

Reviews

Daniel Gerbery – Roman Hofreiter (Eds.): Society and Economy: Sociological Perspective

Bratislava: STIMUL, 2015, 197 p. ISBN 978-80-8127-130-4

Society and economy: sociological perspective is a monograph offering its readers six remarkable contributions with a focus on the sociological analysis of selected aspects of economic life. In the introduction, its editors *Daniel Gerbery* and *Roman Hofreiter* drew our attention to the fact that an economic act is a specific type of social act, which is tightly embedded into social structures and relations. The economic crisis in particular generated interest in the relations between society and economics in both scientific disciplines. Attempts to analyse the current economic development were behind the incentive to write the publication making use of a new language of economic sociology that made it possible to reflect on the impacts of crisis as well as on other contemporary collective dangers. Therefore authors attempted to systematize the theoretical tools of current economic sociology and to present to the readers a specific theoretical approach to its underlying issue – the origin and the continuation of the social market order.

The first contribution took us directly to the epicentre of the underlying questions addressed by the economic sociology. *Roman Hofreiter*, in his contribution *Formation of social market order from the perspective of economic sociology*, focused primarily on the issues related to the origin and the continuation of the social market order and the issue of uncertainty. He considered the way the market mechanism functions to be unnatural and perceived the seemingly impartial market order – its every day running and formation processes – as an important subject of sociological study. The study of the common activities of players participating in the processes could be used to illustrate the ways various institutions and social structure in economics are formed, maintained or changed. The formation process of the social market order as a place of stable exchange is also closely related to the issue of uncertainty. The players act in situations characterized in terms of their future development by a relatively high level of complexity and unpredictability. The situation of uncertainty could be handled or overcome by creating enough trust and by integrating the players' actions to create trust. The establishment of a social market order means that the repeated exchange of any commodity or service becomes a matter of course, which could be viewed as the origin of market. (p. 26) We could also study the reasons for some institutionalized elements and structures related to the efficiency of repeated exchanges originating, continuing and terminating in the economy. As further indicated by the author, the functioning of rules depends on the viability of the established market order, which primarily aims to solve the issue of shortage (in the market order rules selection context). Fully unregulated competition could result in the players' reluctance to participate in the exchange. On the other hand, the formation and stabilization of rules has introduced regularity into the actions of the players and stimulates a long-term cooperation in the market. Hence, the formation of a social market order and the study of repeated exchange became the crucial issues addressed by the economic sociology. (p. 41)

The second contribution is a thorough analysis of the issues that sociology and economy had in common at the beginning. The period of transition from traditional society to modern industrial society was mainly characterized by changes in the social and economic spheres. It is therefore not surprising that the economic issues were so widely discussed in the works

by the leading figures of sociology such as A. Comte, E. Durkheim, M. Weber, K. Marx and their followers. Our leading expert on world sociology *Dilbar Alieva* focused in her study *Political economy as the herald of sociology and its substitute* our attention to the beginnings and to the institutionalization of the sociology as a specific scientific discipline. She portrayed political economy and its main representative Adam Smith as an important pre-sociological context for studying issues related to social sphere. After reading the study, it might seem difficult to believe that A. Smith engaged with so many important sociological topics inspiring directly or indirectly the first relevant sociological texts. According to Smith's view of the world, in which the society functions as a kind of economic machine fuelled by the mechanisms of market (p. 53), the foundations of social stratification are also laid. This is defined by the form of ownership (labour, capital, land) and the associated income (wage, profit, ground rent). Further, it also distinguishes three basic estates – landowners, capital owners and wage workers, which are simultaneously the main players in the social and political affairs of the emerging capitalistic economic system. (p. 56-57) Smith is also persuaded that any structure is shaped solely on the basis of ongoing processes (p. 60) thus bringing another important sociological phenomenon to the fore – the division of labour. It is this issue – the division of labour – which later on became the central topic analysed by the figures of sociology such as K. Marx and E. Durkheim. A. Comte was greatly inspired by the terminology used in physics and by analogies to physics. However, Comte did not concentrate on the motive of pursuing one's own interest (egoism), but rather on the moral nature of individuals (altruism). Nevertheless, author emphasized that even though A. Smith had chosen pursuing one's own interest to be the main incentive for an action, it would be unfair not to mention that he had left a much more complex picture of a man behind in his other works. In his view, there is self-love and lenience or acquisitive nature and sense of morality fighting each other in a human personality. (p. 71-73) He introduced the notion of the so-called disinterested observer as a factor, which directs the motives for human action in a socially suitable manner. (p. 80) It is quite obvious how this notion is related to the terminology of later interactionist approaches.

