

Chapter 16

The Perspective of Sociology¹

Viktor Vanberg

Introduction

One of the most significant developments in modern social science is, without doubt, the expansion of economic analysis beyond the customary boundaries of economics into the domains of other disciplinary fields such as law, history, sociology, and political science, a development often referred to as “economic imperialism” (Tullock, 1972; Radnitzky and Bernholz, 1987; Swedberg, 1990, p. 14; Frey, 1999, p. viii). *Public Choice* or, as it has also been called, the *New Political Economy* or *Non-Market-Economics* has played a prominent role in this development, which has significantly changed the relationship between economics and its scientific neighbors. In contrast to the exclusive focus on the mechanics of market forces and the pronounced tendency towards disciplinary isolation that has characterized neoclassical, mainstream economics, the new political economy has systematically extended the “economic perspective” into areas of inquiry that have traditionally been regarded as the domain of other social sciences.

Public choice theory has had its most visible influence in political science, whereas its impact in sociology has been much weaker. Yet, sociology is at the same time the social science that feels most fundamentally challenged by the new, generalized economics. In sociology, more than in any other social science, “economic imperialism” is perceived as a threat to the field’s disciplinary identity. Why this is so can be better understood if one takes a look at the history of the relation between economics and sociology, the two neighboring social sciences that “have been estranged from each other far too long” (Swedberg, 1990: p. 3).

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On the History of the Relation between Economics and Sociology

As has often been noted, public choice theory, in particular in its Virginia tradition (Buchanan, 1986, p. 10ff.), is not bringing an entirely new perspective to economics. It is in essence a revival and systematic extension of a research program that was very much inherent in the classical beginnings of economics as a scientific enterprise, in particular so in the political economy of Adam Smith (Buchanan, *ibid.* p. 10; Buchanan, 1978, p.18, 1987a, p. 585; West, 1990). It is only because this research program had largely been forgotten during the neoclassical period in economics that the new political economy can be said to be “new.” Adam Smith held a chair in “moral philosophy,” a field that in modern terminology may be most adequately described as *social science* (Lindenberg, 1986: p. 21). Smith and others who, in the history of ideas, are commonly referred to as *Scottish Moral Philosophers*, including, in particular, David Hume and Adam Ferguson, developed in the second half of the eighteenth century a research program that was not at all confined to economic issues in a technical sense but constituted a general paradigm in social theory, integrating economic, legal, political, and social analysis (Rowley, 1998: p. 474ff.; Vanberg, 1975: p. 5ff.). It is a paradigm based on methodological individualism and centered around the idea that social aggregate phenomena should be explained as the largely unintended outcomes “of individual actions directed toward other people and guided by their expected behavior” (Hayek, 1948, p. 6).

The advantages of specialization about which Adam Smith wrote have, of course, shaped the development of academia no less than that of other areas of human activity. Since Smith’s time “moral philosophy” has become subdivided into a growing number of specialized social sciences, just as its counterpart, “natural philosophy” has split up into the various specialized natural sciences. Yet, while among the latter the subdivision into specialized fields was largely a matter of a pragmatic division of labor, the situation in the social sciences was different. In particular, the separation between sociology and economics turned into a paradigmatic divide, leading to two fundamentally different theoretical traditions.

In the case of sociology, the manner in which the French sociologist Emile Durkheim (1855–1917) defined the field was critical in its early emergence as an academic discipline. It is largely due to his influence that sociology came to found its claims for disciplinary identity on the assertion that its own theoretical perspective is categorically different from the individualistic, utilitarian perspective of economics, and that the latter, for inherent reasons, is incapable of accounting for important aspects of social reality, in particular for its normative and institutional dimensions. According to Durkheim, the science of sociology has its origins in eighteenth century French social philosophy, the polar counterpart to the individualist paradigm of the Scottish Moralists (Vanberg, 1975, p. 134ff.), and in particular in the social philosophy of Auguste Comte, who was the first to use the term “sociologie” in his *Cours de Philosophie Positive*, published between 1830 and 1842. Though Durkheim rejected Comte’s historicist claims, i.e., his concern with

laws of history that supposedly govern the development of human society, he fully endorsed Comte's anti-individualist premises and his claim that society must be looked at as a specific kind of reality apart from its individual constituents and governed by its own laws (Durkheim [1900] 1964a, [1915] 1964b).

