

Sociology 243  
**Economic Sociology**  
Graduate Seminar  
Harvard University  
Spring 2004

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**Overview**

Early sociologists were interested in the causes and consequences of the rise of capitalism. Karl Marx, Emile Durkheim, and Max Weber studied changes in economic behavior patterns that coincided with the rise of capitalism, but then for much of the twentieth century sociologists turned away from the study of economic behavior. Under the division of labor that came to characterize the social sciences, economic behavior was the province of economists. That changed in the early 1980s, when sociologists returned to the study of economic behavior. Most see economic behavior as shaped by the same roles, conventions, and social structures that shape political, religious, or family behavior. Most challenge the idea that behavior can be predicted by theories that neglect social structure.

This course surveys economic sociology's main theoretical camps – institutional, network, power, and cognitive approaches – and some of its main substantive areas – development, globalization, financial markets. One goal is to explore the extent to which different theoretical paradigms serve as alternatives to one another or as complements. Another is to review some of the most important studies and findings.

The course is in essence a wine-tasting. In a field dominated by monographs, we do not read a single one from start to finish. We sample many different things each week.

**Requirements**

The course is run as a participatory seminar. Attendance and participation are required. Class members will write a brief memo each week abstracting the week's readings, to be turned in at our class meeting. Class members will take turns framing discussion questions. The course is designed to encourage class members to come to understandings of the readings together.

A term paper is the final requirement of the course. The paper should be approximately fifteen pages in length, and it may take the form of a research proposal that incorporates ideas from a number of the readings in the course.

## Grading

The final grade will depend equally on (1) class participation and discussion initiation, (2) weekly abstracts of the readings, and (3) a term paper.

## Readings

Most of the readings are available for you to photocopy, in the library on the first floor of William James Hall. Other readings are available online, or in a collection that you may either purchase or photocopy. On the syllabus, I have marked where you can find each reading: (Website) for those that are on the course website, (WJH Library) for those that are available for photocopying, and (Reader) for those that can be found in the book. The online readings are available on the course website. The book is:

Dobbin, Frank, ed. The Sociology of the Economy. New York: Russell Sage Foundation.

It is due out the first week of February. I will leave a copy in the WJH library for you to photocopy, or you can order it directly from the press by calling 1-800-524-6401.

### 1. February 9

#### Economics and Sociology Divide

Yonay, Yuval. 1998. The Struggle Over the Soul of Economics: Institutional and Neoclassical Economists in America Between the Wars. Princeton, NJ: Princeton University Press. Chapters 1 and 10, pp. 3-28 and 196-222. (WJH Library)

Fourcade-Gourinchas, Marion. 2001. "Politics, Institutional Structures and the Rise of Economics: A Comparative Study", Theory and Society, Vol. 30 (3) (June). (Online)

Camic, Charles. 1992. "Reputation and Predecessor Selection: Parsons and the Institutionalists." American Sociological Review 57 (4): 421-455. (Website)

Mitchell, Timothy. 1999. Society, Economy, and the State Effect (1999). Pp. 76-97 in State/Culture: State-Formation After the Cultural Turn. Edited by George Steinmetz. Ithaca, NY: Cornell University Press. (WJH Library)

Smelser, Neil. 1995. "Economic Rationality as a Religious System." Pp. 73-92 in Robert Wuthnow (ed.), Rethinking Materialism: Perspectives on the Spiritual Dimension of Economic Behavior. Grand Rapids, MI: William B. Erdmans. (WJH Library)

## **2. February 16 (Presidents' Day: To Be Rescheduled at First Meeting)**

### **The Sociology of the Economy**

Smelser, Neil J. and Richard Swedberg. "Introducing Economic Sociology." 2004. In The Handbook of Economic Sociology, Second Edition. Princeton, NJ: Princeton University Press and the Russell Sage Foundation. (Website)

Dobbin, Frank. Forthcoming. "The Sociological View of the Economy." Pp. 1-46 in The New Economic Sociology: An Anthology. Princeton, NJ: Princeton University Press. (WJH Library)

Powell, Walter W. 1990. "Neither Market nor Hierarchy: Network Forms of Organization." Pp. 295-336 in Research in Organizational Behavior, vol. 12, edited by L.L.Cummings and B. Shaw. Greenwich, CT: JAI Press. (WJH Library)

