

Session 10 – Economic sociology

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53882 (Monday, 3.30 – 5.30 p.m.)

53883 (Monday, 5.40 – 7.40 p.m.)

21/01/2023 – 24/04/2023

Overview of the session

- 1) Presentation of a classical excerpt in sociology (20 min)
- 2) Discussion by the designated discussants (10-15 min)
- 3) Opening of the discussion to the whole class (15 min)
- 4) Short break (10 min)
- 4) Overview of the second mandatory excerpt (30min)
- 5) Work on posters (20 min)



Allocation of presentations and discussions

Date	Session	Text excerpt
24/01	Sociological approaches	
31/01	The individual in social context	Douglas (Mary). Purity and Danger: An Analysis of Concepts of Pollution and Taboo. 2003.
07/02	Norms and deviance	Becker (Howard). Outsiders. 1963.
14/02	Stratification and inequality	Marx (Karl) and Engels (Friedrich). The Communist Manifesto. 1848.
21/02	Identity and identification	Brubaker (Rogers). Trans. Gender and Race in an Age of Unsettled Identities. 2016.
07/03	Urban sociology	Venkatesh (Sudhir) and Levitt (Steven). History and disjuncture in the urban American street gang. 2000.

Allocation of presentations and discussions

Date	Session	Text excerpt
14/03	The family	Edin (Kathryn) and Kefalas (Maria). Promises I Can Keep: Why poor women put motherhood before marriage. 2005.
21/03	Religion	Snow (David) and Machalek (Richard). "The convert as a social type". 1976.
28/03	Education	Khan (Shamus). Privilege: The Making of an Adolescent Elite at St Paul's School. 2001.
04/04	Economic sociology	Esping-Andersen (Gøsta). 'Hybrid or Unique?: The Japanese welfare state between Europe and America'. 1997
11/04	Society and the state	Dubois (Vincent). The bureaucrat and the poor. Encounters in French Welfare Offices. 1999.
18/04	Movements and revolutions	McAdam (Douglas). The Biographical Consequences of Activism. 1989.

Presentation of a classical excerpt in sociology

Today's presentation is on:

Esping-Andersen, G. 1997. 'Hybrid or Unique?: The Japanese welfare state between Europe and America', *Journal of European Social Policy*, 7(3), pp.179-89.







Economic sociology

Economic sociology is not to be mixed-up with a general sociology of the economy.

A **general sociology of the economy** is a sociology of the capitalism as an economic and social system. It is a social economy science or *sozialökonomische Wissenschaft* in the words of Max Weber.

Economic sociology deals with critically observing the social facts identified by the economic science, on a radically different and a rather new type of institutional analysis.

Economic sociology

“In Max Weber on the Methodology of the Social Sciences, in which he examines the respective methods of the natural sciences and the sciences of culture, Max Weber puts an end to the quarrel of methods (methodenstreit) by showing both that economic science is not pure speculation and that its laws are not natural laws, but ideal-types whose predictive value is limited because of their great generality.”

Translated from Benoît Lévesque (2006)

Granovetter (Mark). Getting a Job. 1995

“In short, economic sociology can be defined as ‘the set of theories that attempt to explain economic phenomena on the basis of sociological elements’ (Swedberg, 1994) or as a discipline capable of ‘thinking sociologically about economic facts’ (Gislain and Steiner, 1995).”

Translated from Benoît Lévesque (2006)

Granovetter (Mark). Getting a Job. 1995

Mark Granovetter is an American sociologist and professor at Stanford University.

He is best known for his work in social network theory and in economic sociology particularly his theory on the spread of information in social networks in *The Strength of Weak Ties* (1973). He is also known as the leader of the new economic sociology.

These works elaborate on the concept of embeddedness, which states that economic relations between individuals or firms take place within existing social relations and are thus structured by these relations.

Granovetter (Mark). *Getting a Job*. 1995

In *Getting a job* (1995), he takes up Karl Polanyi's concept of embedding. In short, the thesis of embeddedness is that economic exchanges pass through social relations.

Mark Granovetter is particularly interested in structural embedding, that is in the structure of the networks (rather than in the nature of the links between individuals). In other words, the nature of the links designates the type of relationship (such as love, friendship, being a colleague, etc.) while the structure of the network designates the configuration of the links (who has links with whom).

Granovetter (Mark). *Getting a Job*. 1995

The main question in *Getting a Job* (1995) is: how do individuals find jobs?

He distinguishes two types of causes depending on the time-frame:

- short-term causes;
- long-term causes.

Cross-cutting the causes, he also distinguishes two types of scales:

- micro-scale;
- macro-scale.

