

Spring 2023

SOCG 264

Economic Sociology Graduate Seminar

Prof. Akos Rona-Tas

M 3:00p-5:50p

Office Hours:

M 12:00- 1:00

Or by appointment

SSB 414

SSB 488

e-mail: aronatas@ucsd.edu

Zoom: <https://ucsd.zoom.us/j/5581794498>

Economic sociology has been one of the most dynamic fields of the discipline since the mid-1980s. As it has developed in a conversation with economics, the field has created some of the most interesting cross-discipline traffic in ideas. This course gives an overview of the field, but it is impossible to cover everything in ten weeks. Important issues will be touched upon only lightly with the hope that students can make up later what is missing here.

This syllabus and the reading list are up on **Canvas** (but I will also post it on Perusall).

Perusall:

All graduate seminars are essentially *reading communities*. My role is to introduce you to and guide you through the basic literature and ideas of economic sociology, an exciting, rich, and vibrant field. To achieve this, we will be using **Perusall**, an app that allows us to read texts together. The way this works is that I will put up all the Common Readings you find on the syllabus onto Perusall with my comments and questions. You read the articles/chapters, and answer the questions, pose your own questions, and make your own comments in Perusall. These annotations will be shared with the entire class.

I would like you to take a look at the first reading and try out Perusall. Perusall is now integrated into Canvas, so you can just click Perusall on the bottom of the side bar.

Your first two texts to read are

Introducing Economic Sociology by Smelser and Swedberg from their *Handbook of Economic Sociology, 2nd Edition*.

Introduction by Aspers, Dodd and Anderberg from Aspers and Dodd, *Re-imagining Economic Sociology*.

Please read the text, read my annotations, make yours, get used to Perusall before April 3.

Also, the reading for Week 2 (Some of the classics) is hefty. So, get a jump on it.

Apart from reading and commenting, you will write *weekly memos* and a *final paper*.

Workflow -- reading, commentary, discussion, memos, final paper:

This will be our workflow.

You read and comment on the Common Readings by **Sunday 11:59 pm** each week. By Sunday night, everyone will have done the *reading, responded* to my questions and *commented* on the text. You can also respond to the others' comments. You are also welcome to comment on my comments too. A big chunk of our discussions will be in the form of written comments online.

By **Monday 1 pm**, you will submit your short weekly *memo*. The memo is a short reflection on each of the Common Readings. You can replace one of the items on the Common Readings list with one text from the Commentary, Examples and Further Readings section. (Note: the items under Commentary, Examples and Further Readings are not all online and many of them are books. The ones from this group that are on Perusall are indicated by *PERUSALL*. They are at the bottom of the article list.) You need to add your reflections on that piece and submit your memo through Canvas. The memos should be about 1-2 pages, but you are welcome to write more. Much of what you will do is to collect your comments and make some coherent point about each text. Your comments can be interpretative or critical, or both. The memos will be submitted through Canvas. The point of all this is to have an annotated bibliography and to build towards your seminar paper and – if you choose Economic Sociology as one of your fields – towards your field exam.

The first week is just practice and you need only to reflect on the two Common Readings. The submission deadline is still April 3, Monday 12 pm.

Our Seminar

Every Monday we meet in SSB 414 at 3 pm. Our first meeting is April 3. At the seminar, we will continue in person our discussion that we started online with our written comments. Each week, there will be two or three of you who will lead the discussion with me. Each of you will do this twice. You will have to sign up on Canvas (People -- Group) by **April 7**. Each week, in the first part of the seminar we will discuss the Common Readings. In the second half, each of you will talk about the additional reading you did.

The discussion leaders *do not summarize the readings*. All of us will have read the pieces. The leaders provide a set of questions and comments on each reading to generate discussion.

Office Hours and Contact:

I hold office hours on Monday, before the seminar but also on Zoom by appointment. I want to talk to each of you one on one *by the end of the 2nd week* about your paper. You will have to see me two more times, once *by the end of your 5th* and *the end of your 9th week* on the progress of your paper. Of course, you are welcome to see me by Zoom appointment as often as you need to or to send me email.

Final paper

I want you to write a paper that both draws on the literature in this seminar and is useful for your own research and/or progress in the program. Essentially, there are two kinds of papers you can write. One is a paper that takes an economic sociology angle on your research topic, the other is a review of some parts of the economic sociology literature. The paper will be 4-5,000 words long. This is a ballpark; I will be looking for content not length.

All Common Readings are on Perusall. The other readings can be found on the web (try Google Scholar, JSTOR or through links provided), or on Amazon or some other bookstore. An asterisk (*) next to an item means that the item is a book or a book chapter that you have to procure for yourself. The only Common Reading that is not on Perusall is Frank and Cook, *The Winner-Take-All Society*. There are some recommended documentaries: I either put them on *E-RESERVES* or gave you the link on YouTube.

To recap: your tasks are:

- To read all the readings on Perusall, answer my questions, comment each week

- To write a memo each week
- To show up for each seminar and participate in the discussion each week
- To lead discussion twice
- To see me three times (at least) to discuss your final paper
- To write a final paper

Note: We have our Week 9 seminar scheduled for *May 29, Memorial Day*. We will reschedule that.

A few words about **ChatGPT**

ChatGPT is a tool.

You are welcome to use it to look up technical concepts, especially ones in economics. Not unlike Wikipedia ChatGPT is very good at *explaining technical* terms in a clear language and with good examples. But be careful when it comes to deeper, more complex ideas.

