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A DUTCH TREAT: ECONOMIC SOCIOLOGY IN THE NETHERLANDS

By

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1. The demise of sociology

a. *failed professionalization*

Sociology in the Netherlands is a marginal enterprise in the academic marketplace. Peaking in the sixties and early seventies, by the end of the 20th century, sociology (and with it: political science) has been reduced to a dismally small scale. In 1965, a little over one-third of all new students in the social sciences were in sociology (666 students). Since then the share has progressively decreased: in 1999, not yet 4% (253 students) of new social science students chose sociology. Obviously, sociology did not profit from the huge increase in the absolute number of enrolments in the universities, as the actual number of new enrolments in sociology has fallen continuously since the early 1970s. As a result, the sheer possibility of studying and majoring in *economic* sociology has disappeared. In the sixties and seventies of the past century, several chairs in the field existed in Dutch universities. Today, not one of them is left (to some extent, the same holds for chairs in the sociology of organizations and industrial relations, but these topics have become part and parcel of new curriculae of, in particular, business studies). Also, the number of universities offering a curriculum in sociology has decreased considerably in the past decades.

On the other hand, the popularity of studies like psychology, economics, law, and business and policy studies remained unabated (psychology, economics, law) or actually increased (business and policy studies) in the same period. This has led some observers (Glebbeek/De Vos 2001) to the conclusion that the success of a discipline is dependent on its professional status and identity (Van Rossum 1985). In this respect, sociology is depicted as a critically incomplete profession. The discipline is focused on academic research and lacks a theory on the relationship of sociology and policy.¹ This is repeated in the professional code of Dutch sociologists, in which scientific responsibilities are underscored, and social responsibilities do not figure. A failed process of professionalization, leading to an incomplete professional status, has thus contributed to the waning of the sociological discipline and, by implication, to the disappearance of chairs in economic sociology.

b. *a theoretical 'cul de sac'*

There is no and there never has been an autonomous Dutch tradition in sociological theory (with a possible exception in sociography). Most chairs in sociology date from after the Second World War. Their inhabitants borrowed extensively from theoretical perspectives developed abroad, in particular Germany and the United States, and to a limited extent also

¹ The point is well taken, but the question of course is why general economists – quite proficient and numerous in policy – can do without such a theory and sociologists cannot.

from France. Functionalist sociology predominated – although far from uncontested, in particular in Amsterdam, where from the 1960s on an outspoken form of sociology (figurational sociology, inspired by the work of Norbert Elias) developed. As such, the ‘coming crisis’ of sociology (Gouldner) was not met by a recognizable Dutch sociological tradition in theory and research. Consequently, Dutch sociology proved all too open for influences from disciplines like the philosophy of science and social philosophy, leading to a further dilution of the possibility of an identifiable and agreed-upon core of the discipline. A second consequence has been the growth of an empirical and inductive style of sociology, specialized in advanced methods of data analysis and with a rather tenuous and ad hoc commitment to theoretical perspectives and traditions. To a certain extent, this style of sociology is policy-oriented (and notwithstanding the lack of a theoretical nexus with policy mentioned above).

One explanation for the dearth of a corpus of sociological theory is particularly relevant for economic sociology. It consists in the idea that the division of labour in the social sciences – more specifically: the transformation of classical political economy into neo-classical economics and the juxtaposition of classical sociology in the ensuing void – is the root cause of the theoretical deadlock in sociology.² The way out, therefore, is a re-unification of theory and research of economics and sociology, elaborating a unified model of man along the guidelines of a strict methodological individualism (Arts 1976; Lindenberg 1986; Wippler 1987). It should lead to an infusion of the analytical primacy of the society in economics (bringing back the promise of classical political economy in economics), and of the theoretical primacy of individual action in sociology (delivering the promise of sustained theory development in sociology). This idea of going back to the 18th century Scottish (Smith, Ferguson) programme in political economy and moral philosophy has had a follow-up in the very productive research school ICS (Interuniversity Center for Social Science Theory and Methodology) with branches in the Universities of Groningen, Utrecht and Nijmegen. The ambitious goal is to create a general theory of social science, obfuscating along the way the need for a sub-discipline of economic sociology.

