

## BOOK REVIEWS

Alejandro Portes, *Economic Sociology: a Systematic Inquiry*.  
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If looking at the dynamics and consonant contributions brought by the school led by Alejandro Portes, we understand why the reception of this book finds itself somewhere on the continuum between good news and enthusiastic welcoming of a repertoire of concepts and levels of abstractions for the field of economic sociology—yet not for it solely. Briefly stated, Portes' *Economic Sociology* is a conceptual and theoretical logo drafted within sociology for the use of economic sociology. It is a fabric of economic sociology (arguably we might include here neo institutionalism as well)—as seen from the point of view of sociology. The book provides a solid theoretical grounding of the former by discussing its meta-assumptions, three of its explanatory mechanisms and some strategic research sites.

The book has ten chapters. The first two contain the author's manifesto and a discussion of the three meta-assumptions: socially oriented economic action (i.e. embeddedness), unanticipated consequences of rational action (i.e. unexpected consequences of purposive action), and power. The next four contain a treatment of explanatory mechanisms: social capital, social classes and social institutions. The following chapters investigate the selected "strategic research sites:" informal economy, ethnic enclaves and middle-man groups, and transnational communities. Eventually, the last chapter comes back to the meta-assumptions analyzed in the first one. It indicates that it is a matter of actual reformulations and definition of these meta-assumptions to make them more prone to measurement, investigation and incorporation into hypothesis-like statements.

It should also be added that the book is not entirely new, yet—this notwithstanding—it is certainly novel. It is not new in the sense that it incorporates revisions of contributions that have been published in latter years—with Portes appearing either as author, or as co-author of these. Furthermore, it is definitely novel because it is the first time that earlier congruent—yet semi-autonomous—treatments of unexpected consequences, embeddedness, social capital, institutions, transnational

communities etc., are brought together to put forward a compelling and unitary case and argumentation vis-à-vis economic sociology. Observable and intellectually stimulating for those following Portes' work is the reconceptualization of some of the terms and assumptions that have been advanced in earlier studies.

Such a revision concerns, for example, the definition of social capital. Here, the analytical infrastructure remains more or less the same as in previous works—I am referring here to the analysis of sources and consequences of social capital (both positive and negative). Yet, the very definition of social capital changes from the one previously drafted as “expectations for action within a collectivity that affect the economic goals and goal-seeking behavior of its members, even if these expectations are not oriented toward the economic sphere” (Portes and Sensenbrenner 1993: 1323) to one in terms of “ability to secure benefits through membership in networks and other social structures” (Portes 2010: 34).<sup>1</sup>

While all the above pertains, it does not escape notice that because of earlier publications of some parts—those on embeddedness, social capital, social institutions and unexpected consequences are cases in point—these portions of the book poses the confidence of freestanding and sometimes do not resonate quite well with thoughts on the same phenomena that are advanced in later sections.

This is the case of social institutions for instance. We could depict two main definitions that do not necessarily overlap. The first depicts institutions as “blueprints that govern the patterned, regular relationships among role occupants in organization” (Portes 2010: 64). The second discusses them more specifically as “formal/legal blueprints for markets and firms” (Portes 2010: 69). These framings do not overlap because—as Portes (2010: 57) notices when discussing the example of the “policeman”—expectations vis-à-vis roles are not universalistic and might have sources that are unevenly formalized. Yet this aspect does not make them less real in their consequences. Still, when discussing the strategic research sites—and the analysis of transnational communities is particular revelatory in this regard—Portes (2010: 205) equates the development of explicit institutional blueprints with formalization. What is more, there are passages in the book where the legal/contractual basis is treated rather in terms of an additional source of social capital. Thus, it emerges as an alternative to the sources already discussed in the book—that is consummatory (value introjection and bounded solidarity) and instrumental ones (reciprocity exchanges and enforceable trust).

