

adequate responses suggest that Brazil's democratization and social development made little or no progress on the ground. Finally, income and educational inequality in Brazil remains among the greatest in the world and is at the root of many of its social problems, including persistent and large racial disparities.

Font's main contribution in this book is that it summarizes Brazilian development during the Cardoso government in a single volume. Development scholars and Latin Americanists as well as sociologists should thus find it of special interest. The book is also accessible to undergraduates, who are likely to better understand the challenges and experiences of development and democratization by examining the Brazilian example. Readers interested in understanding the long *durée* of Brazilian development and democratization should await the release of Font's companion volume.

*When Formality Works: Authority and Abstraction in Law and Organizations.* By Arthur L. Stinchcombe. Chicago: University of Chicago Press, 2001. Pp. ix+208. \$47.00 (cloth); \$16.00 (paper).

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Functionalism is alive and well in *When Formality Works*. Stinchcombe's avowed goal is to sketch the factors that make formalization—rules, blueprints, and citation practices—effective. Rules have a bad rap among sociologists, who see legal systems, bureaucracies, and corporate handbooks as evil means of denying power to the downtrodden. As the profession, along with law, most interested in formal rules, sociology has been remiss in neglecting what makes formalization effective. Stinchcombe identifies three characteristics. First, formalization must be based on abstractions that are useful representations of the problems and solutions in question—that achieve “cognitive adequacy.” If abstractions do not map well to real situations, they will not be useful guides to action. Second, formalization must be communicable. It helps if rules are transparent, and if they are written in the *lingua franca* of those subject to them (lawyeresque for lawyers, physicsese for physicists). Finally, rules must have feedback systems (a “trajectory of improvement”) that allow them to be updated. Judicial interpretation serves this purpose, allowing for the redefinition of “restraint of trade” or “sexual harassment.”

The book's vivid empirical chapters explore formalization in architecture (the blueprint as formalization), commercial law and judicial interpretation, formalization and liquidity in bond markets (with Bruce Caruthers), the formal rights of aliens in immigration proceedings, and the formalization of scientific stratification in citations. These chapters illustrate Stinchcombe's points that formality works when it represents prob-

lems and solutions well, when it makes sense to the people who are responsible for it, and when it has channels for feedback.

When I say that functionalism is alive and well in the book, I mean that Stinchcombe makes a classical functional argument, in the process of making this argument about the requisites of effective formalization. He contends that, by and large, formalization grows to fill functional demands. The imagery is reminiscent of his *Information and Organizations* (University of California Press, 1990), in which organizations grow toward important environmental sources of information. He lists the various pathologies that may interfere with functionalism, but in a nod to biological functionalism says that the book is not about the pathologies of the liver but about how the liver works when it works. The case studies are self-consciously selected on the dependent variable, hence the title *When Formality Works*.

The case studies illustrate both that formalization must meet Stinchcombe's criteria to be effective and that formalization fills functional needs. First, the blueprint is a study in functionality. Its specifications have evolved to be elaborate where they need be (load-bearing to keep the building up), and vague where they need not be, or where details are better left to subcontractors (how to organize the wiring). Second, Stinchcombe tackles Max Weber's famous "problem with England": the quandary England poses for Weber's claim that capitalism requires commercial law that is certain. Judicial interpretation made commercial law a moving target in England, and yet capitalism flourished there. Weber was blind to the fact that capitalism being dynamic, commercial laws carved in stone will be antiquated before the stonemason is finished. Judicial interpretation allows for a "trajectory of improvement" in commercial law that may have been ingredient to capitalism's early success in England and the United States. Third, the chapter on market liquidity demonstrates the need for "cognitive adequacy," in this case formalization that by chance transformed early English financial assets, and by design transformed American home mortgages, into fungible commodities (English public bonds and Fannie Mae bonds) that could be bought and sold like cattle futures without further inspection. Formalization made these markets liquid, which made them functional. In the chapter on the rights of aliens in immigration proceedings, Stinchcombe finds a functional outcome he is not unambivalent about. Whether immigration officials give an alien seeking entry a hearing depends on the categorical probability of her having a right to entry—if she is caught swimming across the Rio Grande, she is out of luck. Formality may not achieve due process, but it prevents officials from being swamped where the outcome is all but certain. Finally, Stinchcombe finds formal citation stratification in science—the hierarchy of core and peripheral citations—to be functional in that it directs intellectual attention toward paradigmatic rather than tangential ideas.

If only because Stinchcombe, as he puts it on page 54, gets "a good

deal of joy out of abstracting,” this is probably not a book that should be required reading for undergraduates or MBA students. But there are some good lectures to be built on these case studies, and so it should certainly be read by teachers of management and bureaucracy. *When Formality Works* is fun to read, not only because Stinchcombe is witty and insightful, but because he is that rare modern quantity, the polymath. His ability to discuss each of five fields—from mortgage bonds to geology—like an insider is what breathes life into a topic that others would have rendered soporific.

*Beyond the Market: The Social Foundations of Economic Efficiency.* By Jens Beckert. Translated by Barbara Hershav. Princeton, N.J.: Princeton University Press, 2002. Pp. 365. \$39.95.

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Spanning the boundary between economics and sociology, a young scholar tackles a key theoretical problem in social science through a careful interrogation of the writings of four major thinkers. Talcott Parsons set the precedent when he used Marshall, Pareto, Durkheim, and Weber to think through the problem of social order in *The Structure of Social Action*. Perhaps without realizing it, Jens Beckert follows Parsons’s model in reading Durkheim, Parsons, Luhmann, and Giddens to address the problem of economic efficiency (mercifully, he does not emulate Parsons’s notoriously opaque and prolix writing style).

This book, published in German in 1997 and now translated with only minor modifications, reflects impressive intellectual ambition, maturity, and erudition. Beckert aims to develop a sociological theory of action to replace that famous homunculus, *homo economicus*, who currently occupies the core of modern neoclassical economics. In an internal critique of economics, he argues that its theory of action, the rational choice model, is unable to account for the emergence of efficient equilibria (p. 3). Beckert uses three problems to illustrate the shortcomings of rational actor models: cooperation, decisions under uncertainty, and innovation. Their resolution, Beckert claims, will require economics to look to sociology for some answers, for the foundation of economic efficiency lies in the embeddedness of economic action. Furthermore, economic sociology will itself benefit from the theories of action devised by the theorists Beckert discusses.

The book opens with a chapter-length summary of current economics, arguing that from the assumptions of the rational actor model one cannot derive efficient equilibrium outcomes in situations involving substantial cooperation, uncertainty, or innovation. In making this claim, Beckert ably surveys game theory, general equilibrium models, welfare economics, and the economics of information (although these fields have progressed