You are also welcome to use it as an *editor*, if you don't mind the blandness of style it foists upon your prose. But it often scrubs your text clean making it less shiny and more transparent.

Getting suggestions about literature from ChatGPT is a terrible idea. It gives you completely fake but very convincing references.

Writing is thinking. Writing is the way to develop your own ideas. Using ChatGPT to write your essay, as opposed to edit passages you wrote, is not just cheating, but asking the bot to do something it cannot do: to think. (Remember, ChatGPT is essentially a sophisticated parrot.) Worse, you give up your chance to develop your own thinking. That has an enormous opportunity cost. (Unclear on opportunity cost? Feel free to ask ChatGPT.)

1. Introduction

Common Readings:

Smelser, Neil J. and Richard Swedberg. 2005. Introducing Economic Sociology. In. Smelser and Swedberg eds, *The Handbook of Economic Sociology*, 2nd Edition. Pp. 3-25. Princeton: Princeton University Press

Aspers, Patrik, Nigel Dodd and Ellinor Anderberg. 2015. Introduction, In Aspers and Dodd eds. *Re-Imagining Economic Sociology*. Pp.1-32. Oxford: Oxford University Press

Commentary, Examples, and Further Readings:

*Swedberg, Richard. 1990. *Economics and Sociology: Redefining Their Boundaries: Conversations with Economists and Sociologists*. Princeton University Press (This is a fun book to read. You get to know some of the main players in economics and economic sociology and they talk about their ideas in a colloquial language and contextualize them within their biography.)

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

Swedberg, Richard. 1991. Major Traditions of Economic Sociology. *Annual Review of Sociology*, 17:251-276. (A good historical overview.)

2. (Some of) The Classics

Here we are taking a very cursory historical look at the development of economic thought. You will read selections from Adam Smith, Karl Marx, and Max Weber. It is important to understand that sociology and economics did not diverge until the late 19th century. Even in 1905, when the American Sociological Association was launched, most of its founders were members of the already existing American Economic Association, and there was a proposal to make ASA a section of the AEA. The beginnings of the great intellectual divide between the two disciplines can be traced to a debate between the Austrian Carl Menger and the German Gustav von Schmoller, and their famous Methodenstreit (method dispute) in the 1880s. Menger represented the deductive, analytic, and psychological while Schmoller the inductive, synthetic, and historical/institutional approach. Much of Max Weber's work was an effort to find a balance between the two. Economics grew out of Menger's approach.

For this week you will be doing lots of readings, but you will get lots of help on Perusall.

Common Readings:

Smith, Adam, *Wealth of Nations*, Book 1 Chapters 1,2, 7, 10

(online the whole text is at <http://www.bibliomania.com/2/1/65/112/frameset.html>)

Marx, Karl, *Grundrisse: The Foundations of the Critique of Political Economy*.

The following 3 chapters:

Production,

The General Relation of Production to Distribution, Exchange,

Consumption,

The Method of Political Economy.

(online the whole text is at

<http://www.marxists.org/archive/marx/works/1859/critique-pol-economy/appx1.htm>)

Weber, Max, *Economy and Society*. Chapter II. Social Categories of Economic Action.

Louzek, Marek. 2011. The Battle of Methods in Economics: The Classical Methodenstreit Menger vs. Schmoller. *The American Journal of Economics and Sociology*, Vol. 70, No. 2, pp. 439-463

Commentary, Examples, and Further Readings:

Collins, Randall. 1980. Weber's Last Theory of Capitalism. *American Sociological Review*, 45/6: 925-942.

*Elster, Jon. 1986. *Making Sense of Marx*. Cambridge, Cambridge University Press. Especially chapters 2,3,4. (If you believe as Marx did, that Marxism is a not just a political but also a scientific project, this is one of the best guides of what is left of Marx after a century.)

*Menger, Carl. 1963. *Problems of economics and sociology*. Urbana: University of Illinois Press, (Menger, Weber's contemporary, was the leader of the Austrian School of economics and was the protagonist of the Methodenstreit (Battle of the Methods) where analytical, deductive economics split from historical, institutional economics represented there by Gustav von Schmoller of the Historical School).

*Simmel, Georg. *The Philosophy of Money*. (Weber's contemporary, Simmel's is the classic sociological treatment of money.)

*Sombart, Werner. *The Jews and Modern Capitalism*. (Sombart now unfairly forgotten, was one of the most famous scholars of his time. Today few people know about Sombart's alternative to Weber's famous thesis on the Protestant ethic.)

*Swedberg, Richard. 1998. *Max Weber and the Idea of Economic Sociology*. Princeton: Princeton University Press.

*Tribe, Keith. 1995. *Strategies of Economic Order*. Cambridge: Cambridge University Press. (Chapter 4 gives an overview of the Methodenstreit and Weber.)

3. Economics, Rational Choice

Until recently, the discipline of economics has been the most successful discipline in the social sciences, and it has created an enormous amount of valuable knowledge about the economy. By the 1980s, when economic sociology reappeared, economists had a fairly uniform view of the world and rational choice theory was its central and unquestioned foundation. Much of economic theory depends on this assumption that people are rational actors. RCT was so successful, that it began to make inroads into sociology and other social disciplines. New economic sociology, therefore, first had to grapple with RCT. While new economic sociology built several powerful arguments against the rationality assumption, in the end RCT was brought down by not economic sociologists, but a handful of experimental cognitive and social psychologists.