Viewed through the lenses of social capital, institutionalization as formalization appears as a succession of shifts in the sources of expectations vis-à-vis social behavior where the last and decisive movement is the move from instrumental sources of social capital to a legal/contractual basis. Seemingly, Portes' treatment of sources of social capital has potential that trespasses even his original formulations. Yet, it should be also stated that—for what it is worth—it is rather the definition of social capital as expectations then the present one as “ability to secure benefits through

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<sup>1</sup> There are instances of drafting of social capital in these terms that have occurred earlier (see also Portes and Mooney 2002).

membership” (see above) that seems more accessible for reevaluating the relation between institutions and social capital.

There are several great moments in the book. And it is unlikely that any sketch of these will manage to give justice to the investigative connections, depth and erudition of the analytical mind at work. I selected for illustration some insights from the discussion of the first two meta-assumptions of economic sociology (embeddedness and unexpected consequences). These constitute well renowned portesian motives by now. Before opening the discussion, please recall that Portes is dealing with three generic categories of constitutive elements of economic sociology: meta-theoretical principles, explanatory mechanisms and strategic sites of inquiry. According to the author, as matters currently stand, the field is rather inclined to overlook the distinctions between genres, their functions and differentiated levels of abstraction.

In current treaties in economic sociology, the three categories are mixed together so that “embeddedness” (a meta-theoretical assumption) appears right next to “firms” (a site for investigation) and “self-fulfilling prophecies” (an explanatory mechanism) (Portes 2010: 2).

Broadly speaking, the ‘problem’ with the meta-theoretical assumptions is that these are unfalsifiable, they have high level of abstraction and might prove too successful. For this reason, they should be broken down to the level of explanatory mechanisms. As far as their attractiveness is concerned, such a success story in economic sociology was registered by the concept of embeddedness for example.<sup>2</sup> The problem of embeddedness—as a generic conceptual and theoretical challenge, but also in relation to migration—has long been analyzed by the school associated with Portes. Its contribution consists of discussing embeddedness via its most visible manifestation—the social capital. In the field of social capital research, Portes is usually associated with the copy right of establishing its sources and of discussing its positive as well as negative consequences. Second, Portes (see 2010: 63–70) has also built an integrative model of determinants of social change on the embeddedness argument. Here, paraphrasing Douglas North, he shows that “[n]o doubt, «institutions matter,» but they are subject to «the problem of embeddedness»: the fact that the human exchanges that institutions seek to guide in turn affect these institutions” (Portes 2010: 56).

With respect to embeddedness, *Economic Sociology* is innovative in that he rehabilitates Karl Polanyi’s initial definition of the term. In Portes’ hitherto work on embeddedness, Polanyi’s concept has been mainly cited as title of example. And it was rather in relation to Mark Granovetter’s treatment of the phenomenon that Portes attempted to bring more concrete analysis of distinct manifestations of embeddedness by discussing the term of social capital. Yet, in the last chapter of the book, Portes (2010: 221) shows that Polanyi’s definition “is both amenable to measurement and usable as an explanatory variable for a number of economic outcomes.”

I consider that the rediscovery of Polanyi means two things for the portesian treatment of embeddedness. First, we have here the consolidation of the power argument

<sup>2</sup> “While purportedly sociological studies of economic activity have proliferated, basic texts in the field continue to chronicle its origins in the nineteenth century and to repeat notions that have become widely familiar by now. Above all, there is a disturbing return to «embeddedness» as if it were everything that, by way of theoretical contribution, contemporary economic sociology has to offer” (Portes 2010: 1).

within the overall discussion of embeddedness. This is made obvious by Portes himself when indicating that Granovetter's conceptualization is network oriented, whilst "Polanyi's embeddedness has less to do with networks than with power" (Portes 2010: 221). Second, I think that returning to Polanyi could also stand for a broader shift in focus from "embeddedness" to "embedding." The fact that Portes entitled this section in the chapter as "Embeddings"—yet he did not further elaborate on this—seems to indicate that this might be the case. On a side note, such theoretical reformulation might drive him closer to approaches to embeddedness that are usually advanced within human and economic geography (for discussion on embedding, see Hess 2004, Pike *et al.* 2000)—thus not economic sociology solely.

