

Contemporary Economic Sociology

Globalisation, production,
inequality

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Contemporary Economic Sociology

- How are transnational processes re-making contemporary economies?
- Can capitalist globalisation be governed or resisted?
- Do class relations still shape people's social identities?
- How can we think about inequality in national and international contexts?

This text examines key contemporary issues in the sociology of economic life. Drawing on a range of critical perspectives, it analyses major trends in the restructuring of economy and society - from the politics and economics of globalisation to post-industrial economies, the 'end' of class and current patterns of inequality. The book is organised around three core themes: the globalisation of social and economic relations; shifts in the nature of products, production and work; changing class identities and economic inequalities.

Major changes in each of these spheres have re-shaped social and economic relations, structures of power and forms of identity. The book sets these changes in a transnational context, and examines critical frameworks for understanding such shifts. Drawing on arguments from economic sociology, politics and policy studies, political economy and critical geography, it analyses processes of social and economic restructuring over the last three decades. It includes discussions of globalisation and capitalist development; finance and information networks; structures of international economic governance; post-Fordism and the sign economy; the re-making of class; social exclusion and global inequalities. By making connections across wider fields of debate, the text both offers a critical survey of current concerns for the discipline of economic sociology, and sets out a broader sphere of interest for the social analysis of economic life.

This book provides an accessible and critical discussion of key issues in current social and economic analysis, in a context where readers are increasingly interested in the study of globalisation, international governance and economic power. Its international approach, together with its focus on wide-scale social and economic changes, gives the book considerable international appeal. The text will be particularly relevant to undergraduate and graduate students and scholars in the fields of economic and political sociology, politics and government, geography, economics and international relations.

Fran Tonkiss is Lecturer in Sociology at the London School of Economics and Political Science. She is the author of *Space, the City and Social Theory* (2005), the co-author of *Market Society* (2001), and the co-editor of *Trust and Civil Society* (2000).

Introduction

This book examines economic changes in contemporary capitalist societies, and the ways in which social theorists have attempted to analyse them. It aims to set key issues within the sociology of economic life – capitalism, production, work, class, inequalities – in the context of increasingly international social and economic arrangements. The text is organised around three core themes: (1) capitalism and globalisation; (2) production; (3) class and inequality. Framed in this way, it rethinks central concepts in economic sociology in relation to recent processes of capitalist restructuring. This provides the basis for a critical analysis of such issues as economic globalisation; networks, power and resistance in the global economy; post-Fordism and post-industrialism; the economy of information and signs; class, insecurity and social exclusion.

Contemporary Economic Sociology builds on founding categories within the sociological tradition – such as capitalism, production and class – so as to address current socioeconomic problems. The title may look simple, but two basic qualifications still need to be made: quite what is meant by ‘contemporary’ in this context, and how to define the limits of economic sociology. In focusing on contemporary conditions, to take up the first question, I am concerned with broad processes of economic restructuring that can be traced from around the 1970s. The text in this way is engaged with the recent history of present conditions. This is partly to counter a tendency to see current arrangements as distinctly *new*, as is evident in certain debates over globalisation, in accounts of the ‘immaterial’ economy, or in statements about the death of class. It is also intended to chart a range of critical thinking about the intersection of economy and society which continues to inform debates today. The analytical frame for each part of the book, therefore, begins with arguments dating from the 1970s and 1980s which set up critical terms, identify substantive changes, and establish key points of reference. The first section on capitalism and globalisation opens with the perspective offered by world systems theory on the expansionary logic of capitalist accumulation. The accounts of changes in production in Part II start out from the work of the French regulation school on Fordism and post-Fordism, and from Daniel Bell’s thesis on post-industrial society. The

third section, on social identities and economic divisions, begins with neo-Marxist and Weberian debates over changing class structures. In general terms, this approach is designed to provide a critical context for current concerns, and to trace a contemporary history of debate over the dynamics and effects of social and economic restructuring.

