

Sociology 437, Economic Sociology, Winter 2017, Bruce Carruthers, #203 1808 Chicago Ave. (hrs: by appointment), b-carruthers@northwestern.edu

This course provides an introduction to economic sociology. It poses the key idea of "embeddedness" and develops it by exploring various connections between economic behavior and social processes and relations. The course is organized topically, and people are expected to read all the required material. The recommended material is optional (but weekly presenters may wish to consult it).

Students will lead discussion of the required readings on at least one occasion (depending on class size), and write a paper (20 pp., or so) on the topic of their choice (subject to my approval). Everyone is expected to have done the required readings before class, and to discuss them. A paper proposal (1 p. plus preliminary bibliography) will be due February 7.

The required course books are available at Norris bookstore and include:

1. The Sociology of Economic Life, Mark Granovetter and Richard Swedberg eds. Westview Press, 3rd ed. 2011.
2. The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy, Richard M. Locke, Cambridge: Cambridge University Press, 2013.
3. A Consumers' Republic: The Politics of Mass Consumption in Postwar America, Lizabeth Cohen, Knopf, 2002.
4. Capitalizing on Crisis: The Political Origins of the Rise of Finance, Greta Krippner, Cambridge: Harvard University Press, 2011.
5. Plastic Money: Constructing Markets for Credit Cards in Eight Postcommunist Countries, Akos Rona-Tas and Alya Guseva, Stanford: Stanford University Press, 2014.
6. Economists and Societies: Discipline and Profession in the United States, Britain, and France, 1890s to 1990s, Marion Fourcade, Princeton: Princeton University Press, 2009.

Required articles will be available on JSTOR or blackboard. For recommended readings, you are on your own.

0. Introduction (Jan 3):

No reading for this session.

1. Embeddedness of Economic Action (Jan 10):

Richard Swedberg and Mark Granovetter, 2011, "Introduction," in The Sociology of Economic Life, Mark Granovetter and Richard Swedberg eds., Westview Press.

Mark Granovetter, 2011, "Economic Action and Social Structure," in the Granovetter and Swedberg reader.

Karl Polanyi, 2011, "The Economy as Instituted Process," in the Granovetter and Swedberg reader.

Brian Uzzi, 2011, "Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness," in the Granovetter and Swedberg reader.

Brian Uzzi, 1999, "Embeddedness in the Making of Financial Capital." American Sociological Review 64: 481-505. On canvas.

Greta R. Krippner and Anthony S. Alvarez. 2007. "Embeddedness and the Intellectual Projects of Economic Sociology," Annual Review of Sociology 33: 219-240. On canvas.

Recommended:

Brian Uzzi, 1997, "The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: The Network Effect," American Sociological Review 61: 674-698.

Jens Beckert, 1996, "What is Sociological about Economic Sociology?" Theory and Society 25: 803-840.

Geoffrey Ingham, 1996, "Some Recent Changes in the Relationship Between Economics and Sociology," Cambridge Journal of Economics 20:243-275.

2. Formal Creation of Markets (Jan 17):

Randall Collins, 2011, "Weber's Last Theory of Capitalism," in the Granovetter and Swedberg reader.

Richard Swedberg, 2011, "Max Weber's Central Text in Economic Sociology," in the Granovetter and Swedberg reader.

Stewart Macaulay, 2011, "Non-Contractual Relations in Business," in the Granovetter and Swedberg reader.

Bruce G. Carruthers and Arthur L. Stinchcombe. 1999. "The Social Structure of Liquidity: Flexibility, Markets, and States," Theory and Society 28: 353-382. On canvas.

Ronald Dore, 2011, "Goodwill and the Spirit of Market Capitalism," in the Granovetter and Swedberg reader.

Diana Rhoten and Walter W. Powell. 2007. "The Frontiers of Intellectual Property," Annual Review of Law and Social Science 3: 345-373. On canvas.

Recommended:

Lisa Bernstein, 1992, "Opting Out of the Legal System: Extralegal Contractual Relations in the Diamond Industry," Journal of Legal Studies 21: 115-157.

Florencia Marotta-Wurgler and Robert Taylor. 2013, "Set in Stone? Change and Innovation in Consumer Standard-Form Contracts," New York University Law Review 88: 240-285.

Mitchel Y. Abolafia, 1996, Making Markets: Opportunism and Restraint on Wall Street, Cambridge: Harvard University Press.

Frank S. Fanselow, 1990, "The Bazaar Economy or How Bizarre is the Bazaar Really?" Man 25(2): 250-265.

3. Regulation and Private Regulation (Jan 24)

Richard M. Locke, The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy. Cambridge: Cambridge University Press. 2013.

