

Title: On Emergence, Selection and Levels of Analysis. An Investigation of Some Dimensions of Economic Sociology

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ABSTRACT

Economic sociology has been defined loosely in terms of the sociological study of economic phenomena (Swedberg, 1987; Smelser and Swedberg, 1994). This definition is not sufficient in distinguishing economic sociology from approaches within economics, such as institutional and Austrian traditions. Indeed, the distinction has been blurred further in the development of new institutional economics, and in other approaches that have drawn on issues such as motivation, trust, and sharing mental models in connection with the design of optimal incentives among economic phenomena (Holmström and Milgrom, 1991).

The argument of this paper is that a consistent theme in economic sociology is emergence, or the understanding of rules, customs and procedures as being irreducible to component or constituent units (Hodgson, 1999). On the face of it, the concept of emergence seems to divide the sociological analysis of economic phenomena into distinct and rival theories. But emergence, by itself, may not possess such clear-cut and divisive qualities. Another important dimension of economic sociology is the ambition to connect studies across different levels of analysis, including micro, mid-range and macro (Granovetter, 1984; Heidenreich, 1998; Kapp, 1954). This is not synonymous with economists' concerns with micro-foundations. Strict definitions of emergence imply analysis at the most appropriate level, but strict definitions of levels of analysis imply that additional understanding can be gained from decomposition and recomposition, or even aggregation.

If emergence and levels of analysis characterise, albeit loosely, economic sociology, some understanding of agent-rationality, defined to include habits and customs as well as reflexive and cognitive aspects, is likely to be important (Davis, 1999; Ingham, 1996). This connects the new economic sociology with Weber's complex typology of types of rationality (Weber, 1947). In particular, it gives insights into how agents may understand economic phenomena in terms of levels by imposing some form of mental closure at lower and higher levels. Similar insights may be drawn in terms of the implications of theorists in imposing similarly – by assumption – levels of closure at different levels. By investigating emergence, selection and levels of analysis, it is intended that a clearer notion of economic sociology may be arrived at, such that the connections between it and other approaches that also consider social aspects of economic phenomena may be explained.

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