

Economic Sociology

Sociology 666: Selected Topics in Sociology

Fall 2017

Wednesdays 2:45-5:35pm

Humanities 114

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Sign up at: <https://www.wejoinin.com/sheets/exdpy>

Course description

This course is an introduction to the subfield of economic sociology. As an organized part of the discipline, economic sociology is less than two decades old. But as a set of concerns, it goes all the way back to Marx, Weber and Durkheim. In this course, we will survey major strands of work in this literature.

We will begin by discussing competing conceptions of markets. Are they good? Are they bad? How, why, and when? Sociologists often set themselves up as skeptics of markets, juxtaposing themselves against economists who value markets' power, but some strands of sociology have emphasized the ability of market exchange to bind people together and produce moral orders. (And plenty of economists recognize the limitations of markets.)

Next, we will spend a few weeks on core approaches to economic sociology. Originally, the field was closely associated with the concept of "embeddedness"—that markets and economic activity are embedded in social institutions—and explicitly contrasted its approach with a purely economic one. Much of this work used network analysis to understand how social ties could shape economic decisions and outcomes. But there have also long been significant bodies of work on economic institutions that focus on politics—both in the small-p politics that shape the creation of markets, and in the large-P politics of government institutions that structure economic activity—and on culture, morality and markets (what can be exchanged on markets, and what is forbidden? how do markets produce moral values?), and we will cover that as well.

Finally, we'll spend several weeks looking at literatures that really have taken off within the last decade or so: one inspired by science and technology studies; one on financialization (broadly construed); one on debt and credit; and one that returns to the classic sociological concern with inequality.

Books to purchase

You should acquire the following books (they are not pre-ordered at the bookstore). All other readings will be posted to Blackboard:

Polanyi, Karl. 2001 (1944). *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press.

Krippner, Greta. 2011. *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Cambridge: Harvard University Press.

Course requirements

The main written requirement of the course is a 20-page research paper on a relevant topic of your choice. This can be either a research proposal or, if you already have some data you want to analyze, a research paper. A 2-3 pp. paper proposal will be due in class on **Wednesday, October 18**. The final paper will be due **Wednesday, December 13** (a week after the last day of class).

This is a small class. I will rely on you to do the readings every week. Please circulate a short (500-1000 words) response memo to the readings by email the night before class. This can raise questions for discussion, make comparisons across readings, relate the readings to current events—the format is fairly open, although the memos should not be pure summary. You can take one week off from the response memos.

If there is a class you cannot make, please let me know as early as you can that you will not be able to attend.

Your course grade will be based 50% on the paper and 25% on your memos, and 25% on participation. I rarely give incompletes.

Schedule of topics

Please note that I will need to cancel class either October 25 or November 1 due to travel, but likely not both. If I have to cancel both, we will make up the final class on December 13 (after the official end of classes). I should know what our exact schedule will be within the next couple of weeks.

Week 1: Introduction

Wang, Dan. 2012. "Is there a Canon in Economic Sociology?" *Accounts* (newsletter of the ASA Economic Sociology section) 11:1-8.

Fligstein, Neil. 2015. "What Kind of Re-Imagining Does Economic Sociology Need?" Pp. 301-316 in *Re-Imagining Economic Sociology*, edited by Patrik Aspers and Nigel Dodd. Oxford: Oxford University Press.

Week 2: Conceptions of markets/civilizing markets

Hirschman, Albert O. 1982. "Rival Interpretations of Market Society: Civilizing, Destructive, or Feeble?" *Journal of Economic Literature* 20:1463-1484.

Fourcade, Marion, and Kieran Healy. 2007. "Moral Views of Market Society." *Annual Review of Sociology* 33: 285-311.

Smith, Adam. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Volume 1, Book 1, Chs. 1-3.

von Hayek, Friedrich. 1945. "The Use of Knowledge in Society." *American Economic Review* 4:519-530.

Friedman, Milton. 1962. *Capitalism and Freedom*. Chs. 1-2. Chicago: University of Chicago Press.

Supplementary

Simmel, Georg. 1971 (1907). "Exchange." Ch. 5 in *Georg Simmel on Individuality and Social Forms*, edited by Donald Levine. Chicago: University of Chicago Press.

Durkheim, Emile. 1893. "Solidarity Arising from the Division of Labor, or Organic Solidarity." Book 1, Ch. 3, in *The Division of Labor in Society*.

Week 3: Destructive markets (and embeddedness 1.0)

Marx, Karl. 1867. "The Fetishism of Commodities and the Secret Thereof." Part 1, Section 4 of *Capital, Volume One*.

Polanyi, Karl. 2001 (1944). *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press.

Sandel, Michael. 2012. "What Isn't for Sale?" *The Atlantic*.