Apparently, sociology in the Netherlands is still looking for a practice (witness the complaint about its stultified professional development) and a theory (witness the demand for Scottish pins, natural propensities and the invisible hand of market society). In conclusion, this is not an excellent base for future growth nor, subsequently, an ideal environment for a flourishing economic sociology. If nothing else, it is a demise.

2. From sociology to business and policy...

Traditionally there have been a few pockets in Dutch sociology in which science and policy were intertwined practically from the beginning. These are the sociology of work and industrial relations, and the sociology of labour markets. Interestingly enough, these sub-disciplines in sociology spilled over into economic sociology. The insertion of labour market studies into a broad sociological (‘economy and society’) framework³, is especially prominent in the work of Van Wezel at Tilburg University (see below par. 4). The insertion of studies on work and industrial relations in economic sociology has produced one of the few introductory

² A sociological theory about the causes, and not merely the consequences, of the split between a new but restrictive science of economics and a juxtaposed sociology in the later part of the nineteenth century seems called for but has so far not been provided.

³ ‘Economie en Samenleving’ (‘Economy and Society’) is the title of a recent major study by Van Wezel (Van Wezel and Havekes 1995).

texts on the field in the heydays of sociology (Van Zuthem 1973)⁴. It derives its sociological and policy-prone imprint from its focus on the problem of the distribution of power under the dual aspect of (economic) norms of efficiency and (social) norms of equity. Theoretically, it is a very subdued introduction indeed. Insofar as theory plays a part at all, it echoes Parson's structural functionalism. The emphasis, however is on the parties involved in the economic process (employers, employees, consumers), i.e. on 'social integration', to the relative neglect of both 'system integration' and of the micro-foundations of a theory of action.

More daring were the attempts, also during the seventies, to forge a new economic sociology (or sociological economics) at the University of Groningen with Huppes as a driving force (Huppes, ed. 1976). Here, the integration of the two disciplines reached the agenda and, for the first time, the importance of an adequate theoretical framework, to be rooted in theories on 'social exchange' and illustrated by means of a hypothesis on 'anomie and inflation' (Huppes 1976), and the necessity of learning from one another's methodologies and styles of data collection and analysis (Gadourek 1976) were pushed. On the other hand, theory and methodology at the time were worlds apart in this endeavour, and the enthusiasm of the economists was, to put it mildly, lukewarm at best.

This initiative was discontinued relatively quickly and, within sociology and within Groningen, one had to await the initiatives of the ICS-group for a revival of the interest in an integration of economics and sociology. That is not to say that the study of economic phenomena was discarded at Groningen University. An active group of sociologists, headed by Lulofs, produced a series of good studies in the fields of the sociology of labour markets, industrial relations and enterprise social policy – shading off into HRM – and inequality (Buitendam, ed. 1987). Partly, however, and after Lulofs had become an *emiritus*, the sociologists concerned became associated with the ICS, partly they went into the booming sector of business studies.

Concomitant with these developments, sociology lost much of its *clientele*, even so much so that apart from post-graduate research schools like ICS, sociologists had no choice but to look for employment outside their own discipline. As a result, the initiative for studying the possibilities of an interplay of economics and sociology shifted. Its location became the newly founded University of Maastricht, in particular the faculty of economic sciences. This faculty seemed quite intent on studying the possibilities of integrating insights of psychology and sociology into a renewed curriculum and research programme for economics (Keizer and Soeters, eds. 1987). A central idea is 'incompleteness of information', in conjunction with the concepts of bounded rationality, satisficing behaviour and transaction costs, and the space that this creates for collaboration between the social and behavioural sciences. This is especially prevalent in business economics (for example in accounting⁵, the study of organizations⁶, and marketing), but also in general economics (in particular in conceptual and empirical studies on utility and preference formation and ordering⁷) and macro-economics (rational expectations, inflation⁸ and the functioning of labour markets⁹). Also, in the tradition

⁴ 'Inleiding in de economische sociologie' ('Introduction in economic sociology'). In 1984 van Zuthem published an expanded and amended version of the Introduction, under the new title of 'Mensen en machten in het economisch leven; een inleiding in de economische sociologie' ('People and powers in economic life; an introduction in economic sociology').

⁵ van de Poel (1987).

⁶ Douma and Schreuder (1992).