The third study *The Economy and the society: "embeddedness" and its role in the economic sociology* by *Daniel Gerbery* introduced an important theoretical notion in the current economic sociology – embeddedness. It was Karl Polanyi, who had first introduced the term into the social sciences in the 1940's. Polanyi considered economic action primarily to be an action embedded in non-economic institutions and in the existing social structure. He perceived the relationship between economy and society as dynamic. This means that the level of embeddedness of economic action in non-economic or social context may vary from weak to strong. (p. 86) From this viewpoint, Polanyi's understanding of the concept of embeddedness was gradualist – he perceived the formerly non-market societies as societies, in which the economic action is strongly embedded (economic exchange depends on traditions, habits, religious practices etc.) in contrast to current market societies, in which the economic activities are disembedded. Based on this opinion, he regarded the current state as a state, in which „the economy is not embedded in social relations, but rather social relations are embedded in an economic system“. The economy begins to function independently by its own rules without needing to embed in social context. It may be noted, that economy adjusts the running of the society to its own image. This is particularly reflected in the processes such as changes in the production, creation of fictitious commodities, the origination of market pattern and institutional separation. (p. 89-90) In his text, Gerbery also analysed the various theoretical and semantic shifts that the

original concept of embeddedness underwent, how it became stable and how it could be applied nowadays.

Martin Nový joined with his contribution *Reality of concept and illusion of reality: on the critical establishment of Adorno's sociology* the ranks of authors, which are devoted to studying in detail the legacy found in the works of the great figures of sociology and economy. In his contribution dedicated to T. Adorno's theoretical concept he analysed the terms and approaches relevant to the economic sociology. Adorno, as one of K. Marx's most well-known followers highlighted his criticism of political economy. He perceived the society primarily as an answer to the solution to the paramount human problem – the problem of survival. This is related to exchange relations, the market and particularly to what is concealed behind their performance. Basic features of Adorno's approach are related to the historical nature of sociological knowledge and to the interest in grasping dialectically the empirical social reality, in which the society exists both as an object and as a subject. (p. 126) At the same time, he did not perceive the society as static, but rather as processes – i.e. as a totality encompassing functional as well as dynamic elements. (p. 109-110)

Study entitled *The economic dimension of the civic society as the basis for new economic causality* by Gabriela Lubelcová was a critical reflection on the overevaluation of the significance of economic growth and the paradoxes of the development of modern economy. This is accompanied by negative social impacts, particularly in the area of labour market and employment rate described in detail by the author. She also gave a brief summary of the phases of social and economic development of modern societies highlighting their critical points and unfavourable impacts. This resulted in constructing a new widely-spread model of economic causality, in which market sector and the sector of public economy was joined by the civic society. It is this sector that has the pretensions to embed the economy more firmly into the social context through social economy and social innovations. (p. 138) Generally, social economy is characterised by interconnecting the social and economic goals. (p. 143) Author also offered a detailed overview of the social and economic dimensions of social economy, which she defined as an area of innovative entrepreneurial models that focus on social aims. (p. 155)

The last contribution in the monograph that focused on economic sociology is a paper written by Marián Kika entitled *Managing People in the Time of Enterprise Transformation* Author described transformational changes in Slovakia after 1989 and how these had impacted the managing of people in an enterprise in two phases – during privatization and after the involvement of a foreign strategic partner. This mainly referred to large state enterprises, which after the transformation turned into joint-stock companies with foreign capital interest. It was founded on a broader analysis of transformational changes and their impacts on privatization, the involvement of strategic partners and practice in the management of people (he listed seven main areas). His findings are very interesting and thoroughly described. They imply that changes after the privatization were more intuitive, slower and gradual, whereas after the involvement of strategic partners the enterprises were, so to say, colonised by a new and advanced company culture and by new approaches to the management accompanied by fast, wide-ranging and more structural and deeper changes.

The book was concluded by reflecting on new challenges faced by economic sociology, which highlighted the social context of economic action. Published analyses outlined the directions for analysing certain interesting areas such as the conditions for establishing a social market order, the problem of embeddedness of economic action, issue of social enterprises or social innovations. Apart from that, authors focused on recent and remoter past and introduced a new perspective on the ever contemporary works by classic authors.

Authors drew our attention to the difficulties with thinking critically about the interconnections between sociology and economics and about the issues the economic sociology faces. Besides, it offered its readers relevant theoretical tools for analysing current economic and social changes. Hence, the monograph contributed in an interesting and inspiring way to the discussion about the current form of the relationship between society and economics both for sociologists and for economists.

Katarína Strapcová
Institute for Sociology of SAS, Bratislava