Going further to the second meta-assumption, the theoretical model of *Linear Purposive Action an Alternative Behavioral Patterns* was first delineated in the 1999 ASA Presidential Address (Portes 2000: 20)—*The Hidden Abode: Sociology as Analysis of the Unexpected*—and then revived in *Economic Sociology* (Portes 2010: 18–24). Yet, the 1999 speech did not yet draft the unexpected consequences as meta-theoretical assumption of any particular sociological sub-field for that matter. When comparing, we see that the model of unexpected consequences has suffered minor modifications since the 1999 address. It numbers five elements that are grouped in two types. The alternatives of the purposive action are: "the «hidden abode»,", "the latent function," "the shift in mid-course," "the unexpected outcome" and "the lucky turn of events."

It should be stated that this model of unexpected consequences is one of the very few cover-all models of unanticipated/unexpected consequences in sociology. Without going into details, let me just say that it proposes a classification from the point of view of the intentionality of the actor. The outcome ("end-state") might be: "intended," "unrecognized," "initially unintended" and "unintended." Furthermore, there are two categories that could be considered as mertonian derivations: "the latent function" and "the unexpected outcome" (this latter recalls Merton's (1936) concept of unanticipated consequences).

The comment that Portes takes into account the dimension of the intentionality of the actor is important for the reason that much of the debate on the topic of unintended/unanticipated/unrecognized consequences in sociology could be translated into an overall inquiry into the dimensions to be taken into account when drafting an integrative model of consequences of purposive social action. Besides the types of consequences from the point of view of the intentionality of the actor, we see that Portes also advances notions such as immediate and second-level consequences. This vocabulary is employed when discussing the effects of social capital in the transnational field. He shows that outcomes which are positive for the individual might prove—at the second-level—to be negative for the community. He points here to lose of population and the development of forms of dependency on financial input and entrepreneurship that come from outside. Noteworthy, from the point of view of "sociology as analysis of the unexpected," these outcomes do not pertain to the dimension dealing with the intentionality of the actor *per se*. It is rather pertinent to discuss them in relation to other dimensions—such as those identified by Patrick Baert (1991) as: "what the effect refers to," "value at-

tached to the effect,” “modes of knowledgeability” and “awareness and temporal aspects.”

As in the case of social institutions discussed above, the unexpected consequences of purposive action are also unevenly treated throughout the book. In the first part, we have a cover-all treatment of alternative outcomes to purposive action. Thus, we are basically given the apparatus to bring the meta-assumption closer to explanatory mechanisms. Yet, throughout the analysis of the strategic research sites—informal economy, ethnic enclaves and middle-man groups, and transnational communities—the unexpected consequences are employed rather in the “meta-assumption” fashion. And it is only the last chapter the one restoring the initial analytical impetus. Here, Portes discusses self-fulfilling and self-defeating prophecies in terms of measurable and testable explanatory mechanisms. Following Emile Durkheim, Donald McKenzie and Michel Callon, Portes refers to the potential of a particular theoretical model to transform the economic phenomena it describes. There are only a few pages dedicated to this discussion. Still, these are so effervescent that one is left with the impression that they constitute merely an opening exercise of a future more comprehensive treatment of self-fulfilling and self-defeating prophecies based on economic models. It might be that we were given here an insight into the long awaited portesian case-study of unexpected consequences—that was already given its theoretical apparatus on the occasion of Portes’ 1999 ASA Presidential Address.

As the above discussion shows, *Economic Sociology* builds on selected motives and revisions of already advanced theoretical combinations. The present review has chosen to look more closely to the matters of embeddedness and unexpected consequences of purposive action. Needless to say, this was done at the expense of powerfully emerging already portesian arguments—such as power and social class. This notwithstanding, I considered it essential to show that any evaluation of new sites of research and conceptualizations should first come to terms with Portes’ sustained intellectual effort to follow through and revise analyses that seemed to have been already well accomplished.

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