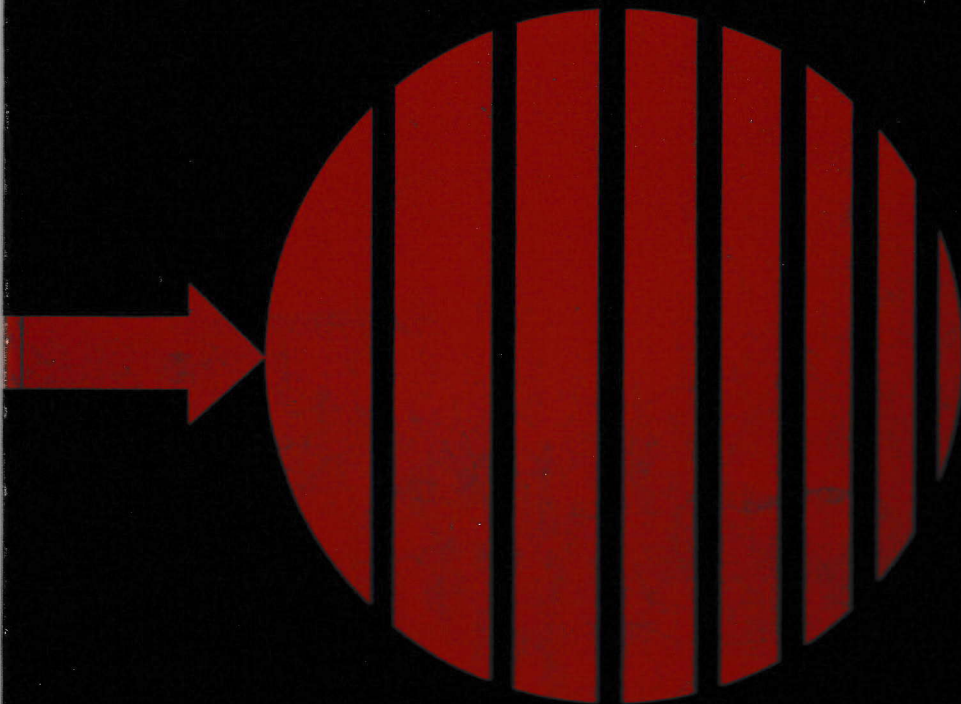


FOUNDATIONS OF MODERN SOCIOLOGY SERIES

**the sociology
of economic life**

NEIL J. SMELSER



Prentice-Hall Foundations of Modern Sociology Series

Alex Inkeles, *Editor*

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preface

As its title reveals, this volume stands between two disciplines. My hope is that it may be a modest contribution to both. For economists, whose research often concerns the relations among economic variables alone, I hope the book will be a reminder of the importance of the social setting in which economic life is embedded. For sociologists, whose research on economic behavior is valuable but very scattered, I hope it will provide a coherent framework for assembling the results of this research.

In preparing these pages, I have been guided by several objectives. I have attempted to give a faithful and accurate representation—within the limitations of space—of the dominant traditions of thought and research in that borderline area between economics and sociology. I have attempted to be as comprehensive as possible—again within the same limitations—in covering these materials. And finally, I have tried to attain clarity of exposition without oversimplifying the necessarily complex ideas at hand.

I envision that this book, by virtue of its interdisciplinary character, may prove useful in several different kinds of courses: (1) For courses in sociology that now go under the title of “Industrial Sociology.” The book provides a base for studying economic life in societies other than the industrial ones. (2) For courses in economic principles and organization. The book is an introduction to the social environment of economic behavior for the student of economics. (3) For courses in general education, which are concerned with

the relations among different traditions of knowledge. (4) For courses in applied subjects like business administration, which must view economic practices in their complex social setting.

In the early stages of preparing this book I carried on helpful conversations with Alfred H. Conrad of Harvard and with Frederick E. Balderston and Harvey Leibenstein of the University of California, Berkeley—all economists—on recent developments in economics that have raised sociological questions. During the summer of 1962, when the writing was in its later stages, Talcott Parsons of Harvard was visiting Berkeley; I benefited greatly from our long conversations on the many issues that arose from his readings of the manuscript. At every stage of my work the criticisms and suggestions of Alex Inkeles of Harvard, general editor of the Foundations of Modern Sociology Series, alerted me to new problems and ideas.

Marvin B. Scott of the University of California, Berkeley, who has taught me much about expressing myself clearly, provided many substantive and stylistic suggestions. The manuscript was processed efficiently, accurately, and with good cheer by Mrs. Pauline Ward and by the staff of the Institute of Industrial Relations, University of California, Berkeley.

Neil J. Smelser

contents

introduction, 1

The Aim of This Book
The Program of This Book

historical developments in economic sociology, 4

one

3. *Sociological Aspects of Economic Life: as Revealed in Economic Thought; as Revealed in Sociological Thought; as Revealed in Anthropological Thought*
A Few Recent Trends in Economics and Sociology

economics, sociology, and economic sociology, 22

two

2. *Economics as a Discipline Sociology as a Discipline*
Research Methods in Economics and Sociology
The Analytic Focus of Economic Sociology
Relations between Economic Sociology and Psychology

the economy and other social sub-systems, 36

three

- 4. *The Concept of System and Sub-system*
- The Concrete Structuring of Economic Activities*
- The Economy and Cultural Factors*
- The Economy and Political Variables*
- Relations between the Economy and Solidary Groupings*
- Social Stratification and Economic Life*

sociological analysis of economic processes, 69

four

- 5. *The Production Process*
- Distribution and Exchange*
- The Process of Consumption*

sociological aspects of economic development, 99

five

- 3. *Several Types of Change Economists' Views of Development Sociological Aspects of Economic Growth Sociological Determinants of Growth Structural Changes Associated with Development Structural Bases for the Role of Government Epilogue: The Case for Economic Sociology*

selected references, 118

index, 119

17.

introduction

The Aim of This Book

To understand and predict any aspect of social life, we cannot ignore economic matters. Take political conflict as an example. A mining town in West Virginia is likely to face recurrent political battles over working conditions, consumer debt, and public welfare. The citizens of a suburban town outside Philadelphia are likely to be preoccupied with school issues, transportation to the metropolis, and tax rates. In a Florida tourist town political conflicts may focus on liquor-licensing, building permits, and the state of recreational facilities. In all three cases distinctive types of political conflict may be traced in part to distinctive economic differences.

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Take friendship as another example. For any given industrial plant it is possible to predict many of a man's friendship choices fairly accurately by knowing where he stands in the economic division of labor. We frequently refer to "managerial cliques" and "workmen's cliques" to indicate that friendships form among those occupying similar positions in productive organizations.

In turn the non-economic aspects of social life affect the economic. By knowing the political conditions of different societies, for instance, it is possible to predict some of the economic activities that will occur in them. American investors traditionally have chosen to invest abroad either in politically stable areas (such as Canada or parts of Europe) or in areas over which the United States exercises strong political influence (such as Latin

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