This range of arguments, however, also raises the question of how economic sociology is to be defined. Thinking about the links between economic and social processes is not confined to sociologists in general, or to economic sociologists in particular. The text therefore draws on the interdisciplinary strengths of economic sociology to take in critical insights from the domains of politics, political economy, geography and anthropology. Economic sociology shares a border with each of these disciplines, but at times has seemed tentative about crossing them (see Swedberg 1991: 270). Beyond making links with relevant debates from elsewhere, the text also focuses on the work of sociologists who are not always closely associated with economic sociology as a distinct subdiscipline. Economic sociology may be defined by a diverse set of analytic concerns, including the study of firms and organisations; markets, hierarchies and networks; market structures; historical and comparative analysis of market forms; state policy in respect of markets; money, financial instruments and risk; economic behaviour and rationality; and cultures of economic life (see Block and Evans 2005; Carruthers and Babb 2000; Dodd 1994; Fevre 2003; Fligstein 2001; Holton 1992; Swedberg 1991; Trigilia 2002; Zelizer 1997; Zukin and DiMaggio 1990). This kind of diversity is a critical strength, although it can make it hard to work out just what counts as doing economic sociology. While attempts to demarcate the field might be important for staking out clear lines of enquiry and debate, they can also have the unintended effect of limiting sociology's engagement with economic issues to approved domains. The discussions that follow do not aim to set limits around economic sociology in any strict sense, nor to provide a survey of current approaches (for valuable overviews of the field, see Biggart 2003; Carruthers and Uzzi 2001; Dobbin 2004; Granovetter and Swedberg 2001; Guillen *et al.* 2002; Smelser and Swedberg 2005). Rather, they seek to add to economic sociology's critical range by bringing in perspectives from what might be considered the 'outside'. My point in adopting this approach is to underline the extent to which – after the critique of Marxism, after the end of class, after the cultural turn – sociologists in general (not just economic sociologists or even unrepentant Marxists, although a few of each will feature below) remain centrally concerned with economic problems. To draw some examples from across the text: the work of Wallerstein on the capitalist world economy, of Castells on network society, of Lash and Urry on the economy of signs, of Bourdieu on class and capital, all represent key interventions by sociologists on economic issues, but none of these authors would necessarily be identified with economic sociology as a narrow subdiscipline.

It follows that the book has a number of aims. Its primary concern is to

highlight the contribution that sociological perspectives can make to the analysis of contemporary economic arrangements. It also emphasises the diversity of economic sociology's critical interests and its intersections with other fields of thought. And it sets itself against the notion that contemporary sociology has somehow become less bothered by, or less able to say anything useful about, economic problems and relations. The text does not focus on the central analytic objects of economic sociology – the formation of markets, the organisation and behaviour of firms, rationalities of economic behaviour – but rather examines substantive changes in the organisation of economic life through the lens of sociology and related disciplines. At the same time, the arguments developed below rest on two core precepts within economic sociology: that economic arrangements are *embedded* in social contexts, and *instituted* through formal and informal rules, conventions of conduct and exchange, systems of politics and regulation (see Granovetter 1985; Polanyi 1992). It seems particularly important in this context – although sometimes analytically difficult – to insist on the embedded and instituted character of economic processes which are increasingly international in character.

This points to the key problematic between economic sociology and contemporary economies: if a central argument in economic sociology concerns the embedded nature of economic life, how well does this argument fit with current capitalist arrangements? Globalising economic processes can appear radically disembedded from any local social and spatial contexts; therefore it may be even more crucial to press the claim, accepted by all economic sociologists and more than a few economists, that markets (even global ones) do not operate by themselves. The forms that markets take depends on the institutional – economic, social and political – arrangements that support them. Economic globalisation provides the frame for the first, and longest, section of the book. Globalisation is one of the most pervasive and least well defined concepts in contemporary social analysis. It is right for sociologists to be sceptical about such catch-all conceptions, and certainly to be sceptical about the kinds of totalising schemes that discourses of globalisation appear to offer. The contribution of economic sociology in this setting is to specify the socioeconomic agents and exchanges, the institutional and organisational forms, the regulatory conventions and networks, that can disappear into an abstract 'logic' of globalisation. This is also to say something about how economic sociology serves the discipline more generally. Issues of production, regulation, the analysis of capital, labour, work and inequality have been enduring themes within the sociology of economic life. The ways in which these phenomena have been reshaped only reinforce the fact that globalisation makes necessary a renewed attention to some central concerns within sociology. There is still an argument, in a mobile world, for pinning certain things down. Of course, this is not only a problem for economic sociologists. The discipline more broadly has been brought into question as too nation- or state-centred to be adequate to the analysis of

new global realities. This more general problem for the discipline, however, has particular resonance for economic sociology, given that the restructuring of economic relations has been so crucial to the increasingly mobile character of objects, ideas, information, images and agents. *Contemporary Economic Sociology* therefore aims to contribute both to the analysis of transnational processes of social and economic restructuring, and to critical thinking about the nature and the analytic potential of sociological approaches to economic life.