Common Readings:

- Becker, Gary. 1986. "The Economic Approach to Human Behavior." In *Rational Choice*, edited by Jon Elster. New York: New York University Press
- Friedman, Milton. 1953. "Methodology of Positive Economics." In *Essays in Positive Economics*. University of Chicago Press
- Hirsch, Paul, Stuart Michaels, and Ray Friedman. 1987. "'Dirty Hands versus Clean Models.'" *Theory and Society* 16:317-336 (A summary of the difference between the dirty hands sociology and the clean model economics.)
- Thaler, Richard. 2000. "From Homo Economicus to Homo Sapiens." *Journal of Economic Perspectives* 14:133-141.

Commentary, Examples, and Further Readings:

- Becker, Gary. 1993. "Nobel Lecture: The Economic Way of Looking at Behavior." *Journal of Political Economy* 101(3): 385-409.
- *Bernstein, Michael. 2004. *Perilous Progress. Economists and the Public Purpose in Twentieth-Century America*. Princeton University Press (The best history of the economics profession.)
- *Blaug, Mark. 1982. *The methodology of economics, or, How economists explain*. New York : Cambridge University Press. (I recommend this as a good, non-technical methods book.)
- *Camerer, Colin F., George Lowenstein and Matthew Rabin eds. 2004. *Advances in Behavioral Economics*. Princeton University Press/Russell Sage (A collection of important articles in behavioral economics all questioning the rationality assumption in mainstream economics.)
- *Hausman, Daniel M. 1992. *The inexact and separate science of economics*. Cambridge ; New York : Cambridge University Press. (An overview of theoretical economics as of the mid-1980s in clear prose.)
- Hirschman, Albert. 1985. "Against Parsimony: Three Easy Ways of Complicating Some Categories of Economic Discourse." *Economics and Philosophy* 1: 7-21. (Hirschman was a brilliant economist with a strong sociological sensibility.)
- Kahneman, Daniel. 1994. "New Challenges to the Rationality Assumption." *Journal of Institutional and Theoretical Economics* 150: 18-36.
- Manski, Charles F. 2000. "Economic Analysis of Social Interactions." *Journal of Economic Perspectives* 14 (3): 115-36.

- *McCloskey, Donald (Deirdre) N. 1985. *The Rhetoric of Economics*. Madison, Wis.: University of Wisconsin Press. (A highly readable book about how economists persuade.)
- *Mirowski, Philip. 2002. *Machine Dreams. Economics Becomes a Cyborg Science*. Cambridge: Cambridge University Press (A piece of intellectual history emphasizing the theoretical tensions in economics.)
- Nagel, Ernest. 1963. Assumptions in Economic Theory, *American Economic Review*, 53/2:211-219 (A philosopher weighs in against Friedman's programmatic essay.)
- *Robbins, Lionel. 1932/1984. *An Essay on the Nature and Significance of Economic Science*. New York University Press: New York. (Robbins, working in the pre-mathematical era of economic theorizing, lays out the basic ideas behind the then just emerging science. An abbreviated version is in Hausman ed. *Philosophy of Economics*, Cambridge University Press)
- *Samuelson, Paul A. and William D. Nordhaus. 1998. *Economics. 16th Edition*. Boston: Irwin/McGraw Hill. (Probably the most influential undergraduate textbook ever that cemented economics as a coherent discipline. Samuelson received the Nobel Prize in 1970, in its second year.)
- *Samuelson, Paul and William Barnett eds. 2006. *Inside the Economist's Mind: Conversations with Eminent Economists*. Wiley and Sons (A collection of interviews, good stories, an entertaining read.)
- Sen, Amartya. 1977. "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory." *Philosophy and Public Affairs* 6: 317-44. (Sen, a Nobel Prize winning economist, was an early critic of the rational actor model.)

4. Uncertainty, Risk, Trust

Economic models are clean and elegant as long as we can assume that people have full information or that they can have probability estimates about things they don't fully know. One of the fundamental insights of economic sociology is that in most cases, economic actors must deal with uncertainty that cannot be cognitively reduced to calculable risk. Much of social structure and culture exist to deal with this problem. Economic topics related to this problem of uncertainty include credit, investment, insurance, innovation, and forecasting, and in more general terms, risk, trust, imagination, and the future.

Common Readings:

- Beckert, Jens. 1996. What is sociological about economic sociology? Uncertainty and the embeddedness of economic action. *Theory and Society*, 25 (6), 803-40.
- Guseva, Alya and Akos Rona-Tas. 2001. Uncertainty, risk, and trust: Russian and American credit card markets compared. *American Sociological Review*, 66 (5), 623-646.
- Ladegaard, Isak. "Strangers in the sheets: how Airbnb hosts overcome uncertainty." *Socio-Economic Review* 19.4 (2021): 1245-1264.
- Beckert, Jens, and Richard Bronk. 2019. Uncertain Futures: Imaginaries, Narratives, and Calculative Technologies. *MPIfG Working Paper Series*

Commentary, Examples, and Further Readings:

- Akerlof, George A. 1970. The market for "lemons": Quality, uncertainty, and the market mechanism. *Quarterly Journal of Economics*, 84 (3), 488-500. (Nobel Prize winning article that started information economics. It is non-technical.)