Granovetter (Mark). Getting a Job. 1995

In the first chapters of the book, he focuses on short-term causes:

1. In what types of interpersonal situations was job information passed?
2. How were personal contacts connected to respondents and to the job information which they offered?
3. What motivated contacts to offer job information and what characteristics of interpersonal relations and networks facilitated the movement of such information from its source to its ultimate destination?
4. How did there come to be, in the first place, an opening in the job about which information was passed?

Granovetter (Mark). Getting a Job. 1995

He then moves on to study long-term causal questions:

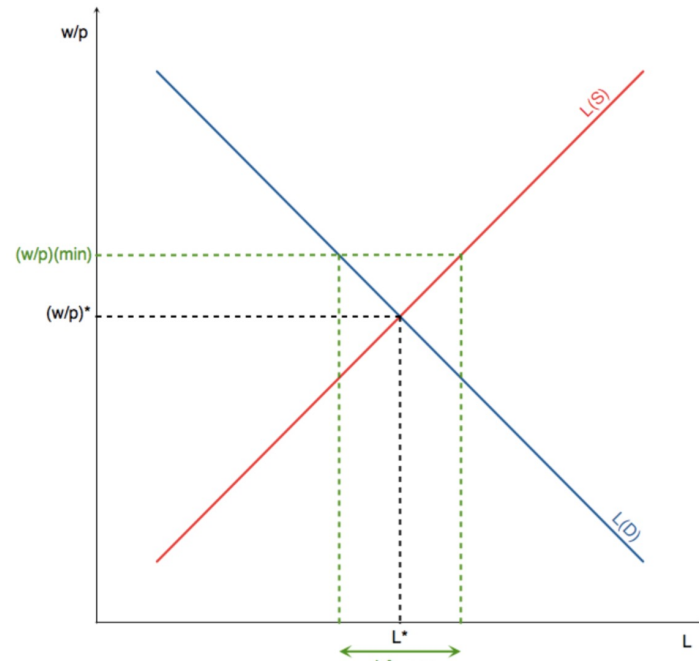
5. How did the respondent originally become connected to the person who ultimately gave him job information, and what characteristics of the individual or of his life history contributed to this connection and its maintenance?
6. What characteristics of a person's career, of his movement through a system of jobs, affected his likelihood of finding jobs through personal contacts?

Granovetter (Mark). Getting a Job. 1995

Figure 1. Dimensions of causality in the transmission of job information.

Scale	Time-frame	
	Short-term	Long-term
Micro	Chapter 1: Situation in which job-information was transmitted	Chapter 5: Origins of respondent-contact tie; how it was maintained
	Chapter 2: Relation of contact to respondent and to job information	
Macro	Chapter 3: Characteristics of relations and networks that facilitated information flow	Chapter 6: Influence of overall career pattern on current job-finding experiences.
	Chapter 4: Causes of vacancy	

Can the job market be studied within standard market theory?



Are there limitations to studying the job market that way?

Can the job market be studied within standard market theory?

In the classic sense labour is a commodity where employers are buyers, employees are sellers and wages define the price of the commodity.

In theory, price disparities between companies will be reduced as employees flow the most lucrative, eventually reaching wage equilibrium.

But classic markets exist only in textbooks.

Can the job market be studied within standard market theory?

“Like perfect commodity markets, however, perfect labor markets exist only in textbooks. Unemployment, obviously, persists. On wage dispersion, a recent text on labor economics summarizes a number of empirical studies by saying that even ‘in the absence of collective bargaining, employers will continue indefinitely to pay diverse rates for the same grade of labor [...] There is no wage which will clear the market’.

Mark Granovetter (1995)

Can the job market be studied within standard market theory?

Table 7. Job-search activity, by career length of respondent.

Searched for present job?	Number of (full-time) jobs held in career				Total
	1	2-3	4-5	6-10	
Yes	93.3%	79.1%	62.1%	81.8%	76.5%
No	6.7%	20.9%	37.9%	18.2%	23.5%
<i>N</i> ^a	15	43	29	11	98
<i>p</i> = 0.11					

^aInterview sample only.

Can the job market be studied within standard market theory?

Table 9. Job-search activity, by level of income of respondent from present job.

Searched for present job?	Income				Total
	Less than \$10,000	\$10,000– 14,999	\$15,000– 24,999	\$25,000 or more	
Yes	75.7%	81.8%	61.0%	56.7%	71.4%
No	24.3%	18.2%	39.0%	43.3%	28.6%
<i>N</i>	74	88	77	30	269
$p = 0.006$					

What can you say from these tables?

Can the job market be studied within standard market theory?

“Several factor militate against perfect labour market. [...] The factor most relevant to the present discussion in imperfection of information.”

Mark Granovetter (1995)

Can the job market be studied within standard market theory?

There are various social and organizational constraints that limit free movement of labour in the economy, the most pertinent being the lack of perfect information.