<https://www.theatlantic.com/magazine/archive/2012/04/what-isnt-for-sale/308902/>

Supplementary

Sandel, Michael J. 2012. *What Money Can't Buy: The Moral Limits of Markets*. New York: Macmillan.

Week 4: Embeddedness (2.0) and networks

Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problems of Embeddedness." *American Journal of Sociology* 91:481-510.

Krippner, Greta. 2002. "The Elusive Market: Embeddedness and the Paradigm of Economic Sociology." *Theory and Society* 30:775-810.

Uzzi, Brian. 1996. "Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness" *Administrative Science Quarterly* 42:35-67.

Davis, Gerald F., and Mark S. Mizruchi. 1999. "The Money Center Cannot Hold: Commercial Banks in the U.S. System of Corporate Governance." *Administrative Science Quarterly* 44:215-239.

Supplementary

Mizruchi, Mark S., and Linda Brewster Stearns. 1988. "A Longitudinal Study of the Formation of Interlocking Directorates." *Administrative Science Quarterly* 33:194-210.

Fernandez, Roberto M., and Nancy Weinberg. 1997. "Sifting and Sorting: Personal Contacts and Hiring in a Retail Bank." *American Sociological Review* 62:883-902.

Powell, Walter W., Kenneth W. Koput, and Laurel Smith-Doerr. 1996. "Interorganizational Collaboration and the Locus of Innovation: Networks of Learning in Biotechnology." *Administrative Science Quarterly* 41:116-145.

Bandelj, Nina. 2002. "Embedded Economies: Social Relations as Determinants of Foreign Direct Investment in Central and Eastern Europe." *Social Forces* 81:411-444.

Powell, Walter, Douglas R. White, Kenneth Koput, and Jason Owen-Smith. 2005. "Network Dynamics and Field Evolution: The Growth of Interorganizational Collaboration in the Life Sciences." *American Journal of Sociology* 110:1143-1205.

Mizruchi, Mark S., Linda Brewster Stearns, and Christopher Marquis. 2006. "The Conditional Nature of Embeddedness: A Study of Borrowing by Large U.S. Firms, 1973-1994." *American Sociological Review* 71:310-333.

Padgett, John F. and Walter W. Powell. 2012. *The Emergence of Organizations and Markets*. Princeton: Princeton University Press.

Chu, Johan S., and Gerald F. Davis. 2016. "Who Killed the Inner Circle? The Decline of the American Corporate Interlock Network." *American Journal of Sociology* 122:714-754.

Thiemann, Matthias, and Jan Lepoutre. 2017. "Stitched on the Edge: Rule Evasion, Embedded Regulators, and the Evolution of Markets." *American Journal of Sociology* 122:1775-1821.

Week 5: Politics and markets, markets as politics

Fligstein, Neil. 1996. "Markets as Politics: A Political-Cultural Approach to Market Institutions." *American Sociological Review* 61:656-673.

Dobbin, Frank, and Timothy J. Dowd. 2000. "The Market That Antitrust Built: Public Policy, Private Coercion, and Railroad Acquisitions, 1825 to 1922." *American Sociological Review* 65:631-657.

Krippner, Greta. 2007. "The Making of U.S. Monetary Policy: Central Bank Transparency and the Neoliberal Dilemma." *Theory and Society* 35:477-513.

Supplementary

Dobbin, Frank. 1994. *Forging Industrial Policy: The United States, Britain and France in the Railway Age*. Cambridge: Cambridge University Press.

Fligstein, Neil. 2002. *The Architecture of Markets: An Economic Sociology of Twenty-First Century Capitalist Societies*. Princeton: Princeton University Press.

Fligstein, Neil, and Doug McAdam. 2012. *A Theory of Fields*. Oxford: Oxford University Press.

Mizruchi, Mark. 2013. *The Fracturing of the American Corporate Elite*. Cambridge: Harvard University Press.

Murray, Joshua. 2017. "Interlock Globally, Act Domestically: Corporate Political Unity in the 21st Century." *American Journal of Sociology* 122: 1617-1663.

Week 6: Morals and markets (part one)

Three on life insurance:

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

Quinn, Sarah. 2008. "The Transformation of Morals in Markets: Death, Benefits, and the Exchange of Life Insurance Policies." *American Journal of Sociology* 114:738-780.

Chan, Cheri Shun-ching. 2009. "Creating a Market in the Presence of Cultural Resistance: The Case of Life Insurance in China." *Theory and Society* 38:271-305.

Also read:

Roth, Alvin. 2007. "Repugnance as a Constraint on Markets." *Journal of Economic Perspectives* 21:37-58.

Supplementary

Abolafia, Mitchel. 1997. *Making Markets: Opportunism and Restraint on Wall Street*. Cambridge: Harvard University Press.