- *Beckert, Jens. 2016. *Imagined futures: fictional expectations and capitalist dynamics*. Harvard University Press.
- *Beckert, Jens, and Richard Bronk, eds. 2018. *Uncertain futures: Imaginaries, narratives, and calculation in the economy*. Oxford University Press, 2018.
- Biggart, Nicole W. 2001. Banking on Each Other: The Situational Logic of Rotating Savings and Credit Associations. *Advances in Qualitative Organization Research*,3 *PERUSALL*
- *Carruthers, Bruce G. 2022. *The Economy of Promises: Trust, Power, and Credit in America*. Princeton University Press
- *DiMaggio, Paul. 2003. Endogenizing "Animal Spirits": Toward a Sociology of Collective Response to Uncertainty and Risk. Chapter 4 in Mauro F. Guillen et al. eds. *The New Economic Sociology. Developments in an Emerging Field*. Russell Sage Foundation: New York (An excellent review article.)
- Greif, Avner, 1989. Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders. *The Journal of Economic History*, 49/4: 857-882. (An economic historian explains the role of trust in medieval trade.) *PERUSALL*
- Hoppe, Alexander D. 2020. "Coordinating transnational futurework in fashion design." *Socio-Economic Review* .
- *Kahneman, Daniel, Paul Slovic, and Amos Tversky eds. 1982. *Judgment Under Uncertainty*. Cambridge: Cambridge University Press. (Criticism of the basic decision-making model used by economists from experimental cognitive psychology.)
- *Knight, Frank H. 1957[1921]. *Risk, Uncertainty and Profit*. New York: Kelley & Millman. (A classic. Knight, one of the fathers of the Chicago School of Economics, in lucid prose tackles some of the thorniest theoretical questions that the discipline swept under the rug for decades.) Available online at <http://www.econlib.org/library/Knight/knRUP.html>
- McDonald, S., Damarin, A. K., McQueen, H., & Grether, S. T. (2022). The hunt for red flags: cybervetting as morally performative practice. *Socio-Economic Review*, 20(3), 915-936. (Excellent article about how internet searches are used in hiring decision to reduce risk and ensure cultural matching, and how that reproduces inequalities.)
You can also listen to a *SER on Tap* podcast with the authors about this article:
<https://soundcloud.com/ser-on-tap/episode-3-the-hunt-for-red-flags-with-steve-mcdonald-amanda-damarin-and-scott-grether>
- *Pixley, Jocelyn. 2004. *Emotions in Finance. Distrust and Uncertainty in Global Markets*. (Introduces the sociology of emotions to studying how people, like those in finance, deal with uncertainty.)
- Rona-Tas, Akos. 2020. "Predicting the future: Art and algorithms." *Socio-Economic Review* 18.3: 893-911.
- *Sabel, Charles .1992. Studied trust: building new forms of cooperation in a volatile economy. Pp. 215-50 in F. Pyke and W. Sengenberger (eds), *Industrial Districts and Local Economic Regeneration*, Geneva: International Institute for Labour Studies. (Sabel is elaborating on their famous argument about post-Fordism with Michael Piore [The Second Industrial Divide].)
- Shiller, Robert J. 2017. "Narrative economics." *American economic review* 107.4: 967-1004. (The Nobel-prize winning economist in his Presidential Address to the American Economics Association about the importance of narratives dealing with uncertainty and especially with uncertainty about the future.)
- Simon, Herbert A. 1986. Rationality in Psychology and Economics. *The Journal of Business*, 59/4:S209-S224. (Simon, Nobelist economist, political scientist, sociologist, and the father of artificial intelligence criticizes the questionable behavioral assumptions of economics.)
- Suckert, Lisa. 2022. "Back to the Future. Sociological Perspectives on Expectations, Aspirations and Imagined Futures." *European Journal of Sociology/Archives Européennes de Sociologie*: 1-36. (Excellent review of the literature on the "sociology of imagined futures.")

5. Embeddedness, Networks and Social Capital

One of the central concepts of economic sociology, along with uncertainty, is embeddedness. This ugly word is from the Hungarian economic anthropologist, Karl Polanyi. The basic idea is that economic action is always part of a wider social context that cannot be reduced to simple instrumental, economic calculations of individuals. Granovetter brought the term into the forefront of new economic sociology but gave it a theoretical makeover by tying it to social networks.

Common Readings:

- Polanyi, Karl. 1957/1992. The Economy as Instituted Process. Pp. 29-52 in Granovetter and Swedberg eds. *The Sociology of Economic Life*. Boulder, CO: Westview
- Granovetter, Mark. 1985. Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology*, 91:481-510
- Krippner, Greta. 2001. The Elusive Market: Embeddedness and the Paradigm for Economic Sociology. *Theory and Society*, 30/6:775-810
- Burt, Ronald S. 2003. The Social Capital of Structural Holes. Chapter 7 in Mauro F. Guillen et al. eds. *The New Economic Sociology. Developments in an Emerging Field*. Russell Sage Foundation: New York

Commentary, Examples, and Further Readings:

- *Barabasi, Albert-Laszlo. 2003. *Linked*. (A Hungarian physicist gives an entertaining and often very sociological introduction to networks.)
- *Block, Fred and Margaret Somers. 1984. Beyond the Economistic Fallacy. Pp. 47-84 in Theda Skocpol ed. *Vision and Method in Historical Sociology*. (Somers and Block have worked hard to establish Polanyi as a central theorist in economic and political sociology.)
- Bourdieu, Pierre. The Forms of Capital. Pp. 280-291 in Nicole Woolsey Biggart ed. *Readings in Economic Sociology*. Oxford: Blackwell. (A theoretical classic that had a tremendous impact on empirical research since the 1980s.) *PERUSALL*
- *Burt, Ronald S. 1992. *Structural Holes. The Social Structure of Competition*. Harvard University Press (An example of how you can take a very simple idea about power and generate a lot of interesting insights.)
- DiMaggio, Paul and Hugh Louch. 1998. Socially Embedded Consumer Transactions: For What Kinds of Purchases Do People Most Often Use Networks?" *American Sociological Review*, 63 (October:619-637) (Straightforward elegant piece on when economic transaction is embedded.)
- Granovetter, Mark. 1973. The Strength of Weak Ties. *The American Journal of Sociology*, 78:1360-80. (This is a fun piece, explains why superficial acquaintances can be more helpful than trusted friends. One if not THE most cited article in sociology.)
- Krippner, G., Granovetter, M., Block, F., Biggart, N., Beamish, T., Hsing, Y., Hart, G., Arrighi, G., Mendell, M., Hall, J. and Burawoy, M., 2004. Polanyi symposium: a conversation on embeddedness. *Socio-economic review*, 2(1), pp.109-135. (Great debate with prominent economic sociologists participating.)
- *Polanyi, Karl. 1944. *The Great Transformation*. (A classic that develops the argument of embeddedness in the context of 19th century European history.)
- *Polanyi, Karl. 1947/1968. "Our Obsolete Market Mentality." Pp. 59-77 in George Dalton ed. *Primitive, Archaic, and Modern Economies; Essays of Karl Polanyi*. Anchor Books Doubleday
- Portes, Alejandro. 1998. Social Capital: Its Origins and Applications in Modern Sociology. *Annual Review of Sociology*, 24:1-24. (An overview that also exposes the downsides of social capital.)

- Powell, Walter W. and Laurel Smith-Doerr. 2005. Networks and Economic Life. Pp. 379-402 in Smelser and Swedberg eds. *The Handbook of Economic Sociology*, 2nd edition. Princeton University Press: Princeton *PERUSALL*
- *Putnam, Robert D. 2001. *Bowling Alone*. (A classic piece on social capital and how and why we have less of it now than before.)
- Uzzi, Brian. 1996. The Sources and Consequences of Embeddedness for the Economic Performance of Organizations - The Network Effect. *American Sociological Review*, V61(N4):674-698 (An empirical test of the embeddedness thesis. Notice that the observed behavior would not be rational under standard economic theory.)

6. Social Construction of Markets and Performativity of Economics

Markets are also central concepts in economics. Just like rationality, markets are often treated as natural phenomena. Economic sociology takes the position that markets are socially constructed. They don't exist in the wild but are the result of great efforts that often fail. Some of the actors responsible for the creation of markets are the economists themselves. Performativity is an explanation why economists' theories have been so successful in describing markets.

Common Readings:

- Rona-Tas, Akos and Alya Guseva. 2014. *Plastic Money. Constructing Markets for Credit Cards in Eight Postcommunist Countries*. Chapters 1-4, 8. Palo Alto: Stanford University Press.
- Callon, Michel. 1998. Introduction. In M. Callon ed. *The Laws of the Markets*. Oxford: Blackwell.
- MacKenzie, Donald. 2007. Is Economics Performative? Options Theory and the Construction of Derivatives Markets. Chapter 3 in MacKenzie, Muniesa and Siu eds. *Do Economists Make Markets?* Princeton University Press
- Frank, Robert H., Thomas Gilovich, and Dennis T. Regan. 1993. Does Studying Economics Inhibit Cooperation? *Journal of Economic Perspectives*, 6/2:159-171

Commentary, Examples, and Further Readings:

- Engelen, Ewald, Mayra Mosciaro, and Maria Kaika. 2023. "Seeing like an economist: using the case of Dutch healthcare reform to bring professions and their epistemologies back in the field of new economic sociology." *Socio-Economic Review*
- Frank, Robert H., Thomas Gilovich, and Dennis T. Regan. 1993. Does Economics Make Bad Citizens? *Journal of Economic Perspectives*, 10/1: 187-192 (This is the response to Yezer et al.)
- Ferraro, Fabrizio, Jeffrey Pfeffer, Robert Sutton. 2005. "Economics Language and Assumptions: How Theories Can Become Self-Fulfilling," *Academy of Management Review* 30: 8-24
- Fligstein, Neil. 2018. *The Architecture of Markets*. Princeton University Press
- *Garcia-Parpet, Marie-France. 2007. The Social Construction of a Perfect Market: The Strawberry Auction at Fontaines-en-Sologne. Chapter 2 in MacKenzie, Muniesa and Siu eds. *Do Economists Make Markets?* Princeton University Press (An ethnography of market creation.)
- *MacKenzie, Donald. *An Engine, Not a Camera: How Financial Models Shape Markets* (This is a classic. It describes how economists created the financial markets, writing its rules while pretending to discover them.)
- Miller, Daniel. 2002. Turning Callon the Right Way Up. *Economy and Society*, 31/2:218-233 (A critique of Callon.)
- *Mirowski, Philip and Edward Nik-Khah. 2007. Markets Made Flesh: Performativity, and a Problem in Science Studies Augmented with Consideration of the FCC Auctions. Chapter 7 in MacKenzie,

Muniesa and Siu eds. *Do Economists Make Markets?* Princeton University Press (A skeptical look at performativity.)