Organisation of the book

Part I Economic globalisation

The concept of economic globalisation in general terms refers to how the exchange of goods, information, labour, money and images has come to operate on an increasingly international scale. Such globalising processes have been promoted by the growth and deregulation of finance markets since the 1970s, the development of new communications and transport technologies, and the extended reach of transnational corporations. This is to offer a very basic definition, but debates over globalisation are rarely confined to such bare-bones features. The perspectives considered in this first section go further in thinking about the social and political dimensions of economic globalisation, asking what these shifts entail for the organisation of social and economic power, how embedded they are in local contexts, and whether these processes can be controlled or resisted. The discussion divides into three chapters.

Capitalism and globalisation

Capitalism, as a social as well as an economic system, has been one of the central concerns within modern sociological analysis. The opening chapter examines how processes of globalisation have reshaped capitalist (and other) economies over time. It sets out the core features of economic globalisation – in respect of finance, production and technological changes – and assesses the extent to which global economic forms remain vulnerable to a critique of capital. The key theoretical focus is therefore on neo-Marxist approaches which stress the long-term historical and spatial development of capitalist economies, with particular emphasis on Immanuel Wallerstein's work in world systems theory, and David Harvey's work in critical geography. These thinkers treat globalisation as the intensification of capitalist accumulation processes on an international scale. While it can be argued that globalisation in itself is not necessarily or inevitably capitalist (see Castells 1999, 2000; Sklair 2002), current forms of globalisation are dominated by capitalist relations. It follows that the analysis of globalisation entails an analysis of capitalism.

A new global economy?

The critics considered in Chapter 1 take a long view of capitalist globalisation. Their accounts suggest that there is little that is 'new' about contemporary globalisation, however freshly minted some of the rhetoric that surrounds it. Chapter 2 takes up this issue of the novelty of current economic arrangements. It begins with perspectives that question the distinctiveness of recent trends towards internationalisation, focusing on Hirst and Thompson's critique of a globalisation 'myth'. The discussion goes on to consider alternative arguments that contemporary economies involve definite features which mark them off from earlier periods and which require new categories of analysis. Lash and Urry contend that recent economic changes have altered relations in time and space, referring to the 'speeding-up and stretching-out' – the temporal intensification and spatial extension – of social and economic processes. The chapter concludes with one of the most thoroughgoing accounts of a new international economy, represented by Manuel Castells' work on the emergence of a 'network society' that goes beyond established accounts of capitalist globalisation.

The politics of economic globalisation: governance and resistance

How is the global economy instituted through political and institutional measures? Chapter 3 offers a critical analysis of structures of control and tactics of resistance in the global economy. It looks at high-level strategies to govern global economic processes, considering the role of nation states and international institutions in such a project. The globalisation of social and economic relations produces acute problems of political regulation – what has been referred to as a 'crisis' of state sovereignty. The discussion turns from the putative 'crisis' of the nation state to the extended architecture of global governance which operates through international bodies, coalitions of nation states, non-governmental organisations and other civil actors. It concludes with an examination of current movements of global resistance. The politics of economic globalisation in this way works at different levels, mobilises different networks of actors, and seeks markedly different ends.

Part II Production

This section centres on a second key theme within sociological approaches to economic life: the process of production. Chapters 4 and 5 are concerned with changes in the organisation of production in contemporary economies, but also with changes in the nature of products themselves: that is, in both the form and the content of contemporary productive processes. These perspectives suggest that not only how we produce, but what we produce, has been transformed in recent decades. Such accounts go beyond production as

a technical process to think about how this process is integrated into wider systems of regulation, consumption, class and culture.