Tim Bartley, 2011, "Transnational Governance as a Layering of Rules: Intersections of Public and Private Standards," Theoretical Inquiries in Law 12(2): 517-542. On canvas.

Recommended:

Tom Ginsburg. 2000. "Does Law Matter for Economic Development? Evidence from East Asia". Law and Society Review, 34(3): 829-856.

Daniel Berkowitz, Katharina Pistor, and Jean-Francois Richard. 2003. "Économic Development, Legality, and the Transplant Effect." European Economic Review 47: 165-195.

Katharina Pistor, Yoram Keinan, Jan Kleinhesiterkamp, and Mark West. 2002. "The Evolution of Corporate Law: A Cross-Country Comparison," University of Pennsylvania Journal of International Economic Law 23(4).

Mark J. Roe. 2006. "Legal origins, politics, and modern stock markets." Harvard Law Review 120:460-527.

4. Discrimination and Inequality in Markets: (Jan 31)

Ian Ayres and Peter Siegelman, 1995, "Race and Gender Discrimination in Bargaining for a New Car," American Economic Review 85(3): 304-321. On JSTOR.

Alvin Roth, 2007, "Repugnance as a Constraint on Markets," Journal of Economic Perspectives 21(3): 37-58. On JSTOR.

Gary Becker, 1968, "Discrimination, Economic," International Encyclopedia of the Social Sciences, D.L. Sills ed. On canvas.

Thomas Piketty and Emmanuel Saez. 2014. "Inequality in the long run," Science 344: 838-843. On canvas.

Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez. 2013. "The Top 1 Percent in International and Historical Perspective," Journal of Economic Perspectives 27(3): 3-20. On JSTOR.

Alicia H. Munnell, Geoffrey M. B. Tootell, Lynn E. Browne, James McEneaney. 1996. "Mortgage Lending in Boston: Interpreting HMDA Data," American Economic Review, 86(1): 25-53. On JSTOR.

Devah Pager and H Shepherd. 2008. "The sociology of discrimination: racial discrimination in employment, housing, credit, and consumer markets," Annual Review of Sociology 34:181-209. On canvas.

Cass R. Sunstein, 1991, "Why Markets Don't Stop Discrimination," Social Philosophy and Policy. vol.8, pp.22-37. On canvas.

Simon Firestone, 2014, "Race, Ethnicity, and Credit Card Marketing," Journal of Money, Credit and Banking 46(6): 1205-1224. On canvas.

Recommended:

Citigroup, 2006, "Equity Strategy: Revisiting Plutonomy: The Rich Getting Richer," New York: Citigroup Global Markets.

Petra Moser, 2012, "Taste-based discrimination evidence from a shift in ethnic preferences after WWI," Explorations in Economic History 49: 167-188. On blackboard.

John Yinger, 1995, Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination, New York: Russell Sage Foundation.

Ladd, Helen F. 1998. "Evidence on Discrimination in Mortgage Lending," Journal of Economic Perspectives 12: 41-62.

John P. Caskey, 1994, Fringe Banking: Check-Cashing Outlets, Pawnshops, and the Poor, New York: Russell Sage Foundation.

Alicia Munnell et al., 1992, "Mortgage Lending in Boston: Interpreting HMDA Data," Federal Reserve Bank of Boston Working Paper Series 92-7.

Roger Rice, 1968, "Residential Segregation by Law, 1910-1917," Journal of Southern History 34: 179-199.

David Gerber, 1982, "Cutting Out Shylock: Elite Anti-Semitism and the Quest for Moral Order in the Mid-Nineteenth-Century American Market Place," Journal of American History 69(3): 615-637.

Emmanuel Saez and Gabriel Zucman, 2014, "Wealth Inequality in the United

States Since 1913: Evidence from Capitalized Income Tax Data," NBER Working Paper 20625, Cambridge MA: National Bureau of Economic Research.

5. Financialization: Causes and Effects: (Feb 7)

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

Neil Fligstein and Alexander F. Roehrkasse. 2016. "The Causes of Fraud in the Financial Crisis of 2007 to 2009: Evidence from the Mortgage-Backed Securities Industry," American Sociological Review 81(4): 617-643. On canvas.

Christopher B. Yenkey. 2015. "Mobilizing a Market: Ethnic Segmentation and Investor Recruitment into the Nairobi Securities Exchange," Administrative Science Quarterly 69(4): 561-595. On canvas.

Bruce G. Carruthers. 2015. "Financialization and the Institutional Foundations of the New Capitalism," Socio-Economic Review 13(2): 379-398. On canvas.

