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Exchange, Action, and Social Structure: Elements of Economic Sociology. Zafirovski, Milan.

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Book Notes

Zafirovski, Milan. 2001. *Exchange, Action, and Social Structure: Elements of Economic Sociology*. Westport, CN: Greenwood Press. Hardcover, \$68.00.

Various social science theories attempt to explain economic exchange processes. The current dominant paradigm influencing academic thought and government economic policy, neoclassical economics, focuses on the market forces that effect economic exchange. Both individual behavior and overall economic performance are explained by supply and demand, individual choice, and the forces that operate in a free market system. Although the neo-classical paradigm dominates economic policy, other approaches have been articulated not only by economists but by sociologists as well. One of these is neo-Weberian economic sociology which asserts that economic action is embedded in social relations and the social norms that comprise these relations. Research in this area focuses on the extent to which social, cultural, political factors influence economic action.

Zafirovski provides a detailed analysis of different economic approaches from a sociological point of view. He makes two key theoretical arguments. First, he differentiates neo-Weberian economic sociology from rational choice theory, as neo-classical economics is known in sociological circles. Secondly, he demonstrates how a sociological approach that focuses on institutions, presents a more realistic picture of economic exchange than neoclassical economics. While rational choice theory applies market principles to social action, neo-Weberian economic sociology applies social theories to economic action. From a rational choice perspective, self interest exclusively determines individual motivation, and other factors are considered irrational. Zafirovski argues persuasively that altruism also influences individual action even when it does not correspond with an individual's economic interests.

The author traces the roots of this approach to Max Weber who viewed "economic exchange as a special case of social action." (p. 13). He rejects the methodological individualism of neoclassical economics and argues that the economy is socially constructed.

He provides a summary of empirical evidence that economic actors are embedded in social relations. For instance, interpersonal ties are shown to play an important role in inter-firm exchange transactions and labor market activities. Research also indicates that social-historical conditions, customs, laws, religion, norms of reciprocity, institutional and political factors influence market exchanges. He offers an interesting example of the way the prison system influences the labor market in the United States. Political factors led to a massive increase in spending on prisons during the 1980s and 1990s. The resulting increase in prison building affected labor supply and demand. While the abundance of jobs created in this industry increased labor demand, the imprisonment of large numbers of low-skilled individuals decreased the labor supply, especially at the low end of the labor market. At least part of the declining unemployment rate seen during this period can be attributed these factors.

Zafirovski presents a comprehensive discussion of economic sociology. He traces its roots to classical sociological theory and summarizes theoretical developments in the field. His discussion of empirical findings related to key theoretical propositions, clarifies points and supports the assertion that social factors have a major impact on economic processes and outcomes. Although his work is very theoretical and may be regarded as some as too dense, this is an important book which offers a useful alternative to the dominant economic paradigm. It shows that sociologists have an important contribution to make to the understanding of economic life.

Pauline Irit Erera, *Family Diversity: Continuity and Change in the Contemporary Family*. Thousand Oaks, Sage Publications, 2001. \$64.95 hardcover, \$29.95 papercover. [January 15, 2002].

Although the traditional two-parent family is a popular American ideal, it is estimated that three-quarters of households do not fit this ideal type. The two parent- two child ideal may have characterized families in the 1950s but, since then, it has ceased to be the norm. Labor force transitions and gender equity have affected the career and family options of women, and fostered the emergence of alternative family forms during the 1960s and 1970s.