In his ambition to secure for sociology a distinct place in an academic environment, in which disciplines like psychology and economics had already established themselves, Durkheim defined sociology in a twofold manner. On one hand he defined it in terms of its subject matter, namely "as the science of institutions, of their genesis and of their functioning" (Durkheim [1895] 1938: lvi), while, on the other, he defined it in methodological terms, namely as a science that has its own, non-individualist theory. It was his methodological commitment that implied that "sociology cannot be based upon a theory that treats the individual as the *starting point* of analysis" (Giddens, 1971, p. 211) and that, therefore, it had to be based on fundamentally different theoretical principles than economics. For economists, he censured, "there is nothing real in society but the individual" (Durkheim, 1978, p. 49). Even worse, their concept of the individual is empirically inadequate, ignoring "all circumstances of time, place, and country in order to conceive of man's abstract type in general" (ibid.), "the sad portrait of an isolated egoist" (ibid.).

Even though later generations of sociologists were not quite as explicit in their programmatic anti-individualism as Durkheim, and even though there were prominent exceptions, such as Max Weber, in its mainstream, sociology has been dominated ever since by the silent premise that the "utilitarian tradition" on which economics is based can, for reasons of principle, not be an adequate foundation for sociological theory (Camic, 1979). In modern sociology, the Durkheim program has most forcefully been restated by Talcott Parsons who proclaimed that "anything like a satisfactory sociological theory could not have been developed at all within the utilitarian framework," and that only "the break with utilitarian premises" allowed for the "emergence of sociological theory" (Parsons, 1968, p. 234).

While sociology, in the manner described above, committed itself to excluding a priori as sociologically inadequate any explanation of social phenomena that starts from assumptions about individual human behavior, post-Smithian economics retained the individualist paradigm of its classical origins, yet it increasingly focused its analytical interest on an ever more narrowly defined aspect of social reality, namely the properties of a highly stylized market, described in terms of a highly stylized model of man. Compared to the much broader outlook of Adam Smith's political economy, the writings of David Ricardo marked the beginnings of a shift in emphasis about which Harold Demsetz (1982, p. 6f.) has said: "Markets became empirically empty conceptualizations of the forums in which exchange costlessly took place. The legal system and the government were relegated to the distant background by the simple device of stating, without clarification, that resources were 'privately owned.'" This shift in the theoretical orientation of economics found its most influential statement in Leon Walras's *Éléments D'Économie Politique Pure* of 1874 which defined the neoclassical research program of modern economics. It was Walras's ambition to develop a "science of pure

economics” in the same spirit as “a physico-mathematical science like mechanics or hydrodynamics” (Walras [1874] 1954, p. 71). His pure economics was to be concerned with “how prices result from a hypothetical régime of absolutely free competition” (ibid., p. 256), supposing “that the market is perfectly competitive, just as in pure mechanics we suppose, to start with, that machines are perfectly frictionless” (ibid., p. 84). Phenomena which he “classified under the heading of institutions” (ibid., p. 63) Walras explicitly excluded from the domain of pure economics, without denying, though, that they can be a proper subject of economics more broadly understood. Even though the study of institutional phenomena fell, in his view, outside of “economics as an exact science” (ibid., p. 47), he considered it the appropriate subject of what he called “social economics” (ibid., p. 79). However, the part that his “social economics” would have had to play in a more broadly conceived economics was never developed, not by Walras himself nor in what has come to be known as the Walrasian tradition. Neoclassical mainstream economics remained occupied with advancing and formalizing in ever more refined ways Walrasés program for “a scientific theory of the determination of prices” (ibid., p. 40), and left unattended the institutional issues that Walras had assigned to “social economics.”