Peter A. Hall and Rosemary C.R. Taylor. 1996. "Political Science and the Three New Institutionalisms." Political Studies 44: 936-58. (WJH Library)

Campbell, John L. 1998. "Institutional Analysis and the Role of Ideas in Political Economy." Theory and Society 27: 377-409. (Website)

Fligstein, Neil. 2001. "Bringing Sociology Back In." Pp. 3-24 in The Architecture of Markets: The Economic Sociology of Twenty-First-Century Capitalist Societies. Princeton, NJ: Princeton University Press. (WJH Library)

## **3. February 23**

### **The Rise of the Market**

Braudel, Fernand. 1977. Afterthoughts on Material Civilization and Capitalism. Baltimore: Johns Hopkins University Press. "Capitalism and Dividing Up the World." Pages 79-117. (WJH Library)

Polanyi, Karl. 1944. The Great Transformation: The Political and Economic Origins of our Time. New York: Rinehart. Pp. 56-76 and 135-162. (WJH Library)

Hirschman, Albert O. 1977. The Passions and the Interests: Political Arguments for Capitalism before its Triumph. Princeton: Princeton University Press. Pp. 3-66. (WJH Library)

- Swedberg, Richard. 2004. "Markets in Society." In The Handbook of Economic Sociology. Edited by Neil Smelser and Richard Swedberg. Princeton, NJ: Princeton University Press and Russell Sage Foundation. (Website)
- Nee, Victor. 1989. "A Theory of Market Transition: From Redistribution to Markets in State Socialism." American Sociological Review 54:663-681. (Website)
- David Stark. "Recombinant Property in East European Capitalism". American Journal of Sociology 1996. 101(4): 993-1027. (Website)

## **PART I SOCIOLOGICAL APPROACHES TO ECONOMIC BEHAVIOR**

### **4. March 1 Institutions**

- Weber, Max. 2001 (1930). The Protestant Ethic and the Spirit of Capitalism. Trans. by Talcott Parsons. New York: Routledge. 3-11;39-41;102-109;115-116;124-125. (WJH Library)
- Meyer, John W., and Brian Rowan. 1977. "Institutionalized Organizations: Formal Structure as Myth and Ceremony." American Journal of Sociology 83:340-63. (Website)
- DiMaggio, Paul J. and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." American Sociological Review. 48:147-160. (Website)
- Whitley, Richard. 1999. Divergent Capitalisms: The Social Structuring and Change of Business Systems. Oxford: Oxford University Press. Chapter 2, pages 31-64. (WJH Library)
- Scott, W. Richard. 2004. "Competing Logics in Healthcare: Professional, State, and Managerial" In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press. (Reader)
- Haveman, Heather A. 1993. "Follow the Leader: Mimetic Isomorphism and Entry into New Markets." Administrative Science Quarterly 38:593-627. (Website)

## **5. March 8 Networks**

- Durkheim, Émile. 1933. The Division of Labor in Society, Translated by George Simpson. New York: Free Press. Pp. 39-41, 104-113, 129-131, 193-195, 226-227, 287-291, 277-280. (WJH Library)
- Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." American Journal of Sociology 91: 481-510. (Website)
- Portes, Alejandro and Julia Sensenbrenner. 1993. "Embeddedness and Immigration: Notes on the Social Determinants of Economic Action." American Journal of Sociology 98: 1320-1350. (Website)
- Leifer, Eric, and Harrison White. 1987. "A Structural Approach to Markets." Pp. 85-108 in Intercorporate Relations: The Structural Analysis of Business. Edited by Mark Mizruchi and Michael Schwartz. New York: Cambridge University Press. (WJH Library)
- Burt, Ronald S. 1992. Structural Holes. Cambridge MA: Harvard University Press. Pp. 8-30. (WJH Library)
- Uzzi, Brian. 1999. "Embeddedness in the Making of Financial Capital: How Social Relations and Networks Benefit Firms Seeking Financing." American Sociological Review 64: 481-505. (Website)
- McLean, Paul and John Padgett. 2004. "Obligation, Risk, and Opportunity in the Renaissance Economy" In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press. (Reader)
- Podolny, Joel M., and Toby E. Stuart. 1995. "A Role-Based Ecology of Technological Change." American Journal of Sociology 100 (5): 1224 -1260. (Website)

