Doctoral Seminar

*Economy and Society II*

Prof. Dr. Jens Beckert

Max Planck Institute for the Study of Societies

Spring 2019

Meets Tuesdays, 12:00–15:30 (Paulstraße 3)

**Course Description**

The seminar focuses on recent debates on the interrelations between economy and society. It builds on a second course taught in the fall on foundational controversies (*Economy & Society I*).

The first session discusses the concept of embeddedness as the core concept of the new economic sociology, developing since the 1980s. This is followed by seven sessions focusing on the understanding of markets from different sociological perspectives. This includes the network approach, aspects of valuation and categorization in markets, the role of morality, the significance of the state for market constitution, consumption, the performativity approach, and the role played by illegal market activities. The second part of the seminar concentrates on selected research on the development of modern capitalism. The sessions focus on the macro level and present the varieties of capitalism approach and the analyses of innovation, credit, money, finance, and crises in recent socio-economic scholarship.

The goal of the seminar is to familiarize students with several major theories, approaches and topics that contribute to our understanding of the interrelations between the economy and society. The readings range from modern classics to contemporary sources. The seminar proceeds from the assumption that economic action and economic structures are socially, politically and culturally constituted. Understanding the structures and processes leading to the actual forms of organization of the economy and to the specific forms of agency within the economy is the primary goal of economic sociology and political economy.

*Schedule of the seminar*

Please take note that most parts of the seminar take place as double-sessions, running from 12:00 to 15:30. Only the first and the last sessions are single sessions, taking place from 14:00 to 15:30. The double sessions take place on April 30, May 14, May 28, June 4, June 18 and July 2.

*Participation in the seminar*

All participants will be expected to *read all of the required texts* on the syllabus; *take an active part in class discussions*; and *prepare response memos* on the required readings for two of the weeks (1500 words each). The memos are intended to prepare the ground for discussions by asking participants to set out their responses to the readings in written form. Memos should not just summarize the readings, but rather take up specific arguments, compare the positions of different authors, raise questions of evidence, usefulness, or plausibility or draw attention to particular strengths and weaknesses in the arguments and descriptions. We will share these memos through email. In order for everyone to have time to read over the comments of others, these will be due by 4 pm on the day before the class meets. Participants are strongly encouraged to also read the recommended readings to get a better understanding of the topics and the discussions in the field.

For registration and further organizational matters please contact Arjan Reurink (rn@mpifg.de).

*Recommended introductory readings*

Frank Dobbin, 2004: Introduction: The Sociology of the Economy. In: Frank Dobbin (ed.), *The New Economic Sociology. A Reader*, Princeton, NJ: Princeton University Press, 1–26.

Mark Granovetter and Richard Swedberg (eds.), 2011: *The Sociology of Economic Life*. 3rd Edition, Boulder et al.: Westview Press.

Neil J. Smelser and Richard Swedberg (eds.), 2005: *Handbook of Economic Sociology*. 2nd Edition, Princeton, NJ: Princeton University Press.

Richard Swedberg, 2003: *Principles of Economic Sociology*, Princeton, NJ: Princeton University Press.

**Course Schedule**

# *April 23, 2019*

**Introduction**

*April 30, 2019*

***The Embeddedness of Economic Action***

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

Greta Krippner, 2001: The Elusive Market: Embeddedness and the Paradigm of Economic Sociology. *Theory and Society* 30, 6, 775-810.

*Recommended:*

Jens Beckert, 1996: What is Sociological about Economic Sociology? Uncertainty and the Embeddedness of Economic Action. *Theory and Society* 25, 6, 803-840

Stewart Macaulay, 1963: Non-Contractual Relations in Business: A Preliminary Study. *American Sociological Review* 28, 1, 55-67.

Karl Polanyi, 1957: The Economy as Instituted Process. In: Karl Polanyi, Conrad M. Arensberg and Harry W. Pearson (eds.), *Trade and Market in the Early Empires: Economies in History and Theory,* Glencoe, IL: Free Press, 243-270.

Brian Uzzi, 1997: Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness. *Administrative Science Quarterly* 42, 35–67.

Viviana Zelizer, 2007: Past and Futures of Economic Sociology. *American Behavioral Scientist* 50, 1056-1069.