Convergences between Economics and Sociology

A sociology that would have concentrated on the study of institutional phenomena, without pre-committing to a non-individualist theoretical perspective, and an economics that would have primarily concerned itself with the study of market processes, without excluding categorically the institutional dimension from its explanatory enterprise, such a sociology and such an economics could have productively co-evolved as two disciplines that, in a pragmatic division of labor, focus on different kinds of issues, but share in the same theoretical foundation and they could have easily supplemented each others explanatory contributions wherever the task at hand required it. Yet, the diverging developments described above created a paradigmatic divide between a non-individualist sociology claiming institutional phenomena as its own domain and an individualist economics studying the mechanics of markets, explicitly disregarding the institutional dimension. As a consequence, these developments left a “‘no-man’s land’ between economics and sociology” (Swedberg, 1990, p. 316), namely the systematic study of institutional phenomena and, more generally, non-market phenomena from an individualist perspective. The significance of “Public Choice” and related theoretical approaches that emerged within economics during the second half of the twentieth century lies in the very fact that they have embarked on a systematic exploration of this “no-man’s land.”

James M. Buchanan has explicitly characterized public choice theory as “an attempt to close up the analysis of social interaction systems” (Buchanan, 1972, p. 11). It is an effort to pursue the development “of an internally consistent social

science” (ibid., p. 23) by systematically extending the individualist economic approach beyond its traditional domain as “a highly developed theory of market behavior” (ibid., p. 11) to the “‘public choices’ that define the constraints within which market behavior is allowed to take place” (ibid.) and, more generally, to non-market behavior (ibid., p. 23). Along with other approaches to a “new institutional economics,” public choice is about the extension of the “*homo oeconomicus* postulate from market to collective institutional settings” (Buchanan, 1983, p. 12). It is an effort to analyze institutional and non-market phenomena within the same general paradigm as market phenomena, i.e., “with individual decision-makers as the basic units” (ibid., p. 9). Characterizing the various related approaches that seek to go beyond the boundaries of traditional mainstream economics, Ronald Coase (1994, p. 36) notes that “economists are extending the range of their studies to include all of the social sciences.” Hans Albert (1979, p. 8) speaks of these approaches as a revival of the “general sociological research program” that was present at the classical origins of economics, a research program that constitutes a principal alternative to theoretical perspectives prevalent in sociology, and that can well be developed into “a general paradigm for social science” (ibid., p. 23). And Bruno S. Frey describes the generalized economic perspective that is “known under such terms as ‘Non-Market Economics,’ ‘New Political Economy,’ or ‘New Institutionalism’” (Frey, 1999: viii) as “a *new paradigm* for the *social sciences*” (ibid., p. vii), as an outlook that “applies the same theoretical approach to many different areas,” thus advancing the “unity of the social sciences” (ibid., p. 15).

Just as within economics the discontent with the narrow focus of the Walrasian research program led to efforts to revive the general social science perspective of classical political economy, in sociology the discontent with the a priori methodological commitment of the Durkheim program led to attempts to advance an individualist sociological theory, expressly compatible with the behavioral foundations of economics and, in fact, with direct connections to public choice theory (Vanberg, 1983). Even though these approaches have hardly begun to grow out of their somewhat marginal existence within the sociological profession, they deserve attention in the present context. It was the Harvard sociologist George C. Homans who initiated the modern emergence of an individualist sociology with his 1958 article “Social Behavior as Exchange,” in which he argued that all human interaction can be looked at as exchange, in much the same way that economists look at market behavior. In his 1964 presidential address to the American Sociological Association, Homans challenged his colleagues with his plea to “bring man back” into sociology, and to acknowledge the fact that beneath their programmatic anti-individualism sociologists have actually no other operable theory to work with than conjectures about human behavior. Calling for an end to what he chastised as “intellectual hypocrisy,” Homans (1964, p. 818) noted: “It would unite us with the other social sciences, whose actual theories are much like our actual ones, and so strengthen us all.” And he invited his fellow sociologists to see as their task to explain how relatively enduring social structures are “created and maintained by the actions of individuals, actions of course taken under the influence and constraint of the actions of other individuals” (Homans, 1975, p. 64).

