Chapter 16
The Perspective of Sociology

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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, “eco-
nomic 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