## **6. March 15 Power**

- Marx, Karl. 1978. "The Germany Ideology." In The Marx-Engels Reader. 2nd Edition. Edited by Robert Tucker. New York: Norton. Pp. 149-155, 172-173, 176-188. (WJH Library)
- Fligstein, Neil. 1990. The Transformation of Corporate Control. Cambridge, MA: Harvard University Press. Pp. 2-32. (WJH Library)
- Davis, Gerald F., Kristina A. Diekmann, and Catherine H. Tinsley. 1994. "The Decline and Fall of the Conglomerate Firm in the 1980s: The Deinstitutionalization of an Organizational Form." American Sociological Review 59: 547-570. (Website)

Roy, William G. 1997. Socializing Capital: The Rise of the Large Industrial Corporation in America. Princeton, NJ: Princeton University Press. Pp. 1-6, 10-18, 41, 44-49, 76-77. (WJH Library)

Carruthers, Bruce. 1996. City of Capital: Politics and Markets in the English Financial Revolution. Princeton, NJ: Princeton University Press. Pp. 18-21, 161, 164-165, 175-183, 187-192. (WJH Library)

Perrow, Charles. 2004. "Organizing America." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press. (Reader)

Marsden, Peter. 1983. Restricted Access in Networks and Models of Power. The American Journal of Sociology 88 (4): 686-717. (Website)

## **7. March 22**

### **Cognition and Sensemaking**

Durkheim, Émile. 1961. The Elementary Forms of Religious Life. New York: Collier. Pp. 236, 254-258, 259-261, 468-472, 269-272, 494-496. (WJH Library)

Berger, Peter, and Thomas Luckmann. 1966. The Social Construction of Reality: A Treatise on the Sociology of Knowledge. Garden City: Doubleday. Pp. 1, 3, 19-25, 53-67, 110-112, 116-118. (WJH Library)

Meyer, John, John Boli, and George Thomas (1987) "Ontology and Rationality in the Western Cultural Account." in George Thomas, John Meyer, Ramirez Francisco, and John Boli eds. Institutional Structure: Constituting State, Society, and the Individual. Newbury Park: Sage Publications. (WJH Library)

- March, James, and Herbert Simon. 1993. Organizations. Second Edition. Blackwell: Oxford. Pp. 158-163, 172-179, 190-192.  
(WJH Library)
- Weick, Karl E. 1995. Sensemaking in Organizations. Thousand Oaks, CA: Sage. Pp. 1-6, 10-16, 38-43, 61-62.  
(WJH Library)
- Knorr Cetina, Karin and Urs Bruegger. 2004. "Global Microstructures: The Interaction Practices of Financial Markets." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)
- Zelizer, Viviana A. 1987. Pricing the Priceless Child: The Changing Social Value of Children. New York: Basic. Pp. 56-85, 97-100, 112.  
(WJH Library)
- Healy, Kieran. 2004. "Sacred Markets and Secular Ritual in the Organ Transplant Industry." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)

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***March 27 to April 4: SPRING BREAK***

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**8. April 5**  
**Nation-States and Economic Development**

- Alexander Gershenkron. 1962. Economic Backwardness in Historical Perspective. Cambridge, MA: Belknap. Pp. 5-30.  
(WJH Library)
- Cardoso, Fernando Henrique and Enzo Faletto. 1979. Dependency and Development in Latin America. Berkeley, CA: University of California. Pp. vii-28.  
(WJH Library)
- Wallerstein, Immanuel. 1974. The Modern World-System. New York: Academic. Pp. 228-239.  
(WJH Library)
- Whyte, Martin King. 1973. "Bureaucracy and Modernization in China: The Maoist Critique." American Sociological Review 38 (2): 149-163.  
(Website)
- Evans, Peter and James Rauch. 1999. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structures on Economic Growth." American Sociological Review 1999. 64(5).  
(Website)

Centeno, Miguel. "Blood and Debt: War and Taxation in Nineteenth Century America." American Journal of Sociology 1997. 102:1565-1605.  
(Website)

## **9. April 12**

### **Comparative Capitalism I**

Whitley, Richard. 1992. "The Social Construction of Organizations and Markets: The Comparative Analysis of Business Recipes." In Rethinking Organization: New Directions in Organization Theory and Analysis. Edited by Michael Reed and Michael Hughes. London: Sage. Pp. 120-143.  
(WJH Library)

Johnson, Chalmers. 1987. "Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan." Pp. 136-164 in The Political Economy of the New Asian Industrialism. Edited by Frederic Deyo. Ithaca: Cornell University Press.  
(WJH Library)