The fact that Homans' own work remained very much focused on the analysis of "elementary social behavior" (Homans, 1974) made it easy for mainstream sociologists to discount his challenge as not really demonstrating that social phenomena at the structural and institutional level can be explained satisfactorily on the basis of assumptions about individual human behavior, without recourse to a "genuine sociological theory." A more direct challenge to the traditional doctrine arose in the work of James S. Coleman (1990), who said about himself that he had been converted by Homans' arguments from a "Durkheimian" to an advocate of methodological individualism (Coleman in Swedberg, 1990, p. 49; Coleman, 1986, p. 2). Coleman applied the individualist paradigm explicitly to the institutional and organizational level, notably with his theory of corporate action, a theory that seeks to answer, on the basis of assumptions about individual behavior, the question of how men act collectively through corporate units such as households, firms, organizations, political parties, nation-states, etc. (Vanberg, 1982, p. 8ff.). Distancing himself from the standard self-image of his fellow sociologists, he called for a sociological approach that "does not afford itself the luxury of beginning with already formed units of social organization. Instead, it must begin with persons, and move up from there, or if, in an application, it begins at a level above persons, it must be ultimately analyzable into relations among persons" (Coleman, 1975, p. 85f.).

Coleman has been one of the early members of the Public Choice Society, and he has explicitly argued that sociology can build on the same theoretical foundation as microeconomics, namely the "purposive actor model" (Coleman, 1975, p. 88). He has added, though, that borrowing their basic behavioral model from economics does not dispense sociologists from their task to build sociological theory (*ibid.*, p. 93). In the introduction to a collection of his essays, entitled *Individual Interest and Collective Action* he describes the articles included as "attempts to investigate some of the most important problems of sociology. . . beginning with a paradigm of rational action borrowed from economics (and slightly elaborated)" (Coleman, 1986, p. 10f.).

Coleman's work has become the focal point of an international group of like-minded sociologists that includes, among many others, such scholars as Raymond Boudon in France, Michael Hechter and Douglas D. Heckathorn in the United States, Siegwart Lindenberg and Werner Raub in the Netherlands, Karl-Dieter Opp and Thomas Voss in Germany, or Toshio Yamagishi in Japan. This group of individualist sociologists is often subsumed under the umbrella-name of "rational choice sociology," even though not all of them are firmly wedded to the rational choice model, and one of their main outlets for their publications is the journal *Rationality and Society* that Coleman founded in 1989. In his "Editorial Introduction" to the journal's inaugural issue, Coleman (1989, p. 6) notes that *Rationality and Society* "explicitly espouses methodological individualism" and that its focus is "on the paradigm of rational action," a paradigm on which he comments: It is a "paradigm in social science that offers the promise of bringing greater theoretical unity among disciplines than has existed until now. . . . It is the paradigm on which economic theory rests. It is the basis for the expanding domain of public choice

within political science. It is the paradigm of the burgeoning field of law and economics. . . . Social exchange theory is one of the manifestations of this paradigm in sociology” (ibid., p. 5).

Sociology as a “Multi-Paradigm Science”

From the perspective of rational choice sociology there is obviously no reason to perceive public choice theory along with the other branches of the new generalized economics as an “imperialistic” threat. Instead, both sides can be seen as perfectly compatible research programs that build on the same theoretical foundations, even though, due to the different substantive interests of their respective home-disciplines, they typically apply their shared basic paradigm to different kinds of explanatory issues. Yet, as noted before, the group of sociologists who explicitly subscribe to methodological individualism represents only a minority fraction within the sociological profession at large. As it has been since its origins as a separate academic discipline, sociology continues to be dominated by a methodological commitment to a non-individualist, anti-utilitarian outlook, in spite of the fact that this commitment, quite apparently, even after more than a century since its inception has not come to fruition in the sense of producing a theoretical paradigm that would unite the field. Instead, as soon as one looks beyond the surface of a generally—explicitly or tacitly—shared anti-individualist outlook, modern sociology presents itself as a theoretically fragmented discipline, lacking even a consensus on what criteria one could possibly employ to judge what may count as a “theory,” let alone as a “good theory.” In his introduction to a textbook on contemporary sociological theories one author describes the state of the field in these terms: “Beneath the surface of professional association membership are numerous disagreements, tensions, and disputes that threaten to break up even the formal unity of sociologists. . . . Such disputes reveal that sociologists are, as yet, unsure of the foundation of their discipline and to some, the foundations have yet to be laid” (Wells, 1978, p. 1).

