, and institutional conditions that enable some to possess power. Neither individual nor structural characteristics automatically bestow power: rather, their efficacy depends on the congruence between these characteristics and the larger context.

In Chapter Five, Granovetter builds on his discussion of norms, trust, and power to consider social institutions. He summarizes some familiar ideas about institutional logics and fields, approvingly notes that they increasingly address both the normative and cognitive aspects of human activity, and points out a number of key issues: how to discern multiple logics and their various boundaries (social, temporal, and geographic); how to acknowledge the “non-monolithicity” of a given logic; how to link abstract logics to the behavior they ostensibly engender; and how to recognize that actors often creatively draw on multiple logics at the same time. Granovetter uses Claude Lévi-Strauss’s famous notion of bricolage to denote the latter process, with an added dose of pragmatism. He shows his conceptual finesse in an interesting discussion of the rise of modular production in the contemporary global automobile industry. As a production strategy, modularity was borrowed from the computer industry and seemed to offer a universal solution to the coordination problems that lead firms (OEMs, or original equipment manufacturers) had with their first- and second-tier suppliers and which had frequently required highly embedded ties reliant on much tacit knowledge. Modularity was supposed to simplify matters and enable more arms-length contracting. But that is not how things turned out—modularity worked best when suppliers and OEMs were bound by dense, embedded ties (p. 167), quite the opposite of what modularity advocates expected.

Chapter Six returns to the fact that individuals often act at the interface of multiple social institutions and are guided by multiple logics. Social action is almost never mono-logical. When confronted by a problem, people sometimes recognize that multiple definitions of the situation are possible and that for them it is a matter of figuring out which one to adopt. Or they might transpose a solution from one institutional sphere to another and redeploy it in a new way. Or they can selectively adopt elements from multiple institutions and mix them together, forging a solution out of the new combination. In all three possibilities, people work from a finite repertoire shaped by the social and institutional context in which they operate.

Chapter Six is the last chapter, but it has none of the typical features of a conclusion: no fanfares, drumrolls, beating of dead horses, recitation of lessons learned, conceptual crescendos, or inspirational and heartfelt calls for further research into some curiously neglected topic. Despite the lack of a concluding chapter, it is hard to complain that this work is incomplete knowing that a second volume is still to come. Given the vast social science literature that focuses on the economy, Granovetter has necessarily left much research undiscussed. Some of it surely awaits Volume Two, and critics will risk embarrassment if they take him to task for overlooking something only to find that Volume Two gives that very topic the full treatment.

He does not survey everything, but Granovetter nevertheless covers a lot of important ground in a succinct (dare I say “economical”?) fashion. Today many literature surveys read as if they have been produced by Amazon’s Mechanical Turk, reflecting researchers’ increasing reliance on citation indexing software, willingness to outsource reading to research assistants, and an unfortunate fondness for the passive voice. This is greatly to be regretted. By contrast, it is clear that Granovetter has been doing his own critical and wide-ranging reading for decades and has accumulated a stockpile of gems well-suited to make an analytical point or illustrate an empirical puzzle. In this book, he shares with readers his erudition, clarity of exposition, and a few bibliographic treasures. Sociologists will surely benefit from their (re)introduction to the likes of Fredrik Barth, Naomi Lamoreaux, E. P. Thompson, and Allan Silver.

Some readers will be unhappy that Granovetter doesn’t seem au courant because he
hasn’t cited the latest issues of the *American Economic Review* or the *Journal of Political Economy*. Does this make his discussion dated? Hardly. The ideational core of economics is a durable one; and, duly updated with bells, whistles, and methodological tweaks, it animates the very latest work. Indeed, some of what is current in economics is already familiar in other disciplines. RCT methods may be popular in development economics, but they are not new elsewhere (e.g., Campbell and Stanley 1963). Behavioral economics is pretty hot, but it bears more than a family resemblance to the Carnegie School from the late 1950s (e.g., March and Simon 1958). And causal identification and inference? Please. We’ve all been wrestling with that one since David Hume. Granovetter deeply engages the durable core of economics even if he declines to comment on some of the most recent twists.

Granovetter attributes to economic actors a deeply pragmatic sensibility: they face problems and draw on a repertoire of social, conceptual, and material resources to solve those problems. They are not predetermined in their choices by institutional logics or norms, nor are they calculative rational actors who always seek to optimize. Instead, economic action involves bricolage: a creative and situationally specific response that draws on and combines multiple resources. One is tempted to say that economic actors make choices, but not under circumstances of their own choosing. And Granovetter’s own explanatory framework is offered very much in the same spirit: he presents a conceptual repertoire with which we sociologists might solve research problems. How to explain this? How to understand that? In this respect, I was reminded of Arthur Stinchcombe’s wonderful book *Constructing Social Theories* (1968), which similarly eschews High Theory in favor of good, useful ideas.

Granovetter is writing a two-volume book rather than an encyclopedia; and so, as capacious as this format may be, some interesting topics will undoubtedly get left behind. Rather than an exhaustive compendium, what readers receive is a valuable conceptual tool kit with which to do economic sociology. And if Granovetter leaves some issues alone, then that is simply an invitation for others to take up his tools and have a try themselves. I say bravo to him and personally can’t wait for Volume Two.

**References**