Recommended:

Eileen Appelbaum and Rosemary Blatt. 2014. Private Equity at Work: When Wall Street Manages Main Street. New York: Russell Sage Foundation.

Gerald F. Davis. 2009. Managed by the Markets: How Finance Re-Shaped America. New York: Oxford University Press.

John L. Campbell. 2010. "Neoliberalism in crisis: regulatory roots of the U.S. financial meltdown," In Michael Lounsbury and Paul Hirsch, eds. 2010b. Markets on Trial: The Economic Sociology of the U.S. Financial Crisis: Part B. Bingley: Emerald, pp. 65-101.

6. The Performance of Economic Knowledge (Feb 14)

Donald MacKenzie and Yuval Millo, 2003, "Constructing a Market, Performing Theory: The Historical Sociology of a Financial Derivatives Exchange," American Journal of Sociology 109(1): 107-145. On JSTOR, and in Granovetter and Swedberg reader.

Carliss Baldwin and Kim Clark, 1994, "Capital-Budgeting Systems and Capabilities Investments in U.S. Companies after the Second World War," Business History Review 68: 73-109. On JSTOR.

Per Forsberg. 2009. "Testing prices in markets: How to charter a tanker," Ethnography 10(3): 265-290. On canvas.

Jean Finez and Toby Matthews. 2014. "Ticket Pricing by the French National Railway Company (SNCF), a Historical Sociology of Tariff Setting: From Tariff Equalization to Yield Management (1938-2012)," Revue française de sociologie 55(1): 1-32.

Recommended:

Douglas R. Holmes, 2014, Economy of Words: Communicative Imperatives in Central Banks. Chicago: University of Chicago Press.

Donald MacKenzie, 2004, "The big, bad wolf and the rational market: portfolio insurance, the 1987 crash and performativity of economics," Economy and Society 33(3): 303-334.

7. The Bearers of Economic Knowledge (Feb 21)

Marion Fourcade, 2009, Economists and Societies: Discipline and Profession in the United States, Britain, and France, 1890s to 1990s. Princeton: Princeton University Press.

Marion Fourcade, Etienne Ollion, and Yann Algan, 2014, "The Superiority of Economists," Maxpo discussion paper 14/3. Paris: Max Planck Sciences Po Center on Coping with Instability in Market Societies. On blackboard.

Recommended:

Mark Blyth, 2002, Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century, New York: Cambridge University Press.

8. Money and Credit (Feb 28)

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

Viviana Zelizer, 1989, "The Social Meaning of Money," American Journal of Sociology 95(2): 342-377. On JSTOR.

Bruce Carruthers and Sarah Babb, 1996, "The Color of Money and the Nature of Value," American Journal of Sociology 101(6): 1556-1591. On JSTOR.

Recommended:

Viviana Zelizer, 2001, "Human Values and the Market," in the Granovetter and Swedberg reader.

Viviana Zelizer, 1993, The Social Meaning of Money, New York: Basic Books.

Gretchen Ritter, 1996, Goldbugs and Greenbacks: The Antimonopoly Tradition and the Politics of Finance in America, 1865-1896, Cambridge: Cambridge University Press.

Geoffrey Ingham, 1998, "On the Underdevelopment of the Sociology of Money," Acta Sociologica, 41: 3-18.

Bruce Carruthers, 2011. "What is Sociological About Banks and Banking?" in the Granovetter and Swedberg reader.

Bruce Carruthers, 2011, "The Meanings of Money," Theoretical Inquiries in Law 11(1): 51-74.

Bruce Carruthers, 2005, "The Sociology of Money and Credit," in Neil Smelser and Richard Swedberg eds., The Handbook of Economic Sociology. 2nd ed. Princeton: Princeton University Press.

9. The Social Construction of Demand: (Mar 7)

George Stigler and Gary S. Becker. 1977. "De Gustibus Non Est Disputandum," American Economic Review 67: 76-90. On JSTOR.

Lizabeth Cohen, 2002. A Consumers' Republic: The Politics of Mass Consumption in Postwar America, Knopf.

Pierre Bourdieu, 2011. "The Forms of Capital," in the Granovetter and Swedberg reader.

Recommended:

Emile Durkheim and Marcel Mauss, 1963, Primitive Classification, Chicago: University of Chicago Press.

Richard Thaler, 1992, "Preference Reversals," in The Winner's Curse:

Paradoxes and Anomalies of Economic Life, Princeton: Princeton University Press.

James L. Watson ed., 1997, Golden Arches East: McDonald's in East Asia, Stanford: Stanford University Press.

Avner Offer, 1997, "Between the gift and the market: the economy of regard," Economic History Review 50: 450-476. On JSTOR.