Euphemistically, sociology may be described as a “multi-paradigm science” (Ritzer, 1975), reflecting the variety of distinct theoretical perspectives that one typically finds discussed in surveys on “sociological theory,” perspectives such as functionalism, structuralism, conflict theory, critical theory, Marxism, symbolic interactionism, ethno-methodology, post-modernism, and others. In a more critical assessment of the current state of sociological theory one might suspect that its a priori commitment to a non-individualist outlook may have led sociology into a blind alley. As George C. Homans has put it, misled by its self-imposed programmatic restrictions sociology has looked “for its fundamental principles in the wrong places and hence without success” (Homans, 1967, p. 73).

A brief comment should be added here on Max Weber (1864–1920), who was mentioned earlier as a prominent exception to the dominant programmatic commitment in sociology. Trained as an economist in the tradition of the German

Historical School, Weber was sympathetic to the analytical economics of the Austrian tradition, and one of his aims in developing his research program of social economics (*Sozialökonomik*) was to reconcile the conflicting views in the “Methodenstreit” that had erupted with the controversy between Carl Menger and Gustav Schmoller. As a sociologist, Weber clearly considered himself a “methodological individualist”, even though he did not use the term that was not yet common in his time, defining sociology as a science that seeks to explain social and economic phenomena through “understanding” the human actions that, collectively and interactively, bring them about. He once explicitly stated (in a letter, dated March 9, 1920, to his colleague Robert Liefmann) that when he moved from economics into sociology he made it his mission to fight the widespread misuse of collectivist notions and to insist that the individualist approach is the only adequate method in sociology (Vanberg, 1975, p. 103f.).

Max Weber’s theoretical outlook could have well become the focal point of an individualist tradition in sociology, yet this is not what happened. Even though, since decades, he has been and continues to be one of the most often cited “authorities” in matters of sociological theory, it is not his methodological individualism but rather other aspects of his work that gained him popularity, such as his concept of “ideal types” and his emphasis on the method of “Verstehen,” or his historical studies on the rise of capitalism and other subjects. In fact, even those sociologists who explicitly regard themselves as working in the Weberian tradition are typically no less convinced than their fellow sociologists that the individualist-utilitarian approach of economics is entirely inadequate as a foundation of sociological theory. Very few of them are likely to form an alliance with rational choice sociologists.

Economic Imperialism?

In light of the history, briefly traced above, of the relation between economics and sociology it is both unfortunate and misleading that the label *economic imperialism* has come to be used to describe the efforts within public choice and related approaches to reconstitute economics as a general *social science*. The use of this label is unfortunate because with “imperialism” one tends to associate the notions of invasion and conquest, notions that make it appear as if what is at stake is a hostile takeover of other social sciences by economics. Such framing of the issue is, for obvious reasons, unlikely to invite an open discourse on the relative merits of alternative theoretical approaches. Instead, it is bound to provoke little more than defensive reactions on part of the prospective victims of economics’ expansionist ambitions. The label *economic imperialism* is, however, also misleading, and this in two ways. First, it distracts from the fact that the real issue is not about the relation between different disciplines within the social sciences but about the explanatory potential of alternative theoretical paradigms *for the social sciences*. And second, it is misleading because it distracts attention from the fact that the theoretical

foundations of “the economic approach” cannot remain unaffected in the process, but that its generalized application makes apparent the need to reform the “economic model of man” in certain ways. Both aspects are briefly discussed below.

