

Socio-Economics: A New Department?

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Recently Amitai Etzioni, former chairman of sociology at Columbia and now University Professor at George Washington University, inquired as to our interest in publishing a brief article raising some questions about the institutionalization of new or emerging disciplines. Since graduate deans usually are directly involved in such program development, it seemed like a good idea. Professor Etzioni is interested in comments, and we shall be happy to direct them to him.

At infrequent but important junctures in the history of the academic division of labor, scholars seek recognition for new interstitial disciplines. The rise of bio-chemistry has been one such occasion; that of social psychology—another. Now socio-economics lays a claim to such a position. It is a response to widespread criticism of mainstream, neo-classical economics as being too preoccupied with mathematical virtuosity, abstract concepts, and utilitarian values. Socio-economics attempts to integrate economics and other social sciences, especially psychology, sociology and political science. (Two other major responses to the widely recognized difficulties of economics are to seek to incorporate sociological and psychological concepts into neo-classical economics, or to build a meta science of choice, to encompass both economic and non-economic decision making.)

Like other interstitial disciplines, socio-economics does not seek to replace any paradigm, but to evolve a parallel one, to explore if a different approach would cast additional light on the subject at hand. While there is no agreed upon set of theorems that can be called socio-economics at this stage, among the starting assumptions used by various scholars and groups that work on the subject are the following:

Instead of drawing on utilitarian philosophy, efforts are made to incorporate Kantian, humanist, various religious and social sets of values into premises that compete to become the foundation of the new discipline.

Instead of assuming that individuals are rational, egoistic, and self-reliant, socio-economists view individuals as

subject to emotive forces that affect both their cognitive processes (e.g., color their information) and their judgments. Individuals are assumed to mix self-interest with concern for others and community and are viewed as members of social groups that affect their economic behavior rather than autonomous decision makers. Finally, instead of viewing markets as free standing, they are seen as embedded in societies and in politics.

As to modes of analysis and verification, the methodology socio-economics emphasizes is induction ("good old empirical work") and less reliance on deduction. It stresses the importance of collecting new empirical evidence and puts less emphasis on the use of data previously collected for non-research purposes.

Among major scholars who do socio-economics (under a variety of banners) are Kenneth Boulding, Kenneth Galbraith, Albert Hirschmann, Elliott Jaques, Thomas Juster, Harvey Leibenstein, I.M.D. Little, Michael McPherson, James Morgan, Amartya Sen, Neil Smelser, and Amos Tversky. Several groups of scholars who meet regularly to explore socio-economic topics include The George Washington Socio-Economic Seminar (in Washington, DC); The International Association for Research in Economic Psychology (in Austria); the Middlebury Group (in Vermont); the Society for Advancement of Behavioral Economics and a group that meets under the direction of Ulf Himmelstrand in Uppsala, Sweden.

From the viewpoint of university administration the question that arises is what are the ways socio-economics might be institutionalized. Most departments of economics are, naturally and properly, not hospitable to invest resources in new paradigms that draw heavily on other disciplines. Possibly some universities may take the lead and allow the creation of a new graduate department, dedicated to socio-economics. Moreover, it is easy to see socio-economics as an undergraduate subject. It would provide a wider perspective on the economy and the society for students who will not specialize in the topic after graduation, than

is provided by either economics or the other social sciences, taught individually.

An interesting intermediary step toward such a department is to initially form a socio-economics group, composed of interested members of those already on the faculty of several departments, possibly in conjunction with some visitors or non-tenure appointments. The group would set up a curriculum in socio-economics, teach the courses, formulate the requirements for the degrees, and grant a Ph.D. in the area. After an agreed time of say five years, if the program is intellectually successful and sufficient numbers of students are attracted to it, and the graduates of the program are placed, the group might be elevated to full department status. (A considerable demand for socio-economics seems to exist in corporations, government agencies, and professional schools, for reasons explained shortly).

Another important possibility is the development of a socio-economic program in conjunction with business schools and schools of management or policy. All these schools are in need of interstitial programs, because they deal with economic behavior within the real world, in which economic, psychological, social and political factors are intertwined. As a result these scholars cannot rely on a discipline that focuses only on one subset of factors. For the same reason corporations and government agencies have shown a growing interest in more broadly trained economists, whether they are called applied (who often draw into their models non-economic variables), policy oriented, or socio-economists.

Other forms of institutionalization can surely be devised. The main question is if the time is ripe for some innovative graduate schools to explore the merits of the new interstitial discipline by providing one form or another of institutional support for it.

For additional documentation, see "Making Policy for Complex Systems: A Medical Model for Economics" in the Journal of Policy Analysis and Management, Vol. 4, No. 3, 383-395 (1985).