Fordism and after

Chapter 4 considers approaches to production that see this as integral to social organisation. Theories of Fordism and accounts of post-Fordism each trace a complex of relations between production and consumption, production and social structure, the organisation of production and the organisation of space. The distinction between Fordism and post-Fordism is a highly schematic one, but it is very useful for thinking about how productive restructuring since the 1970s has been tied to wider changes in patterns of work and consumption, modes of political regulation, the spatial dispersal of economic processes, and the growth and differentiation of consumer markets. Fordism in this account represents a mode of mass production that corresponded not only to patterns of mass consumption, but to a political settlement between state, labour and capital. Economic organisation 'after' Fordism, in contrast, is characterised by smaller-scale and more flexible production, industrial deconcentration, customised products and niche marketing. It therefore configures a set of changes in production processes, in the spatial organisation of the economy, and in practices of consumption and social differentiation. The chapter begins with the classic statement on Fordism by Antonio Gramsci, and focuses in particular on the theorists of the French regulation school.

Knowledge, information, signs

Theories of post-Fordism imply that not only has the nature of production changed under advanced capitalism, but that what is produced increasingly takes the form of knowledge and information, images and services. Chapter 5 examines this shift to post-industrial modes of economic organisation, describing the expanding role of information, services and cultural goods in contemporary capitalist economies. It begins with Daniel Bell's work in the early 1970s on the transition to post-industrial society, and goes on to focus on Lash and Urry's account of 'reflexive accumulation' or the 'economy of signs'. Their approach looks to the role of non-material products in contemporary economies, and to the enhanced importance of knowledge and cultural content in the design, production, marketing and consumption of goods and services. Cultural or aesthetic questions, in this sense, are not confined to practices of consumption, but are bound up in the production and the positioning of both material and non-material commodities.

Part III Social identities and economic divisions

Class

Class is a foundational category for sociological analysis, but one that has been brought into question in recent years. Sociologists have become sceptical as to the salience of class as a means of explaining economic divisions and understanding social identities. Class, that is, has been criticised both as an objective economic category and as a subjective social category. This chapter considers reworkings and rejections of class analysis in the light of the socioeconomic changes described so far. The discussion begins with neo-Marxist and neo-Weberian approaches to the fragmentation of an industrial working class and the expansion of middle class groupings. In this sense, theories of post-industrialism and post-Fordism highlighted not only a shift in economic organisation at the level of production, but also changes in relations of social and economic power. Meanwhile, changing patterns of consumption, and the growing importance of consumption to social identities, have undermined notions of class-based relations of production and work. Although class categories may have been put into doubt in advanced capitalist economies, however, the systematic patterns of inequality with which class analysis has been engaged have not gone away. The critique of class therefore raises the question of how we are to analyse economic and social divisions ‘after’ class, particularly in the context of the brutal disparities that characterise the contemporary international economy. Chapter 6 ends with a discussion of class in an international context, where older class models may be hard to sustain, but where relations of economic inequality are starkly drawn and systematically reproduced.

Inequality

The discussion in the final chapter examines approaches to social and economic inequality that go beyond established class frameworks. It traces a shift away from the analysis of class, based on individuals’ positions within an economic order, to notions of ‘insecurity’ or ‘exclusion’, as categories for analysing inequality wherein large numbers of people have only a precarious relation to economic membership. The argument here is that recent processes of socioeconomic change have produced pronounced, although not always especially new, patterns of inequality.

The latter part of this chapter is concerned with patterns of inequality in a global setting. Globalisation, like other forms of capitalist accumulation, is uneven and inequitable. The geographic dispersal of capital has been accompanied by the concentration of economic control in key sites, and by the radical exclusion of many places and people from economic resources and social opportunities. In a global social and economic system marked by

extreme affluence at one end and severe poverty at the other, this concluding discussion considers the complex links between poverty, insecurity and inequality.

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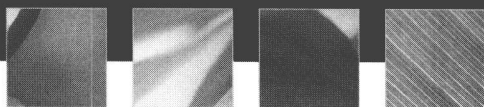
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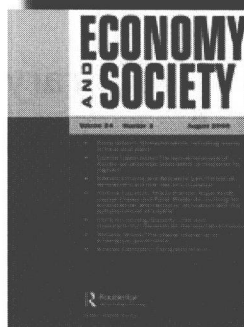
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Part I

Economic globalisation