The true significance of what is misleadingly labeled as “economic imperialism” lies not in the fact that economics is expanding its domain at the expense of other social sciences, or that economists were about to claim a general competence in the various areas traditionally covered by other disciplines. Economists should be the last to ignore that division of labor is of no lesser importance in academia than in other realms of life. What is at stake is the *theoretical unity of the social sciences*, not the ambition to turn the various social sciences into branches of economics. As was described above, it was the paradigmatic split in the social sciences, in particular the split between sociology and economics, that made a thoroughgoing methodological individualism the trademark of the “economic approach.” But, apart from the fact that economics has been the only social science that has been predominantly and consistently committed to methodological individualism, there is nothing specific “economic” about an individualist approach. Therefore, to show how an individualist methodology can be successfully used to solve explanatory problems traditionally studied by other social sciences is not about exporting a uniquely “economic approach.” It means only to show that a theoretical approach that has been used in economics, and largely remained confined to economics, has a much broader explanatory potential than previously recognized. In this sense the reorientation in the social sciences that public choice and related approaches in modern economics have initiated is, in essence, about the consistent application of an individualist methodology throughout the social sciences. It does not put in question that there can be a meaningful division of labor between various specialized disciplines. What it does put in question is the theoretical or paradigmatic divisions that have fragmented the social sciences in the past and that have robbed them of the opportunity to communicate effectively among each other.

As noted, there is a second sense in which the label “economic imperialism” is misleading. It suggests that the need to change and to adapt their theoretical orientation is exclusively on the side of the “invaded” disciplines, while the invading “economic paradigm” remains essentially unaffected in the process. To be sure, that the new generalized economics departs from the neoclassical tradition in that it explicitly seeks to account for institutional aspects is, as has been noted above, well recognized. What is not equally well recognized is the fact that the explanatory potential of neoclassical theory is not only limited by its focus on highly stylized markets, but also by the fact that it employs a highly stylized model of man, of *homo economicus*, the perfectly rational, fully informed maximizer of his own welfare. Reconstituting economics as a general social science does, however, not only require one to rectify the institutional deficiency of the neoclassical tradition, it also requires one to modify its problematic behavioral assumptions. Someone who in his thorough critique of the Walrasian tradition has always emphasized both aspects is Hans Albert. While maintaining that the research program of classical political economy represents a general theoretical approach in social science, he blames the “model-Platonism” of neoclassical economics for

its disregard of institutional aspects as well as for its behavioral deficiency, i.e., for the fact that it turned the broadly utilitarian psychology of the classics into a purely formal “*decision logic* or logic of choice” (Albert, 1979, p. 9), instead of developing it into an empirically content-full theory of human behavior. And while he acknowledges that the new institutionalism in economics “has undoubtedly rehabilitated one of the important ideas of the economic research program” (ibid., p. 20), he leaves no doubt that in his view serious problems remain with the behavioral foundations of the economic approach.

The Behavioral Foundations of Economics as a Social Science

One may well agree with Ronald Coase’s (1994, p. 45) supposition that “the success of economists in moving into other social sciences is a sign that they possess certain advantages in handling the problems of those disciplines.” The crucial question, however, is which of the specific attributes that may define the economic approach confer to it the advantages that account for its success. There are good reasons to presume that methodological individualism and the general notion of self-interested human behavior are the crucial contributing factors here, not, however, the particular model of “rational choice” in its standard interpretation. Doubts about the explanatory power of the latter are, in fact, voiced by Coase (ibid., p. 43) when he notes: “To say that people maximize utility... leaves us without any insight into why people do what they do.” James Coleman who, as noted above, expressly calls for a sociology based on rational choice theory, also voices some caution when he argues: “For the moment, it is the only well developed conception of rational action that we have; and though it may well be replaced when cognitive psychology is more fully developed, there is nothing to replace it now” (Coleman 1975, p. 81). Such a waiting attitude is not what Dennis C. Mueller (1986) has recommended to his colleagues. In his presidential address to the 1986 Public Choice Society Meeting, he made a case for replacing what he calls the “rational egoism postulate” of economics by a behavioral theory that, while maintaining the assumption of self-interested, payoff-oriented behavior, puts less emphasis on *rational choice* than on *adaptive learning*. Specifically, Mueller advocates “starting with behaviorist psychology” (ibid., p. 15), which, incidentally, is the same choice that George C. Homans had made for his individualist sociology, noting: “We believe that the propositions of behavioral psychology are the general explanatory propositions of all the social sciences. Accordingly, they are the general propositions of economics” (Homans, 1974, p. 74). In a similar spirit Mueller notes as an advantage of “starting with behaviorist psychology” that “it allows us to begin with a unified view of human behavior” and that it “is less of a methodological leap for a social scientist who works with rational egoist models than going to some competing sociological-psychological theories” (Mueller, 1986, p. 15).