Healy, Kieran. 2006. *Last Best Gifts: Altruism and the Market for Human Blood and Organs*. Chicago: University of Chicago Press.

Zelizer, Viviana. 2011. *Economic Lives: How Culture Shapes the Economy*. Princeton: Princeton University Press.

Week 7: Morals and markets (part two)

Almeling, Rene. 2007. "Selling Genes, Selling Gender: Egg Agencies, Sperm Banks, and the Medical Market in Genetic Material." *American Sociological Review* 72:319-340.

Anteby, Michel. 2010. "Markets, Morals, and Practices of Trade: Jurisdictional Disputes in the U.S. Commerce in Cadavers." *Administrative Science Quarterly* 55(4):606-38.

Livne, Roi. 2014. "Economies of Dying: The Moralization of Economic Scarcity in U.S. Hospice Care." *American Sociological Review* 79:888-911.

Reich, Adam. 2014. "Contradictions in the Commodification of Hospital Care." *American Journal of Sociology* 119:1537-1575.

Supplementary

Pugh, Allison J. 2009. *Longing and Belonging: Parents, Children, and Consumer Culture*. Berkeley: University of California Press.

Turco, Catherine. 2012. "Difficult Decoupling: Employee Resistance to the Commercialization of Personal Settings." *American Journal of Sociology* 118:380-419.

Reich, Adam. 2014. *Selling Our Souls: The Commodification of Hospital Care in the United States*. Princeton: Princeton University Press.

Hoang, Kimberly Kay. 2015. *Dealing in Desire: Asian Ascendancy, Western Decline, and the Hidden Currencies of Global Sex Work*. Berkeley: University of California Press.

Fridman, Daniel. 2016. *Freedom from Work: Embracing Financial Self-Help in the United States and Argentina*. Stanford: Stanford University Press.

Week 8: Categorization, performativity, devices, valuation

Zuckerman, Ezra W. 1999. "The Categorical Imperative: Securities Analysts and the Illegitimacy Discount." *American Journal of Sociology* 104:1398-1438.

Mackenzie, Donald, and Yuval Millo. 2003. "Constructing a Market, Performing Theory: The Historical Sociology of a Financial Derivatives Market." *American Journal of Sociology* 109:107-145.

Poon, Martha. 2007. "Scorecards as Devices for Consumer Credit: The Case of Fair, Isaac & Company Incorporated." *The Sociological Review* 55:284-306.

Hood, Katherine. 2017. "The Science of Value: Economic Expertise and the Valuation of Human Life in US Federal Regulatory Agencies." *Social Studies of Science* 47:441-465.

Supplementary

Callon, Michel, ed. 1998. *Laws of the Markets*. Malden, MA: Wiley-Blackwell.

Beunza, Daniel, and David Stark. 2004. "Tools of the Trade: The Socio-Technology of Arbitrage in a Wall Street Trading Room." *Industrial and Corporate Change* 13:369-400.

Ferraro, Fabrizio, Jeffrey Pfeffer, and Robert I. Sutton. 2005. "Economics Language and Assumptions: How Theories Can Become Self-Fulfilling." *Academy of Management Review* 30:8-24.

Mackenzie, Donald. 2008. *An Engine, Not a Camera: How Financial Models Shape Markets*. Cambridge: MIT Press.

Mackenzie, Donald. 2011. "The Credit Crisis as a Problem in the Sociology of Knowledge." *American Journal of Sociology* 116:1778-1841.

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

Breslau, Daniel. 2013. "Designing a Market-Like Entity: Economics in the Politics of Market Formation." *Social Studies of Science* 43:829-851.

Week 9: Financialization (part one)

Krippner, Greta. 2011. *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Cambridge: Harvard University Press.

Supplementary

Krippner, Greta. 2005. "The Financialization of the American Economy." *Socio-Economic Review* 3:173-208.

Zaloom, Caitlin. 2006. *Out of the Pits: Traders and Technology from Chicago to London*. Chicago: University of Chicago Press.

Ho, Karen. 2009. *Liquidated: An Ethnography of Wall Street*. Durham, NC: Duke University Press.

Davis, Gerald F. 2009. *Managed by the Markets: How Finance Re-shaped America*. Oxford: Oxford University Press.

van der Zwan, Natascha. 2014. "Making Sense of Financialization." *Socio-Economic Review* 12:99-129.

Davis, Gerald, and Suntae Kim. 2015. "Financialization of the Economy." *Annual Review of Sociology* 41:203-221.

Week 10: Financialization (part two)

Quinn, Sarah. 2017. "'The Miracles of Bookkeeping': How Budget Politics Link Fiscal Policies and Financial Markets." *American Journal of Sociology* 123:48-85.