Hamilton, Gary G. and Nicole Woolsey Biggart. 1988. "Market, Culture, and Authority: A Comparative Analysis of Management and Organization in the Far East." American Journal of Sociology 94: S52-S94.  
(Website)

Gao, Bai. 2004. "The State and the Associational Order of the Economy: The Institutionalization of Cartels and Trade Associations in 1931-1945 Japan." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)

Brinton, Mary C. 1988. "The Social-Institutional Bases of Gender Stratification: Japan as an Illustrative Case." The American Journal of Sociology 94 (2): 300-334. (Website)

Swedberg, Richard. 2004. "On Legal Institutions and Their Role in the Economy." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)

## **10. Week of April 19**

### **Comparative Capitalism II**

Dobbin, Frank. 1994. Forging Industrial Policy: The United States, Britain, and France in the Railway Age. New York: Cambridge University Press. Chapters 1 and 5, pp. 1-27 and 213-231.  
(WJH Library)

- Bendix, Reinhard. 1956. Work and Authority in Industry: Ideologies of Management in the Course of Industrialization. New York: John Wiley and Sons. Pp. 434-450. (WJH Library)
- Fligstein, Neil. 1996. "The Logic of Employment Systems." Pp. 99-122 in The Architecture of Markets: The Economic Sociology of Twenty-First-Century Capitalist Societies. Princeton, NJ: Princeton University Press. (WJH Library)
- Guillén, Mauro F. 1994. Models of Management: Work, Authority, and Organization in a Comparative Perspective. Chicago: University of Chicago Press. Pp. 1-29 and 266-280. (WJH Library)
- Hofstede, Geert. 1990. "Measuring Organizational Cultures: A Qualitative and Quantitative Study across Twenty Cases." Administrative Science Quarterly 35: 286-316. (Website)
- Richard Biernacki. 2001. "Labor as an Imagined Commodity". Politics and Society 29(2): 173-206. (Website)
- Western, Bruce. 1994. "Unionization and Labor Market Institutions in Advanced Capitalism, 1950-1985." American Journal of Sociology 99: 1314-41. (Website)

## **11. Week of April 26 Globalization**

- Meyer, John W., John Boli, George M. Thomas, and Francisco O. Ramirez. 1997. "World Society and the Nation-State." American Journal of Sociology 103(1): 144-81. (Website)

- Sassen, Saskia. 2000. "Spatialities and Temporalities of the Global: Elements for a Theorization." Public Culture: Society for Transnational Cultural Studies. Millennial Quartet (2) 215-232.  
(Website)
- Saxenian, AnnaLee. 2001. "Inside-Out: Regional Networks and Industrial adaptation in Silicon Valley and Route 128." Pp. 357-374 in The Sociology of Economic Life. Second Edition. Edited by Mark Granovetter and Richard Swedberg. Boulder, CO: Westview.  
(WJH Library)
- Schneper, William and Mauro Guillén. 2004. "Corporate Governance, Legitimacy, and Models of the Firm." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)
- Davis, Deborah. 2004. "Talking about Property in the New Chinese Domestic Property Regime." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)
- Mizruchi, Mark and Gerald Davis. 2004. "The Globalization of American Banking, 1962-1981." In The Sociology of the Economy. Ed. Frank Dobbin. New York, Russell Sage Foundation Press.  
(Reader)

## **12. Week of May 3**

### **Financial Markets**

- Useem, Michael. 1993. Executive Defense: Shareholder Power and Corporate Reorganization. Cambridge, Mass.: Harvard University Press. Pp. 1-56.  
(WJH Library)
- Khurana, Rakesh. 2002. Searching for a Corporate Savior: The Irrational Quest for Charismatic CEOs. Princeton, NJ: Princeton University Press. Pp. 1-50.  
(WJH Library)
- Abolafia, Mitchell. 1996. Making Markets: Opportunism and Restraint on Wall Street. Cambridge, MA: Harvard University Press. Pp. 1-63.  
(WJH Library)
- Lounsbury, Michael. 2002. "Institutional Transformation and Status Mobility: The Professionalization of the Field of Finance." Academy of Management Journal. 45 (1): 255-266.  
(WJH Library)
- Zuckerman, Ezra W. 2000. "Focusing the Corporate Product: Securities Analysts and De-Diversification." Administrative Science Quarterly 45:591-619.  
(Website)