Sharon Zukin and Paul DiMaggio, 1990: Introduction. In: Sharon Zukin and Paul DiMaggio (eds.), *Structures of Capital: The Social Organization of the Economy,* Cambridge: Cambridge University Press.

***Part 1: Markets***

*April 30, 2019*

***Markets***

Swedberg, Richard, 2003: Economic and Sociological Approaches to Markets. In ders., *Principles of Economic Sociology*. Princeton: Princeton University Press, 104-130.

Swedberg, Richard, 2003: Markets in History. In ders., *Principles of Economic Sociology*. Princeton: Princeton University Press, 131-157.

*Recommended*

Fernand Braudel, 1977, *Afterthoughts on material civilization and capitalism*, Baltimore, John Hopkins University Press.

John Lie, 1997: Sociology of Markets. In: *Annual Review of Sociology* 23, 241–260.

Sigrid Quack, 2009: „Global“ Markets in Theory and History: Towards a Comparative Analysis. In: Jens Beckert and Christoph Deutschmann (eds.), Wirtschaftssoziologie. Kölner Zeitschrift für Soziologie und Sozialpsychologie, special issue 49. Wiesbaden: VS Verlag für Sozialwissenschaften, 125-142.

*May 14, 2019*

***Valuation and Categorization on Markets***

Lucien Karpik, 2010: *Valuing the Unique. The Economics of Singularities.* Princeton: Princeton University Press. Chapters 1-6 (p. 3-66).

Marion Fourcade, 2011 Cents and Sensibility: Economic Values and the Nature of ‘Nature’ in France and America. American Journal of Sociology 116, 1721–1777.

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

*Recommended:*

Patrik Aspers and Jens Beckert, 2011: Value in Markets. In: Jens Beckert and Patrik Aspers (eds.) *The Worth of Goods: Valuation and Pricing in the Economy.* Oxford: Oxford University Press, 3-38.

Rainer Diaz-Bone, 2017: Classifications, Quantifications and Quality Conventions in Markets – Perspectives of the Economics of Convention. *Historical Social Research* 42, 238–262.

Wendy Espeland and Mitchell Stevens, 1998: Commensuration as a Social Process, *Annual Review of Sociology* 24: 312–343.

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

Thomas B. Lawrence and Nelson Philipps, 2004: From Mobby Dick to Free Willy: Macro-Cultural Discourse and Institutional Entrepreneurship in Emerging Institutional Fields. *Organization* 11, 5, 689-711.

Georg Simmel, 2011 [1900]: *The Philosophy of Money.* London & New York: Routledge Classics, Chapter 1

David Stark, 2009: *The Sense of Dissonance: Accounts of Worth in Economic Life*. Princeton: Princeton University Press.

Leon Wansleben, 2013: Dreaming with BRICs. Innovating the Classificatory Regimes of International Finance. *Journal of Cultural Economy* 6, 453–471.

*May 14, 2019*

***Morality in Markets***

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

Debra Satz: *Why Some Things Should Not Be for Sale: The Moral Limits of Markets*. Oxford: Oxford University Press. Chapter 4. “Noxious Markets”, p. 91-112

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

*Recommended:*

Tim Bartley, 2018: *Rules without Rights: Land, Labor, and Private Authority in the Global Economy*. Oxford: Oxford University Press.

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

Michael Sandel, 2012: *What Money Can’t Buy: The Moral Limits of Markets.* New York: Farrar. Straus, and Giroux.

*May 28, 2019*

***Consumption***

Colin Campbell, 1987: *The Romantic Ethic and the Spirit of Modern Consumerism*, Oxford: Basil Blackwell, Chapters 2 and 5.

Luc Boltanski and Arnaud Esquerre, 2016: The Economic Life of Things. Commodities, Collectibles, Assets. *New Left Review* 98, 31–54.

# *May 28, 2019*

***Performativity***

# Michel Callon, 1998: Introduction: The Embeddedness of Economic Markets in Economics. In: Michel Callon (ed.), *The Laws of the Markets*. Malden, Oxford: Blackwell, 1–57.

