

# Economic Sociology

Subjects: [Sociology](#)

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Economic sociology is a subfield of sociology that examines the social foundations of economic behavior, institutions, and systems. Unlike mainstream economics, which primarily relies on mathematical models and rational-choice theories, economic sociology explores how social structures, cultural norms, power relations, and historical contexts shape economic life. This field integrates insights from classical sociology (Karl Marx, Max Weber, Émile Durkheim) and has evolved to include contemporary debates on markets, globalization, capitalism, economic networks, and financial crises. Economic sociology is concerned with topics such as labor markets, economic inequality, social capital, consumer behavior, and the role of institutions in economic development.

Economic Sociology

Cultural Economy

Labor and Work

Class and Economic Inequality

## 1. Introduction

Economic sociology seeks to understand how economic activity is embedded in social relationships, institutions, and cultural norms. While traditional economics assumes that individuals act rationally and independently to maximize utility, economic sociology challenges this assumption by arguing that economic actions are shaped by social structures, historical contexts, and institutional constraints <sup>[1]</sup>.

Economic sociology has two major traditions:

1. Classical Economic Sociology: The works of Karl Marx, Max Weber, and Émile Durkheim laid the foundation for understanding the relationship between the economy and society.
2. New Economic Sociology: Emerging in the 1980s, this perspective, led by scholars such as Mark Granovetter and Viviana Zelizer, emphasizes the role of networks, culture, and social institutions in shaping economic life.

## 2. Theoretical Foundations of Economic Sociology

### 2.1 Karl Marx: Capitalism and Class Conflict

Karl Marx <sup>[2]</sup> argued that economic systems are fundamentally shaped by class struggle. In *Capital*, he introduced the concept of historical materialism, which suggests that the mode of production (e.g., capitalism, feudalism) determines social relations and class structures. Marx emphasized how capitalist economies generate inequality by concentrating wealth among the bourgeoisie (owners of production) while exploiting the proletariat (working class).

## 2.2 Max Weber: Rationalization and the Spirit of Capitalism

Weber <sup>[3]</sup> explored how cultural values and religious beliefs shape economic behavior. In *The Protestant Ethic and the Spirit of Capitalism*, he argued that Protestant ethics—such as hard work, frugality, and individualism—helped develop modern capitalism. Weber also examined bureaucracy and rationalization, showing how economic institutions are structured by formal rules and efficiency-driven practices.

## 2.3 Émile Durkheim: Division of Labor and Economic Solidarity

Durkheim <sup>[4]</sup> studied how industrialization transformed economic life. He distinguished between mechanical solidarity (pre-industrial societies with shared values) and organic solidarity (modern societies with specialized labor divisions). He argued that economic stability depends on moral regulation and social cohesion.

# 3. The Social Embeddedness of Economic Activity

## 3.1 Mark Granovetter: Networks and Embeddedness

Granovetter <sup>[5]</sup> introduced the concept of embeddedness, arguing that economic transactions are not isolated but embedded in social networks and relationships. He showed that personal connections (strong and weak ties) influence hiring, trade, and investment decisions.

## 3.2 Pierre Bourdieu: Economic and Cultural Capital

Bourdieu <sup>[6]</sup> examined how economic success is influenced by cultural capital (education, tastes, and social habits) rather than just financial assets. He argued that economic inequality is maintained through cultural reproduction in institutions like schools and businesses.

## 3.3 Viviana Zelizer: The Social Meaning of Money

Zelizer <sup>[7]</sup> challenged the idea that money is a neutral medium of exchange, arguing that it carries social and cultural meanings. She demonstrated how people assign different values to money in personal relationships, philanthropy, and markets.

# 4. Key Topics in Economic Sociology

## 4.1 Labor Markets and Workplace Dynamics

Economic sociology examines how social networks, discrimination, and institutional structures influence employment and wages <sup>[8]</sup>.

## 4.2 Economic Inequality and Class Structure

Economic sociologists analyze how wealth, income, and social mobility are distributed across societies [9].

### 4.3 Globalization and Economic Transformation

Globalization has reshaped economies through outsourcing, migration, and international trade, creating new economic hierarchies [10].

### 4.4 Digital Economy and Platform Capitalism

New economic sociology explores how digital platforms (e.g., Uber, Amazon, Airbnb) create new labor markets and economic models [11].

## 5. Conclusion

Economic sociology provides critical insights into how social structures, cultural norms, and power relations shape economic activity. By moving beyond rational-choice economics, this field explores how capitalism, labor, globalization, and digital transformations impact societies. Future research will focus on AI-driven economies, climate change, and financial crises, highlighting the continued relevance of economic sociology in understanding contemporary economic challenges.

## References

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