

The Intersection Between Economics and Sociology: An Interview with Professor Mark Granovetter

Joseph Nicolls
Stanford University

Professor Mark Granovetter earned his A.B. in Modern History at Princeton College in 1965, and went on to earn his Ph.D. in sociology at Harvard University in 1970. He has taught sociology at several institutions, including State University of New York at Stony Brook and Northwestern University, before arriving at Stanford University as a professor of sociology in 1995. He has been the Joan Butler Ford Professor in the School of Humanities and Sciences since 1997, and currently serves as an affiliated professor for the Emmett Interdisciplinary Program on Environment and Resources and for the Woods Institute for the Environment. Professor Granovetter is the current Department of Sociology chair at Stanford.

Mark Granovetter's work primarily focuses on the impact of social networks on macro-economies. One notable example of his work is his ground-breaking work *The Strength of Weak Ties*, cited over 30,000 times (according to Google Scholar), which specifically examines the impacts that weak ties between tightly knit social groups have on economies. Another notable work is *Economic action and social structure: the problem of embeddedness*, cited over 25,000 times (again according to Google Scholar) which examines the influence that social relations have on economic actions. Professor Granovetter is currently working on a two-volume book, titled *Society and Economy*.

JN: You studied back in Harvard under the guidance of Harrison White; he seems to have a very similar approach to sociology and economics that you take. How would you say he's influenced you?

MG: Well, he was the first person to expose me to, at that time, new emerging perspectives on social networks. I had actually been interested in that subject; I was a history major in college and I was interested in a lot of historical cases where social networks were important, but I didn't know that the study of this kind of thing had a name. So, basically, Harrison White showed me that there was a possibility of talking systematically about social networks. He showed a lot of people that, actually. His students were among the first American sociologists that

studied social networks in great detail. And so he was one of the first sociologists to really push these kinds of arguments about how important social networks are.

JN: One of your first major works, *The Strength of Weak Ties*, focused extensively on the impact of weak social links between tightly knit social groups on macroeconomics. Now, with the rise of electronic social networks, these things are significantly easier to specifically quantify. Have the questions you've asked relating to [weak social networks] changed over time?

MG: I don't think the questions have changed. I don't think that the results I've found have changed, because one of the things about Facebook or all these other social network applications is that it becomes easier and easier to maintain these ties that you may have otherwise found difficult to maintain fifty years ago, or whenever back you want to go before the existence of personal computing. Now that it's so much easier to maintain weak ties, I think they will probably become even more significant. There have been studies done... you know, we used to think that studying a network of one to two hundred people was very complicated. Now, there have been studies done with networks that have millions of nodes, and so, many millions of ties connecting those nodes. For example, there are studies that have been done of all the cell phone calls in a country in a year: people who make cell phone calls are nodes in that network and all the calls between two cell phones are ties. So you got a network there that you couldn't have imagined analyzing twenty or thirty years ago. Some of the people analyzing those kinds of networks have looked to see if some of the arguments I've made about weak ties will hold in these very large populations and, surprisingly, they still seem to hold quite well.

JN: If you could change one way that current economic issues are presented to the public, is there a specific thing you would change?

MG: Presented to the public by economists or by the government or by whom?

JN: By people in positions of authority, so that could mean economists or people in positions of government.

MG: Well, I don't know about presenting it to the public, but I think that, in thinking about how to solve policy problems, sociologists are usually not consulted for policy advice. I think we would be more attentive than economists are to social networks, to the human side of economic issues, to the possible ways of solving economic problems by using existing social networks rather than inventing new ones. (Like you do when you send people off to get new training, and teach them how to find jobs, and

so on.) That doesn't address what their own resources are in their own social network. I think that there are a lot of things that can be done by taking on the social aspects of economic activities.

JN: You have a book, soon to be published, titled *Society and Economy*, with the second volume specifically focusing on the formation of new industries, like the electronics industry of Silicon Valley. How would you describe the work in general, and what was your initial inspiration on pursuing this topic?

MG: Well, the reason it's in two volumes is because I was afraid I'd never finish it if I didn't break it up into two volumes. So, the first volume is a theoretical volume, which has all of my theoretical arguments: it has an introductory chapter, then a chapter on norms, then a chapter on trust, then a chapter on power, and then a chapter on how institutions relate to one another. So, that's the theoretical volume, which will come out first. Even that may be more than a year away. The second volume has a series of applied topics, including the emergence of new industries, as you mentioned, and also a chapter on corruption, a chapter on how firms are organized, a chapter on corporate governance. I haven't started working on those. I'm trying to finish the first volume.

JN: You've been a faculty member for a while now: how has your experience with Stanford undergraduates changed over time, and what's basically remained the same?

MG: I don't think I've noticed much change over time. I think that obviously Stanford undergraduates are very bright. I teach a course on economic sociology. For many of these students, it's the first sociology course they've taken. They haven't been exposed to thinking in this way about the world before. Some of them are economics majors and they appreciate gaining a different perspective on the economy. ... I can't think of any systematic way that Stanford undergraduates have changed. Obviously, many more of them are majoring in computer science now than they were twenty years ago. That's a trend that can't go up forever. It'll start going down after a certain time. As the economy matures, as the demand for people in that industry stabilizes. We've seen many up-and-downs like [the demand for Computer Science majors] in the past. It's certainly true that Stanford has become more selective in that only about 5% are now admitted, whereas when I first came here it was 10%, but the pool of people that are very bright in the United States is enormous. When there were only 10% people admitted, they were great students; when there are 5% admitted, they're still great students. I can't really tell the difference.

JN: What fields do you think are ripe for exploration in sociology right now?

MG: Do you mean within my own specialties?

JN: Yes.

MG: I think that people who do economic sociology talk a lot about how social forces and social relationships impact economic outcomes in ways that you couldn't predict just by thinking about rational individuals trying to maximize something. People are also trying to have a kind of social life, like having friends or gaining some kind of social standing. At the same time, they want to have sociability and to enjoy what they do with their friends. A lot of economic sociology consists of trying to figure out how those social goals interact with and change the purely economic goals that economists think about. I think all economic sociologists are interested in those kinds of questions. Economists have become more interested in some of those kinds of questions. There's now a lot of interest in social networks among economists. They do very interesting and sophisticated work on the economics of social networks. I think that the difference is that when economists look at social networks, they think of them as something that people have constructed in order to achieve some goal: they're expending resources on constructing social networks in such a way as to achieve their economic goals. I think that's interesting and the models they build off that assumption are interesting, but I think it's also true that they are assuming that who is in your social network is more in your control than it really is. They are assuming that your goals in bringing people into your social network are purely economic or profit-making whereas people have all kinds of goals in bringing people into their social network. I think a lot of what determines who goes into your network has not so much with what you choose but where you are, what you're doing, what your activities are, who your friends are, who the friends of your friends are. There's a lot of stuff going on in determining your network that's not actually in your control, so you can't really influence it with some kind of investment strategy. I think that for these economic models of social networks to be more effective, you're going to have to bring these other issues into play, in the way that sociologists have always done.