# Donald MacKenzie 2007: Is Economics Performative? Option Theory and the Construction of Derivatives Markets. In: Donald MacKenzie et al. (eds.), *Do Economists Make Markets? On the Performativity of Economics*. Princeton, NJ, Princeton University Press, 54–86.

*Recommended:*

Frank Dobbin and Jiwook Jung, 2010: The Misapplication of Mr. Michael Jensen: How Agency Theory Brought Down the Economy and Why it Might Again. In: *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis. Research in the Sociology of Organizations* 30b, 29–64.

# Marie-France Garcia, 2007: The Social Construction of a Perfect Market: The Strawberry Auction at Fontaines-en-Solognes. In: Donald MacKenzie et al. (eds.), *Do Economists Make Markets? On the Performativity of Economics*. Princeton, NJ: Princeton University Press, 20–53.

*June 4, 2019*

***Politics and Markets***

Neil Fligstein, 2001: *The Architecture of Markets: An Economic Sociology of Twenty-First-Century Capitalist Societies*, Princeton: Princeton University Press, 3–44.

Jacob Hacker and Paul Pierson, 2010: Winner takes all Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States. *Politics and Society* 38, 152-204.

*Recommended:*

Pierre Bourdieu, 2005: Principles of Economic Anthropology. In: Neil Smelser and Richard Swedberg (eds.), The Handbook of Economic Sociology. Princeton: Princeton University Press, 75–89

Frank Dobbin. 2011. Why the Economy Reflects the Polity: Early Rail Policy in Britain, France and the United States. In: Mark Granovetter and Richard Swedberg (eds.) *The Sociology of Economic Life*. Boulder, CO: Westview Press, 397-418.

Neil Fligstein, 1996: Markets as Politics: a Political-Cultural Approach to Market Institutions. *American Sociological Review*, 61, 656-73.

Henning Hilmann, 2013: Economic Institutions and the State: Insights from Economic History. *Annual Review of Sociology* 39, 251-273.

Timothy Mitchell, 1999. State Economy and the State Effect. In: George Steinmetz (ed.), *State/Culture: State Formation After the Cultural Turn*, Ithaca, NY: Cornell University Press, 76-97.

Monica Prassad, 2012: *The Land of Too Much: American Abundance and the Paradox of Poverty*, Cambridge, MA: Harvard University Press.

*June 4, 2019*

***Illegality in Markets***

Jens Beckert and Matias Dewey, 2017: The Social Organization of Illegal Markets. In: Jens Beckert and Matias Dewey (eds.), *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy*. Oxford: Oxford University Press, 1-34.

Keith Hart, 1973: Informal Income Opportunities and Urban Employment in Ghana. *Journal of Modern African Studies* 11: 61-89.

*Recommended:*

Thomas Angeletti, 2017: Finance on Trial: Rules and Justifications in the Libor Case. *European Journal of Sociology,* *58*(1), 113-141.

Matias Dewey, 2014: Taxing the Shadow: The Political Economy of Sweatshops in La Salada, Argentina, *MPIfG Discussion Paper* 14/18.

Simon MacKenzie and Donna Yates, 2017: What is Grey about the “Grey Market” in Antiquities?. In: Jens Beckert and Matias Dewey (eds.), *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy.* Oxford: Oxford University Press, 70-86.

Meltem Odabas, Thomas J. Holt, and Ronald Breiger, 2017: Governance in Online Stolen Data Markets. In: Jens Beckert and Matias Dewey (eds.), *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy.* Oxford: Oxford University Press, 87-107.

Philippe Steiner, 2017: Secrecy and Frontiers in Illegal Organ Transplantation. In: Jens Beckert and Matias Dewey (eds.), *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy.* Oxford: Oxford University Press, 51-69.

***Part 2: Capitalism***

*June 18, 2019*

***Varieties, Institutions, and Trajectories of Capitalism***

Peter Hall and David Soskice, 2001: An Introduction to Varieties of Capitalism. In: Ibid. (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford: Oxford University Press, 1–45.

Wolfgang Streeck, 2012: E Pluribus Unum? Varieties and Commonalities of Capitalism. *MPIfG Discussion Paper* 10/12.

Lucio Baccaro and Jonas Pontusson, 2016: Rethinking Comparative Political Economy. The Growth Model Perspective. *Politics and Society* 44, 2, 175–207.