Rilinger, Georg. 2023. "Conceptual limits of performativity: assessing the feasibility of market design blueprints." *Socio-Economic Review*

Yezer, Anthony M., Robert S. Goldfarb, Paul J. Poppen. 1996. Does Studying Economics Discourage Cooperation? Watch What We Do, Not What we Say or How We Play. *Journal of Economic Perspectives*, 10/1:177-186 (This is a defense of economics against Frank et al.)

This is an excellent BBC documentary on the Black-Scholes formula.

<https://www.dailymotion.com/video/x225si7>

7. Markets and Morals

One of the great promises of markets is that they can bypass cultural and normative differences. After all, capitalism made it possible to trade with people we don't know at all. The success of neoliberalism was that it seemed to be able to obviate moral disagreements, bypass intractable conflicts of norms and build a society on simple, uncontroversial, and universal values of material improvement. Yet, economic sociology shows that markets depend on moral norms both in terms of what can and what cannot be a commodity, and how people should be treated in interactions.

Common Readings:

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

Ergen, Timur, and Sebastian Kohl. 2022. "Rival views of economic competition." *Socio-Economic Review* 20.3: 937-965.

Bandelj, Nina. 2012. Relational Work and Economic Sociology." *Politics & Society* 40(2):175-201

Almeling, Rene. 2007. Selling Genes, Selling Gender: Egg Agencies, Sperm Banks, and the Medical Market in Genetic Material." *American Sociological Review* 72(3):319-40.

Commentary, Examples, and Further Readings:

*Abend, Gabriel. 2014. *The Moral Background: An Inquiry into the History of Business Ethics*. Princeton University Press

*Abolafia, Mitchel Y. 1996. *Making Markets. Opportunism and Restraint on Wall Street*. Cambridge MA: Harvard University Press. (An ethnography of bonds, stocks, and futures traders.)

*Anteby, Michel. 2013. *Manufacturing Morals: The Values of Silence in Business School Education*. Chicago, IL: University of Chicago Press.

Balsiger, Philip. 2021. "The dynamics of 'Moralized Markets': a field perspective." *Socio-Economic Review* 19.1 : 59-82.

Livne, Roi. 2014. Economies of Dying: The Moralization of Economic Scarcity in U.S. Hospice Care. *American Sociological Review* 79(5): 888-911.

Mears, Ashley. 2015. Working for Free in the VIP: Relational Work and the Production of Consent." *American Sociological Review* 80(6):1099-1122.

*Posner, Richard A. 1992. "Chapter 5: Sex and Rationality" Pp. 111-145 in *Sex and Reason*. Cambridge: Harvard University Press.

Quinn, Sarah. 2008. The Transformation of Morals and Markets. Death, Benefits, and the Exchange of Life Insurance Policies. *American Journal of Sociology* 114 (3): 738–80. *PERUSALL*

- Rossman, Gabriel. 2014. Obfuscatory Relational Work and Disreputable Exchange." *Sociological Theory* 32(1):43-63. *PERUSALL*
- Roth, Alvin E. 2007. Repugnance as a Constraint on Markets. *Journal of Economic Perspectives* 21(3): 37-58
- *Sandel, Michael. 2012. *What Money Can't Buy: The Moral Limits of Markets*. New York: Farrar, Straus, and Giroux.
- *Zelizer, Viviana. 2017 [1979]. *Morals and Markets: The Development of Life Insurance in the United States*. Columbia University Press (A historical analysis of how did profiteering from human death became accepted as life insurance.)
- *Zelizer, Viviana. 2005. *The Purchase of Intimacy*. Princeton: Princeton University Press.

8. Culture and Worth, Environment

Cultural beliefs play a central role in markets. It is not just what can and cannot be traded and how to treat others that are guided by cultural beliefs, but every action must be imbued with worth. How we attach value to things and establish what they are worth is rooted deeply in cultural beliefs and practices. The economic values we attach to works of art, the environment but even to simple commodities like coffee are products of cultural construction and not simply results of natural human desires and utilities.

Common Readings:

- Zelizer, Viviana. 1989. Social Meaning of Money: "Special Monies." *The American Journal of Sociology*, 95/2:342-377
- Velthuis, Olav. 2003. Symbolic Meanings of Prices: Constructing the Value of Contemporary Art in Amsterdam and New York Galleries. *Theory and Society*, 32/2:181-215
- Fischer, Edward F. "Quality and inequality: creating value worlds with Third Wave coffee." *Socio-Economic Review* 19.1 (2021): 111-131.
- Fourcade, Marion. 2011. "Cents and sensibility: Economic valuation and the nature of "nature".
American journal of sociology 116.6: 1721-1777.

