

The Social Embeddedness of Transnational Markets

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Abstract 10

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Exploring the Social Embeddedness of Markets Insights from the Sociology of Occupations and Professions

„We are all Polanyians now“ (*J. Beckert*). With the rediscovery of markets as a research object, sociology has also rediscovered the social preconditions of markets. Partly, the focus on the social embeddedness of markets is a reaction to the simplifications of classical economic assumptions, whose impact on political orientations is being noticed with growing concern, and partly, it is the processes of globalization which has demonstrated how precarious the functioning of markets is in reality.

Instead of operating in a quasi-mechanical way, markets have their foundations in institutional rules and stocks of cultural knowledge, which in principle enable parties to coordinate their action and help to prevent adverse effects for society as a whole. In the sociology of occupations, such aspects have been discussed for several decades now, and it is the aim of the paper to relate some of these thoughts to the study of markets. Three issues will be addressed in detail:

- (1) Occupational sociology is a good basis to overcome many of the individualistic assumptions of orthodox economic theory. Often, firms engaging in market exchange are conceptualized as unitary actors, while on closer look, they appear as pluralistic settings with multiple professions negotiating the design of the end product. In these negotiations, managers are only one actor among others, and the influence of practitioners such like engineers can be of high relevance for aspects of environmental management and consumers' protection.
- (2) The practical relevance of tacit knowledge and actors' basic assumptions has often been emphasized by occupational sociologists, and this aspect gains new topicality in the era of globalization. For example, complex technologies and products which are transferred from their context of origin to other regions can have a number of adverse effects due to cultural and institutional differences. Accordingly, from an occupational-sociological view, globalization becomes manifest as an increasing need of communicative competencies and a higher degree of reflexivity in many professions.
- (3) In addition, the sociology of professions can help to conceptualize *Polanyi's* thesis of the self-destructive tendencies of market economies in a more precise way. In fact, under certain conditions, professionalism may be absorbed by market rationality, resulting in the abuse of expert power, in different forms of ritualism, and in the McDonaldization of key professions such as medicine, teaching, and the judiciary. For the nation state, rather than regarding professions as cartels or relics from ancient times, the challenge is to protect professionalism as an important basis of societal self-regulation.

