

Economic Sociology

Instructor: Juan Díez Medrano

Schedule: Wednesdays, from 11am to 14 pm.

Course Description

This seminar focuses on the contributions of the “New Economic Sociology”. The past twenty-five years have witnessed an almost revolutionary transformation in the field of sociology’s approach to the economy. This renewal process challenges many of economics’ premises. Among them the claims that economic behavior is rational and conducted by isolated individuals. Against these premises, the “New Economic Sociology” stresses the limitations of rationality and the social character of all economic behavior. The seminar deals sequentially with some of the most significant contributions to the “New Economic Sociology” field. It prioritizes conceptual and analytical aspects. The course is divided in three parts: The first part examines the most important economic institutions and the role of the State in the Economy: Markets and Firms. The second one presents basic concepts in the New Economic Sociology: Cognition, Institutions, Power, Networks. Finally, the course devotes a session to the value of things.

Evaluation

Based on participation, preparedness, and a final paper.

Class presentations:

Students will be assigned readings to present at each session. These presentations must be twenty-minutes long. The presenter will outline the argument in schematic form (main ideas and their articulation) instead of in sequential form (as it appears in the text). When presenting empirical papers where the author is testing causal hypotheses, the presenter must be able to represent the causal argument as a diagram with variables and arrows, ordered in path-analytical form.

1. What is the article’s general point (What does it say about the economy)?
2. What are the article’s two or three main points or guiding hypotheses?
3. Does the article challenge a particular perspective or theory?
4. Does the article fill a particular gap in the literature, a question that has not been addressed so far or that has not been addressed properly?
3. What are the article’s main conclusions?

I WILL VALUE VERY MUCH THAT THE STUDENT USES HIS/HER OWN WORDS IN THE PRESENTATION, AVOIDING JARGON, AND MOVING AWAY FROM THE WAY THE TEXT IS STRUCTURED.

In addition to the synthesis, the presenter will address the following questions:

1. Are there arguments or concepts he or she had trouble understanding? (to be clarified by the rest of the group)
2. Is there anything in the text that he or she finds counter-intuitive? Unconvincing? Justify (participation by the rest of the class required)
3. Is there an analytical question that he or she could pursue in a research project, based on the text?

The presenter will have to turn-in a one-page summary of notes related to the text.

The instructor will also collect two sets of notes from randomly chosen students in class and regarding a specific reading for the particular session.

Final Paper

The paper will consist in two parts:

A-The first part will be a three-page individual synthesis (1^{1/2} space, Modern Times-Roman 12", Standard Page size formatting) of what you think are economic sociology's main contributions, based on what we have covered in the course.

You should also state what topic/text you have liked the most and why. Although I do not require it, I welcome critical comments as to what you think are the economic sociology literature's shortcomings and under-investigated areas.

B-The second part of the paper (*Max. 15 pages*) will be an individual contribution based on team work around a project proposed in class: Students will be divided into three groups in order to examine any of a broad set of questions on a topic that I will propose and on which students will be working during the semester.

Part of the class session will be devoted to plan the work, discuss problems in conducting the work, and present provisional results of this work-in-progress.

Course schedule

I- Origins:

Marx, Karl. 1844. "Estranged Labor", "The Meaning of Human Requirements", y "The Power of Money in Bourgeois Society" Pp. 70- 81 and 93-105 in *Economic and Philosophical Manuscripts*. Third Manuscript (In Robert Tucker (Ed.) 1978. *The Marx-Engels Reader*. New York: Norton

Weber, Max. [1919-1920. 1968]. "Modern Capitalism" Chapter 12 in *On Charisma and Institution Building*. S. N. Eisenstadt (Ed.). Chicago: The University of Chicago Press (Pp. 140-165)

Mauss, Marcel. [1925. 2000] "The Exchange of Gifts and the Obligation to Reciprocate", Chapter 1 in *The Gift*. Routledge.

Polanyi, K.. 1971. "The Economy as Institutionalized Process". In C.M. Arensberg y H.W. Pearson (Ed.) *Trade and Market in Early Empires*.

I-Markets and Fields:

Swedberg, Richard. 1994. "Markets as Social Structures", Chapter 11 de Neil Smelser y Richard Swedberg (comp.) *The Handbook of Economic Sociology*. Princeton: Princeton University Press [Pp. 255-274].