⁷ Van Praag et al (1979, 1985). To avoid misunderstanding: Van Praag is not from Maastricht. Formerly at Leiden University he now has a chair at the Economic Faculty of the University of Amsterdam.

⁸ Keizer (1982).

⁹ De Neubourg (1987).

of the 'new political economy' with its emphasis on the economics of the public sector¹⁰, tendencies to enrich the economic point of view with insights from the social and behavioural sciences are prevalent. On the whole, however, it is 'economics plus' (retaining the image of a strategic actor) rather than a new and social scientific brand of economics (with concepts not just of strategic action but also of action on the basis of affections, traditions and values) that announces itself.

One of the promising meeting points between the sciences is, so it is predicted (Keizer and Soeters 1987: 43), the growing and expanding academic sector of the business and policy studies. As the problems of practice are the starting point in these faculties a multi- or even an inter-disciplinary approach is not just likely, but actually inevitable. This prediction has proven to be correct. The growth of business studies especially has been swift, and some of the best research on topics relevant for economic sociology is conducted within the walls of business studies departments. Next to Maastricht, the faculties in Groningen¹¹ and Rotterdam¹² should be mentioned.

Nevertheless, despite their relevance for economic sociology, these contributions are at quite a distance from the discipline as such. That does not have to be the end of the story, of course. Both in the economic discipline and in business studies one perceives a growing interest in the concepts of 'trust' and 'solidarity'. This interest is driven by both practical and theoretical problems: the possibility of manageable partnerships, the creation of networks, contacts and durable relationships, the non-contractual aspects of contracts, the taking of decisions under conditions of uncertainty, and the evaluation, production and distribution of risks. Opening up these concepts requires, for obvious reasons indeed, a cooperative effort from several disciplines, with sociology among them.

3. ... And to a general theory of social action

The concepts of trust and solidarity have been taken on board by the ICS researchers, as part of their attempt to create a general theory of social action.¹³ As already stated the ICS founded its research in taking a critical view on both general economics and sociology. The economic discipline, with its theoretical foundations in the micro-analysis of individual behaviour, often exhibits an incapacity to live up to the demands of the analytical primacy of society, while sociology is guilty of the opposite flaw: too many social phenomena are explained without taking the theoretical primacy of individual behaviour seriously.¹⁴ An integration of the two disciplines should, therefore, follow only one guideline, consisting of the acknowledgment that on the one hand the theoretical primacy of the two disciplines lies with a theory of individual action and the analytical primacy, on the other hand, with society.

¹⁰ Van Winden (1983). Like van Praag van Winden first worked at Leiden University. Soon after completing his Ph.D. he moved to Amsterdam, where he still is. Van Winden is one of the few Dutch economists who promoted the relatively new angle of 'experimental economics'.

¹¹ Van Witteloostuijn (1999) published a wide-ranging study on downsizing and its effects on economy and society. The emphasis is on the Netherlands, although in a comparative perspective.

¹² Nooteboom (1998) on the management of partnerships. Nooteboom, formerly of Groningen, now of Rotterdam, presents a lucid and original analysis on the intricacies of partnerships, combining 'resource based' and 'transaction cost' theories.

¹³ See for programmatic statements Lindenberg (1998), Raub and Weesie (2000), and Sanders (2000).

¹⁴ It is the old quip again: economics is all about choice, but with only one choice optimal; sociology is about why there is nothing to choose. Under- and over-socialized conceptions of men, thus, are the blocks to be removed. It may be asked, of course, whether both economics and sociology are depicted in a correct manner with these conceptions or unbalanced primacies. In my view, especially sociology is misrepresented here, and to a lesser degree economics (one has only to remind oneself of such seminal contributors to a more reflexive economics as Frank, Hirschman, Schelling and Sen).