Commentary, Examples, and Further Readings:

- *Beckert, Jens, and Patrik Aspers, eds. 2011. *The worth of goods: Valuation and pricing in the economy*. Oxford University Press
- *Biernacki, Richard. 1995. *The Fabrication of Labor: Germany and Britain, 1640-1914*. Berkeley: California University Press (An outstanding book on the different notions of labor and value in the two countries. It also provides a lucid theoretical discussion on cultural analysis.)
- DiMaggio, Paul. 1994. Culture and Economy. Pp. 27-57 in Swedberg and Smelser eds. *The Handbook of Economic Sociology*. Princeton: Princeton University Press *PERUSALL*
- Elliott, Rebecca. "Insurance and the temporality of climate ethics: Accounting for climate change in US flood insurance." *Economy and Society* 50.2 (2021): 173-195. (Elliott takes the problem of floods in the US and shows how the climate crisis is translated into an economic problem.)
- *Hirschman, Albert O. 1977. *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph*. Princeton: Princeton University Press. (How did the deadly sin of avarice become respectable self-interest. An intellectual history.)
- *Karpik, Lucien. 2010. *The economics of singularities*. Princeton University Press, Princeton. (A classic on how markets price unique commodities, where supply cannot meet demand as supply is constrained and incommensurate with other items for sale.)

- *Lampland, Martha. 2016. *The Value of Labor*. Chicago: Chicago University Press. (An excellent historical ethnography on how labor can be priced outside the markets.)
- Pardo-Guerra, Juan Pablo. 2011. "How Much for the Michelangelo? Valuation, Commoditization and Finitism in the Secondary Art Market." *Cultural Sociology* 5 (2): 207-223

Recommended: *Price of Everything*, a good documentary on the contemporary art market and "examines the role of art and artistic passion in today's money-driven, consumer-based society."
 E-RESERVES
 Also a talk on coffee and value by Edward Fischer and a link to an interview can be found here:
<https://tedfischer.org/>

9. Social Inequalities and Economy

The economy is probably the most powerful engine of social inequalities. Interestingly, economics until recently was uncurious about inequalities. There are many mechanisms that generate inequalities. Here we will focus on processes that are self-reinforcing and generate ever-increasing differences between rich and poor.

Common Readings:

- Piketty, Thomas. 2015. Putting Distribution Back at the Center of Economics: Reflections on Capital in the Twenty-First Century. *Journal of Economic Perspectives* 29(1):67–88
- Godechot, Olivier. 2017. Inequality: A "Piketty et al." Moment in the Social Sciences. *Economic Sociology: The European Electronic Newsletter*. 19/1
- *Frank, Robert H., and Philip J. Cook. 2010. *The winner-take-all society: Why the few at the top get so much more than the rest of us*. Random House. **THIS IS THE ONLY COMMON READING NOT AVAILABLE ON PERUSALL!**
- Segal, Paul. 2022. "Inequality as entitlements over labor." *Socio-Economic Review* 20.4: 1515-1538.

Commentary, Examples, and Further Readings:

- Arthur, W. Brian. 1990. "Positive Feedbacks in the Economy." *Scientific American* 262/2:92-99 (Classic explanation of how initial conditions get locked in and create the dead hand of history.)
 PERUSALL
- DiMaggio, Paul and Filiz Garip. (2012). Network effects and social inequality. *Annual Review of Sociology*, 38, 93-118.
- DiPrete, Thomas and Gregory Eirich. 2006. Cumulative Advantage as a Mechanism for Inequality: A Review of Theoretical and Empirical Developments. *Annual Review of Sociology*, pp.271-97.
- *Krugman, Paul. 2009. *Conscience of a Liberal*. W.W. Norton (A history of income inequality in the US.)
- Mijs, Jonathan JB. 2021. "The paradox of inequality: Income inequality and belief in meritocracy go hand in hand." *Socio-Economic Review* 19.1: 7-35. (Why we see an increase in meritocratic beliefs as inequalities are on the rise.)
 You can also listen to a **SER on Tap** podcast with the author about the article at:
<https://soundcloud.com/ser-on-tap/episode-2-jonathan-mijs>
- *Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Cambridge, MA: Harvard University Press (Piketty provides a stunningly simple explanation for the growth on inequality in capitalism: if the rate of return on capital (r) is higher than the overall growth rate of the

economy (g) [$r > g$], inequalities must grow in favor of owners of capital and to the detriment of those who make income through their labor alone. If you increase your share of economic riches faster than the overall growth of those riches, your share of the total must increase. This tendency is interrupted only by external forces like war and taxation. In the first year of its publication, the book sold 1.5 million copies.)

*Stiglitz, Joseph E. 2015. *The Great Divide: Unequal Societies and What We Can Do About Them*. W.W. Norton

Recommended: *Capital in the 21st century* (Movie 2019). A flashy documentary with the collaboration from Thomas Piketty, to popularize the main ideas of his book. *E-RESERVES*

Piketty symposium at the Graduate Center at CUNY with Joseph Stiglitz, Paul Krugman, Steven Durlauf, Branko Milanovic, and Janet Gornick. Piketty gives a short summary of the book and then

<https://www.youtube.com/watch?v=heOVJM2JZxI&t=200s>

10. Financialization, the Platform and the Data Economy

The economic world is changing rapidly. Technology plays an important role in this fast transformation. Automation and the development of communication and information technologies are changing the way the economy operates. This last class will try to assess some of these changes.

Common Readings:

Van der Zwan, Natascha. 2014. "Making sense of financialization." *Socio-economic review* 12.1 (2014): 99-129.

Rona-Tas, Akos. 2017. The Off-Label Use of Consumer Credit Ratings. *Historical Social Research*. 42(1): 52-76.

Kenney, Martin, Dafna Bearson, and John Zysman. 2021. "The platform economy matures: Measuring pervasiveness and exploring power." *Socio-economic review* 19.4: 1451-1483.