Fligstein, Neil. 2001. Pp. 11-20 (on fields) and Chapter 2 (until page 36). *The Architecture of Markets*. Princeton: Princeton University Press; and Fligstein and Dauter, "The Sociology of Markets" (2007) in *Annual Review of Sociology*.

Baker, Wayne. 1984. "The Social Structure of a National Securities Market." *American Sociological Review*

II-The Firm:

Williamson, Oliver. 1988. "The Logic of Economic Organization".

Di Maggio, Paul J. y Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review* 48: 147-160. [from JSTOR]

III-State and the Economy:

Block, Fred. "The Roles of the State in the Economy", pp. 692-706 in Neil Smelser and Richard Swedberg (Eds.), *Handbook of Economic Sociology*.

Fligstein, Neil. "States, Markets, and Economic Growth" pp. 120-131 in Victor Nee and Richard Swedberg (Eds.). *The Economic Sociology of Capitalism*. Princeton: Princeton University Press,

IV- Value and the Economy:

Viviana Zelizer. 1978. "Human Values and the Market: The Case of Life Insurance and Death in 19th Century America." *American Journal of Sociology* 84, 3: 591-610

Fourcade, Marion. 2011. "Cents and Sensibility: Economic Valuation and the "Value" of Nature." *American Journal of Sociology* 116, 6: 1721-1777

V-Cognition:

March, James. 1978. "Bounded Rationality, Ambiguity, and the Engineering of Choice." *The Bell Journal of Economics* 9, 2: 587-608.

Kahneman, Daniel. 2014. Chapter on Framing from *Think Fast, Slow*.

Weick, Karl. Chapter from *Sense Making in Organizations*.

VI-Uncertainty and the Economy: March 20th

Beckert, Jens. 2013. "Imagined Futures: Fictional Expectations in the Economy." *Theory and Society* 42, 3: 219-240.

Braun, Benjamin. 2015. "Governing the Future: The European Central Bank's Expectation Management during the Great Moderation." *Economy and Society* 44, 3: 367-391.

North, Douglass. 1993. Part I in *Institutions, Institutional Change, and Economic Performance* (Pp. 3-69). Cambridge: Cambridge University Press.

Fligstein, Neil. 2001. Pp. 36-42 in Chapter 2 and Chapter 3 from *The Architecture of Markets*. Princeton: Princeton University Press.

Meyer, John W and Brian Rowan. 1977. "Institutionalized Organizations: Formal Structures as Myth and Ceremony". *American Journal of Sociology* 83: 340-363. (From JSTOR)

VIII-Culture:

Berger, Peter L. y Thomas Luckmann. "From The Social Construction of Reality." Pp. 496-515 in Frank Dobbin (Ed.) *The New Economic Sociology*. Princeton: Princeton University Press.

Swidler, Ann. 1986. "Culture in Action: Symbols and Strategies." *American Sociological Review* 51, 2: 273-286.

Kunda, Gideon. 1992. Excerpts from *Engineering Culture: Control and Commitment in a High-Tech Corporation*.

IX- Performativity and the Economy:

Mackenzie, Donald and Yuval Millo. 2003. Constructing a Market: The Historical Sociology of a Financial Derivatives Exchange. *American Journal of Sociology* 109, 1: 107-145 [From JSTOR]

Cochoy, Franck. "Another Discipline for the Market Economy: Marketing as a Performative Knowledge and Know-how for Capitalism." in Michel Callon (Ed.) *The Laws of the Market*. Oxford: Blackwell: 194-218.

X-Power:

Fligstein, Neil. 1987. "The Interorganizational Power Struggle: Rise of Financial Capital to Top Leadership in Large Corporations, 1919-1979." *American Sociological Review* 52, 1: 44-58. [From JSTOR]

Roy, William. Excerpts from *Socializing Capital: The Rise of the Large Industrial Corporation in America* (1997, Princeton University Press).

XI-Networks:

Granovetter, Mark. 1981. "Economic Action and Social Structure. The Problem of Embeddedness." *American Journal of Sociology* 91, 3: 481-510.

Burt, Ron. 1992. "From Structural Holes". Pp. 325-347 in Frank Dobbin (Ed.) *The New Economic Sociology*. Princeton: Princeton University Press.