The upshot, so far, has been mainly in the theory of individual action, in particular by enriching the axiomatic texture of the premises underlying the economic theory of agency. On the societal level (the micro-macro transformation) the results so far are not impressive and, in fact, often rather tautological. On the other hand, a rich harvest of dissertations, books and articles has contributed to a social theory, close to and valuable for¹⁵, but also sometimes indistinguishable from, neo-classical economics.¹⁶ The latter aspect is not without interest: the 'model of man', presented as a joint product of economics and sociology, and described as RREEMM (resourceful, restricted, evaluating, expecting, maximizing man) is much closer to the economic axiom – albeit with added, though far from new, restrictions on time, information, risk and uncertainty – than to a typical sociological problem of for example double contingency and the formation of stable expectations by ego on the actions of alter and the other way around. Insofar as these problems are addressed at all (as in Raub and Weesie 2000), it is in the shape of the question of how cooperation may add to or subtract from durable social relations, with the latter taken as a datum. The 'genetic' aspect (as the adherents of figurational sociology have it) is suppressed and therewith the possibility of consistently completing the transformation from the micro-level of behaviour to the macro-level of society.¹⁷ The theoretical primacy of individual action is paid for at the expense of the analytical promise for both economics and sociology. To illustrate: concepts like social capital are mainly considered in terms of attributes and possessions of individuals ('preference taking' in the words of Albert Hirschman) rather than as relations shaping the concept of the social individual ('preference making')

And again: the link with the themes of economic sociology may be close, but it is not intrinsic. As a matter of fact, the ICS-group follows the fashion of 'economic imperialism' vintage Gary Becker in which economics and economic sociology are not defined by subject matter but by an approach. This is in line, to be sure, with the attempt to construct a general theory of social action, but it is relatively aloof from economic sociology, as the latter is usually understood.

4. Whither economic sociology? The fate of 'economy and society' and an integrated 'socio-economics'

The most explicit attempts to 'revitalize' economic sociology stem from Tilburg University. The driving force was, until his recent retirement, J. van Wezel, a professor of sociology with a deep interest in the integration of economics and sociology. In his activities, however, this interest is at least paralleled by an interest in the equilibrium conditions of modern, differentiated and complex societies. His approach is mainly informed by structural functionalism, with – under the influence of Luhmann and especially Münch – some extensions into system theory. Throughout his work one is referred to the importance of the AGIL-scheme as developed by Parsons. In his latest book – which offers a good base for a

¹⁵ for example: Flap and Tazelaar (1988) on ties, networks and labour markets, Boxman (1992) on contacts and careers, Flache (1996) on informal networks, Buskens (1999) on networks and trust. The impact of Granovetter (ties and networks) on the ISC research is noticeable, as is the impact of Burt. It may be noted in passing that the international standing of Dutch sociology owes much to this stream of research.

¹⁶ For example: Wielers and Schippers (1998) on labour market research.

¹⁷ The contribution of figurational sociology to economic sociology is modest but interesting. Two recent examples. Stokvis (1999) on competition and civilization and van IJterson (2000) on action codes in Dutch work organizations. Both studies illustrate the micro-macro link, Stokvis by connecting a Schumpeterian idea of entrepreneurial action with changes in modes of competition and the dependencies implied, van IJterson by connecting action codes in the workplace with long term developments (roughly in the vein of Israel's seminal contribution to an explanation of the Dutch republic) in the social and economic history of the Netherlands. The emphasis in figurational sociology, despite these – and a few other – contributions, is not on economic sociology or on economy and society.

general text on economic sociology – this approach is applied to an international comparison of labour systems (Van Wezel and Havekes 1995). The book is challenging for its theoretical audacity, its resourceful applications of Parsonian theory and its stimulating tests of both formal and substantial theories in the comparison of labour systems. What it lacks is a recognition of the fact that the subsystems of society (the economy, the polity, the community and the culture) do not have a common denominator in, for example, a concept of political society in the manner of Durkheim or, for that matter, Parsons. That is a drawback, not just in the study of Van Wezel on financial markets (thorough as it may be) and their effects on labour markets, but also, and to a growing extent, for the study of labour markets and labour participation as such.

There is another influence on Van Wezel that deserves mentioning. Since the beginning of the SASE (Society for the Advancement of Socio-Economics), Van Wezel has tried to further its interests in the Netherlands. It led, shortly before his retirement, to a report and proposal to Tilburg University. A curriculum on 'socio-economics' was advised, to be taken on by the faculties of economics and of social sciences. The report and the proposal were widely discussed in the faculties concerned. Yet no action has been undertaken to materialize the proposal, and since the departure of Van Wezel, no new initiatives were started. Economic sociology in the Netherlands, in conclusion, is topically not dead (in fact it is quite lively in that respect). As a uniting framework however – recognizable in chairs, curriculae, research programmes and budgets – it does not exist.

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