It seems that most people do not actually search in the formal economic sense (that is by finding and considering opportunities), even more so after their first job or with higher-paying positions. Often it is a colleague that informs them of a particular job. Only 57.4% of individuals actively searched. Sometimes the job-seeker wasn't actively seeking but just keeping his eyes open for possibilities. There are often quasi-seekers and quasi-jobs, jobs that open up if the right person comes along.

Can the job market be studied within standard market theory?

“Job finding is more than a rational process. it is heavily embedded in other social processes that closely constrain and determine its course and results.”

Mark Granovetter (1995)

How do individuals help each other?

It is thus important to understand the role of contacts in the search for a job.

How are contacts building bridges between offer and demand ?

Mark Granovetter distinguishes two categories:

- **family-social contacts**: relatives, friends of the family or social friends;
- **work-contacts**: individuals known from a previous work situation.

How do individuals help each other?

Table 12. Proportion of sample subgroups finding job through family-social contacts.

Subgroup	Used family-social contacts	Total	<i>N</i> ^a	<i>p</i>
Those whose age is—		31.6%	152	0.15
Under 34	38.0%			
34 or over	25.9%			
Those who grew up in—		31.6%	152	0.004
Massachusetts	47.6%			
Other states in North	17.8%			
South and West	28.6%			
Outside U.S.	11.1%			
Those whose job is—		31.4%	153	n.s. ^b
In Newton or contiguous	41.0%			
In Boston-Cambridge	30.0%			
In another community				
in Massachusetts	25.0%			
Outside Massachusetts	0.0%			

^aIncludes only respondents finding current job through contacts.

^bSignificance levels of 0.20 or less are reported; otherwise n.s. (= not significant) is indicated.

What can you say from this table?

How do individuals help each other?

“Younger workers, whose careers are still taking shape, have not yet acquired as large a number of professional colleagues who can be of assistance as have those who have been working fifteen or thirty years.”

Mark Granovetter (1995)

How do individuals help each other?

Table 13. Type of personal contact, by level of income of respondent from present job.

Type of contact	Income				Total
	\$10,000 or less	\$10,000–14,999	\$15,000–24,999	\$25,000 or more	
Family-social	42.9%	28.6%	30.4%	20.0%	31.3%
Work	57.1%	71.4%	69.6%	80.0%	68.7%
<i>N</i>	35	49	46	20	150
<i>p</i> = n.s. ^a					

What can you say from this table?

How do individuals help each other?

“Table 13 shows that jobs in the lowest income category are most likely, and those in the highest, least likely to have been found through family-social contacts.”

Mark Granovetter (1995)

How do individuals help each other?

Job finding is not costing the same type of resources to all workers.

Blue collar workers have time as their main cost, whereas PTM (professional, technical, managerial) workers mostly spend personal contacts “credits” in their search.

Can you try to explain why that is the case?

How do individuals help each other?

“[There is] a strong tendency of family-social contacts to be passing on job information obtained more because of proximity to the situation – working in the same company – than because of any particular control over it. [...] One winds up, even when the method works, having to settle for information that is not really from the ‘inside’ and may eventuate in a less lucrative placement than if work contacts had been available.”

Mark Granovetter (1995)

How do individuals help each other?

Table 14. Contact's connection to job information, by type of contact.

Contact's connection	Type of contact					Total
	Family-social	Work			Colleague in different company	
		Contact was teacher	Contact was employer	Colleague in same company		
Worked in company where job opened up	47.8%	11.1%	4.8%	62.9%	38.5%	39.0%
Was employer	17.4%	33.3%	66.7%	14.3%	50.0%	31.5%
Was business friend of employer	19.6%	44.4%	23.8%	11.4%	11.5%	19.9%
Other	15.2%	11.1%	4.8%	11.4%	0 %	9.6%
<i>N</i>	46	18	21	35	26	146
		<i>p</i> < 0.001				

What can you say from this table?

How do individuals help each other?

In short, most contacts come from family or work. Younger professionals rely more on personal contacts than older professionals. The contact usually is either the employer in the company or an employee of the company.

Individuals of higher status seem to have more personal contacts, but those with access to better jobs are more likely to use work contacts.

One's probability of making a major occupational change is roughly proportional to the percentage of one's personal contacts who are in occupations different from one's own.

Work on posters



For next time...

- Read Scott, J. 1998. Cities, People and Language, in Seeing Like a State. New Haven, Yale University Press.
- Read Dubois V., 2016 [1999]. The bureaucrat and the poor. Encounters in French Welfare Offices, Farnham, Ashgate, Part III ("Questioning the Institutional Order"): pp. 137-139; 150-154; 176-182
- When reading, remember to note the important elements of the text: question asked by the author(s), (hypo)theses of the author(s), methods used, references, writing style, argumentative construction, etc.
- Prepare the presentation and discussion (if concerned)