Poon, Martha. 2009. "From New Deal Institutions to Capital Markets: Commercial Credit Risk Scores and the Making of Subprime Mortgage Finance." *Accounting, Organizations and Society* 34:654-674.

Fligstein, Neil, and Adam Goldstein. 2015. "The Emergence of a Finance Culture in American Households, 1989-2007." *Socio-Economic Review* 13:575-601.

Harrington, Brooke. 2017. "Trusts and Financialization." *Socio-Economic Review* 15:31-63.

Supplementary

Sugrue, Thomas J. 1996. *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*. Princeton: Princeton University Press.

Quinn, Sarah. 2010. "Government Policy, Housing, and the Origins of Securitization, 1780-1968." PhD thesis, Sociology, University of California, Berkeley.

Mettler, Suzanne. 2011. *The Submerged State: How Invisible Government Policies Undermine American Democracy*. Chicago: University of Chicago Press.

Pacewicz, Josh. 2012. "Tax Increment Financing, Economic Development Professionals, and the Financialization of Urban Politics." *Socio-Economic Review* 11:413-440.

Becher, Debbie. 2014. *Private Property and Public Power: Eminent Domain in Philadelphia*. Oxford: Oxford University Press.

Fligstein, Neil, and Jacob Habinek. 2014. "Sucker Punched by the Invisible Hand: The World Financial Markets and the Globalization of the US Mortgage Crisis." *Socio-Economic Review* 12:637-665.

Funk, Russell J., and Daniel Hirschman. 2014. "Derivatives and Deregulation: Financial Innovation and the Demise of Glass-Steagall." *Administrative Science Quarterly* 59:669-704.

Mayrl, Damon, and Sarah Quinn. 2016. "Defining the State from Within: Boundaries, Schemas, and Associational Policymaking." *Sociological Theory* 34:1-26.

Week 11: Debt and credit

Guseva, Alya, and Akos Rona-Tas. 2001. "Uncertainty, Risk, and Trust: Russian and American Credit Card Markets Compared." *American Sociological Review* 66:623-646.

Harris, Alexis, Heather Evans, and Katherine Beckett. 2010. "Drawing Blood from Stones: Legal Debt and Social Inequality in the Contemporary United States." *American Journal of Sociology* 115:1753-1799.

Dwyer, Rachel, Laura McCloud, and Randy Hodson. 2012. "Debt and Graduation from American Universities." *Social Forces* 90:1133-1155.

Krippner, Greta R. 2017. "Democracy of Credit: Ownership and the Politics of Credit Access in Late Twentieth-Century America." *American Journal of Sociology* 123:1-47.

Supplementary

Cohen, Lizabeth. 2008. *A Consumers' Republic: The Politics of Mass Consumption in Postwar America*. New York: Knopf Doubleday.

Guseva, Alya. 2008. *Into the Red: The Birth of the Credit Card Market in Postcommunist Russia*. Stanford: Stanford University Press.

Guseva, Alya, and Akos Rona-Tas. 2014. *Plastic Money: Constructing Markets for Credit Cards in Eight Postcommunist Countries*. Stanford: Stanford University Press.

Hodson, Randy, Rachel E. Dwyer, and Lisa A. Neilson. 2014. "Credit Card Blues: The Middle Class and the Hidden Costs of Easy Credit." *The Sociological Quarterly* 55:315-340.

Week 12: Inequality

Tomaskovic-Devey, Donald, and Ken-Hou Lin. 2013. "Financialization and U.S. Income Inequality, 1970-2008." *American Journal of Sociology* 118:1284-1329.

Fourcade, Marion, and Kieran Healy. 2013. "Classification Situations: Life-Chances in the Neoliberal Era." *Accounting, Organizations and Society* 38:559-572.

Fligstein, Neil, Orestes P. Hastings, and Adam Goldstein. 2017. "Keeping Up with the Joneses: How Households Fared in the Era of High Income Inequality and the Housing Price Bubble, 1999–2007." *Socius* 3:1-15.

Young, Cristobal, Charles Varner, Ithai Z. Lurie, and Richard Prisinzano. 2016. "Millionaire Migration and Taxation of the Elite." *American Sociological Review* 81:421-446.

Supplementary

Oliver, Melvin, and Thomas M. Shapiro. 2006. *Black Wealth, White Wealth: A New Perspective on Racial Inequality*. Second edition. New York: Taylor & Francis.

Wilmers, Nathan. 2017. "Does Consumer Demand Reproduce Inequality? High-Income Consumers, Vertical Differentiation, and the Wage Structure." *American Journal of Sociology* 123:178-231.

Sherman, Rachel. 2017. *Uneasy Street: The Anxieties of Affluence*. Princeton: Princeton University Press.