Whether a more behaviorist approach, as suggested by Mueller, or a model closer to cognitive psychology, as suspected by Coleman, is a more likely candidate for replacing the traditional rational choice model, remains to be seen. It should be apparent, though, that economists who—be it in public choice or in other branches of the new generalized economics—seek to re-establish, in the spirit of classical political economy, the economic approach as a “general paradigm for social science” (Frey) cannot evade the task of rectifying not only its *institutional* but also its *behavioral* deficiency. In fact, it is more and more recognized that, ultimately, institutional phenomena cannot be consistently explained without substituting the standard rational choice model with a behavioral theory that accounts for the element of *rule-following* in human conduct. The fact that rational choice theory with its focus on the incentive-contingencies of *single choices* tends to emphasize the role of situational calculation in human behavior and to ignore the extent to which such behavior is a matter of habits, routines and rule-guided conduct, has been a principal obstacle in the relation between economics and sociology. Durkheim was surely right when he argued that “mores and the prescriptions of law and morality would be impossible if man were not capable of acquiring habits” (Durkheim, 1978, p. 51), and he had reason to conclude that an economics that models man as a case-by-case maximizer is unable to systematically explain the role of habits.

While Durkheim erred when he diagnosed that a non-individualist alternative to the approach of economics is needed to account for the role of norms and institutions in social life, his challenge to the economic model of man remains to be answered. Habits, routines, and other forms of individual rule-guided behavior are, indeed, the building blocks of what we call institutions (Nelson, 2002, p. 21ff.), and a model of man on which explanations of institutional phenomena are to be founded must be able to provide a systematic explanation for the obvious rule-following element in human behavior. The reluctance of economists to part with their traditional model of man may be somewhat softened by recent theoretical developments in cognitive psychology and evolutionary theory that converge towards a model of rule-based or program-based behavior. This model maintains much of what has made rational choice theory so attractive to economists but provides at the same time a systematic bridge between the notion of pay-off governed individual behavior on the one hand and institutional phenomena on the other (Vanberg, 2002).

Conclusion

As has been described above, sociology was established as an academic discipline in explicit opposition to the individualist-utilitarian approach of economics, and the conviction that this approach cannot provide an adequate foundation for sociological theory still very much dominates—if only as a tacit premise—the profession. From the viewpoint of the majority of the profession, public choice is, therefore,

perceived as “economic imperialism” that threatens the very identity of sociology. The apparent failure of the Durkheim program to produce a non-individualist, genuine “sociological” theory that would be able, through its explanatory success, to unite the field, has led, however, to the emergence of individualist approaches in sociology, in particular *rational choice sociology*, with close affinities to public choice and other branches of the new generalized economics. Viewed from the perspective of rational choice sociology, public choice is not perceived as an imperialist threat at all but as a promising development towards a theoretically unified social science. Rational choice sociologists would readily agree with James Buchanan’s (1987b, p. 234) diagnosis that public choice and related approaches in modern economics “point toward a fundamental revision of existing orthodoxy, and an emerging consensus on what may be called a general theory of social structures, which will surely include political organization as only one among an array of forms. These developments should help to break down the barriers among the disciplinary specializations in the social sciences, barriers which have been, at best, arbitrarily erected and maintained.”

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