*June 18, 2019*

***Innovation, Growth and Capitalist Dynamics***

Joseph A. Schumpeter, 1949 [1912]: The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle. Cambridge, MA: Harvard University Press, Chapter 2: The Fundamental Phenomenon of Economic Development, pp. 128-156.

Richard K. Lester and Michael J. Piore, 2004: *Innovation. The Missing Dimension*. Cambridge, MA: Harvard University Press, 1–12, 35–73.

Harro van Lente and Arie Rip, 1998: The Rise of Membrane Technology: From Rhetorics to Social Reality.” *Social Studies of Science* 28, 221–254.

*Recommended*

Daron Acemoglu, James A. Robinson and Thierry Verdier, 2013: Can’t We All Be More Like Scandinavians? Asymmetric Growth and Institutions in an Interdependent World. *NBER Working Paper* No. 18441.

Jens Beckert, 2013: Imagined Futures. Fictional Expectations and Capitalist Dynamics, Harvard University Press 2016

Fred Block and Matthew Keller, 2009: Where Do Innovations Come From? Transformations in the US Economy, 1970–2006. *Socio-Economic Review* 7, 459–483.

Robert J. Gordon, 2012: Is Economic Growth over? Faltering Innovation Confronts the Six Headwinds. *NBER Working Paper* No. 18315

*July 2, 2019*

***Money and Credit:***

Geoffrey Ingham, 2004: *The Nature of Money.* Cambridge: Polity Press. Chapter 3 (p.69-85.)

Gunnar Trumbull, 2012: Credit Access and Social Welfare: The Rise of Consumer Lending in the United States and France. In: *Politics and Society* 40, 9–34.

*Recommended*

Bruce G. Carruthers and Laura Ariovich, 2010: *Money and Credit. A Sociological Approach*, Cambridge & Malden: Polity Press, pp. 6–11, 23–49.

David Graeber, 2011: *Debt: The First 5000 Years*. Brooklyn, NY: Melville House Publishing,pp. 89-126.

André Orléan, 2014: *The Empire of Value. A New Foundation for Economics*, Cambridge, MA: MIT Press, Chapter 4.

Georg Simmel, 1900 (2006): *Philosophy of Money*. Routledge: Oxon. Third chapter, first section, Money in the Sequence of Purposes, pp.204-227.

Viviana Zelizer, 1989:The Social Meaning of Money: Special Monies. *American Journal of Sociology* 95, 342-377.

*July 2, 2019*

***Financialization***

Greta Krippner, 2011: *Capitalizing on Crisis. The Political Origins of the Rise of Finance*. Cambridge, MA: Harvard University Press, Chapters 2 & 3.

Marion Fourcade and Sarah Babb, 2002: The Rebirth of the Liberal Creed: Paths to Neoliberalism in Four Countries. *American Journal of Sociology* 108, 533–579.

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

*Recommended*

Colin Crouch, 2009: Privatised Keynesianism: An Unacknowledged Policy Regime. *British Journal of Politics and International Relations* 11, 382-399

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

*July 9, 2019*

***Crises in Capitalism***

Wolfgang Streeck, 2011: The Crises of Democratic Capitalism. *New Left Review* 71, 5–29.

Charles P. Kindleberger and Robert Z. Aliber, 2005 [1978]: *Manias, Panics and Crashes.
A History of Financial Crises*, Houndsmills & New York: Palgrave MacMillan. Chapters 1 & 2.

*Recommended:*

Matthew Desmond, 2016: *Evicted: Poverty and Profit in the American City*. New York, NY: Broadway Books.

Hyman Minsky, 1982: The Financial Instability Hypothesis: Capitalist Processes and the Behavior of the Economy. In Charles P. Kindleberger and Jean-Pierre Laffargue (Eds.) Financial Crises: Theory, History, and Policy. Cambridge: Cambridge University Press, 13-39

Wolfgang Streeck, 2016: Introduction. In Wolfgang Streeck (ed.), *How will Capitalism end? Essays on a Failing System*. London & New York: Verso, 1-46.

Robert C. Shiller, 2000: *Irrational Exuberance*. Princeton, NJ: Princeton University Press