Sadowski, Jathan. "When data is capital: Datafication, accumulation, and extraction." *Big data & society* 6.1 (2019): 2053951718820549.

Commentary, Examples, and Further Readings:

Ailon, Galit. "'Life is about risk management': lay finance and the generalization of risk thinking to nonfinancial domains." *Socio-Economic Review* 19.2 (2021): 469-486.

*Brynjolfsson, Erik and Andrew McAfee. 2011. *Race against the machine*. Lexington, MA: Digital Frontier Press.

Burrell, Jenna. 2016. How the Machine Thinks. Understanding Opacity in Machine Learning Algorithms. *Big Data and Society* 1-12.

Fourcade, Marion and Kieran Healy. 2017. Seeing Like a Market. *Socio-Economic Review* 15(1): 9-29.

*Guseva, Alya and Akos Rona-Tas. 2017 "Money Talks, Plastic Money Tattles: The New Sociability of Money." Pp. 201-214 in Nina Bandelj, Frederick F. Wherry, and Viviana Zelizer, eds. *Money Talks: Explaining How Money Really Works*. Princeton: Princeton University Press.

Irani, Lilly. "Difference and dependence among digital workers: The case of Amazon Mechanical Turk." *South Atlantic Quarterly* 114.1 (2015): 225-234.

*Kearns, Michael, and Aaron Roth. 2019. *The Ethical Algorithm: The Science of Socially Aware Algorithm Design*. Oxford University Press

- Keats, Danielle, Citron and Frank Pasquale. 2014. The Scored Society: Due Process for Automated Predictions. *Washington Law Review* 89: 1-33.
- MacKenzie, Donald. 2014. A Sociology of Algorithms. High-Frequency Trading and the Shaping of Markets. *Working Paper*.
- *Pasquale, Frank. 2015. *The Black Box Society. The Secret Algorithms that Control Money and Information*. Harvard University Press.
- *Webb, Amy. 2019. *The big nine: How the tech titans and their thinking machines could warp humanity*. Hachette UK
- *Zuboff, Shoshana. 2019. *The age of surveillance capitalism: The fight for a human future at the new frontier of power*. New York: Profile Books

Recommended: *Inside Job*, an award-winning documentary about the 2007-8 financial crisis. *E-RESERVES*

General Resources:

Books:

- Aspers, Patrik and Nigel Dodd eds. 2015. *Re-Imagining Economic Sociology*. Oxford: Oxford University Press
- Beckert, Jens and Milan Zafirovski eds. 2006. *International Encyclopedia of Economic Sociology*. London: Routledge
- Biggart, Nicole Woolsey ed. 2002. *Readings in Economic Sociology*. Oxford, Blackwell
- Brinton, Mary C. and Victor Nee eds. 1998. *The New Institutionalism in Sociology*. New York: Russell Sage
- Carruthers, Bruce G. and Sarah L. Babb. 2000. *Economy/Society. Markets, Meanings, and Social Structure*. Thousand Oaks, CA: Pine Forge Press
- Dobbin, Frank ed. 2004. *The New Economic Sociology. A Reader*. Princeton: Princeton University Press
- Granovetter, Mark. *Society and economy: Framework and principles*. Harvard University Press, 2017.
- Granovetter, Mark and Richard Swedberg eds. 2001. *The Sociology of Economic Life*. Boulder CO: Westview Press
- Guillen, Mauro F., Randall Collins, Paula England, and Marshall Meyer eds. 2002. *The New Economic Sociology. Developments in an Emerging Field*. New York, Russel Sage.
- Nee, Victor and Richard Swedberg eds. 2005. *The Economic Sociology of Capitalism*. Princeton: Princeton University Press,
- Smelser Neil J. and Richard Swedberg eds. 2005. *The Handbook of Economic Sociology. Second Edition*. Princeton: Princeton University Press,
- Swedberg, Richard ed. 1993. *Explorations in Economic Sociology*. New York: Russell Sage
- Swedberg, Richard, 1990. *Economics and Sociology. Interviews with Gary S. Becker, James S. Coleman et al.* Princeton: Princeton University Press

Electronic Resources:

Economic Sociology European Electronic Newsletter
<https://econsoc.mpifg.de/>

ASA Economic Sociology Section and its Newsletter
<https://www.economicsoc.com/>
<https://www.asanet.org/newsletters-13/>

Newsletter and blog of the Society for the Advancement of Socio-Economics (SASE)

<https://sase.org/publications/sase-newsletters/>
<https://sase.org/publications/blog/>

The Economic Sociology and Political Economy Community website
<https://economicsociology.org/>

Socio-Economic Review Podcasts – SER on Tap:

<https://sase.org/socio-economic-review/#ser-on-tap>

Socio-Economic Review 20th anniversary virtual issue:

<https://academic.oup.com/ser/pages/sers-20th-anniversary-virtual-special-issue>

I also recommend the three-part BBC documentary *The Trap* by Adam Curtis. It is a bit old but covers some of the history of the ideas prominent in economic sociology, and although its focus is more political than economic, it re-embeds economics into its social and historical context. It is available in low resolution on the web.

Here is Part 1

<https://tube.4aem.com/videos/watch/888f8e01-946f-4f38-8e6a-9a76c418b9d5>

(You can get the other two by Searching for Adam Curtis on the site)