

Department of Sociology
Dartmouth College
Winter 2015

Course: Markets and Management (Socy 66)

Time: MWF 11:15-12:20
Tues 12:00-12:50 (X-hour)

Instructor: John Campbell
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Office phone: 646-2542

Office Hours: Monday 1:00-3:00 (and by appointment)

Course Description: What is capitalism? What is a market? How do people find jobs? Who controls corporations? Are markets always competitive? Should government help manage the economy? Do we need labor unions? Is American-style capitalism the best form of capitalism? This course addresses these issues and explores how advanced capitalist economies are organized and operate in different ways. It considers whether markets develop naturally in response to the forces of supply and demand, or whether other social forces are involved like culture, trust and politics. It investigates how corporations developed and how they are changing today. It probes the positive and negative impacts that labor unions have on economic performance. It analyzes the proliferation of strategic alliances and other forms of business networks in the United States and abroad. It examines how the state affects the organization and performance of the economy. Finally, it explores the recent economic crisis in the United States; what caused it; what its effects are; and what is being done to try to fix it. In sum, this is a course about the institutions and social relations within which economic activity is embedded and that affect economies. **No background in economics is required for this course.**

Required Texts: The following required texts for the course are available at the Dartmouth Bookstore and Wheelock Books. They are also on reserve at Baker Library.

Joel Bakan. 2004. The Corporation. Penguin.

Richard Freeman. 2007. America Works: Critical Thoughts on the Exceptional U.S. Labor Market. New York: Russell Sage.

Richard Lester and Michael Piore. 2006. Innovation. Harvard University Press.

Hayagreeva Rao. 2009. Market Rebels: How Activists Make or Break Radical Innovations. Princeton: Princeton University Press.

Linda Weiss. 2014. America Inc.? Cornell University Press.

There are also a few required papers, noted in the syllabus below, that are posted as pdf files on the Canvas site for this course. PowerPoint slides from the lectures are posted on the Canvas site too. PowerPoint slides are updated periodically throughout the term and serve as guides to the lectures but are not equivalent to lecture notes.

Background reading (not required):

John Campbell and John Hall. 2015. The World of States. New York: Bloomsbury.

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

University Press.
 Greta Krippner. 2011. Capitalizing on Crisis: The Political Origins of the Rise of Finance. Harvard University Press.
 Joseph Stiglitz. 2010. Freefall: America, Free Markets, and the Sinking of the World Economy. New York: Norton.

General Course Requirements: All students are expected to attend lectures, do the reading, participate in class discussions, write two take-home exams, write a 10 page research report, and contribute to a group presentation to the class. If you fail to turn in an exam or the research paper you will automatically fail the course.

Examinations: There are two take-home essay exams. They are open book. However, you may not discuss them with anyone else. The exam dates are listed below in the course outline. Exams must be typed, double-spaced, stapled in the upper left hand corner, and turned in as hard copy.

Research Report and Group Presentation: Each student is required to write a 10 page research paper on some aspect of the recent economic crisis. These will be graded. Students will then be arranged into groups according to the topics of their papers. Each group will make an oral presentation to the class on those parts of the crisis for which group members have written research reports. These presentations will be based on what group members learned from writing their individual reports. No additional research is expected. Group presentations will not be graded. However, there will very likely be an essay question on the second exam based on the group presentations. A more detailed description of these issues is posted on the Canvas site for this course. **Individual research reports are due in class on Friday, February 20. Group presentations are due March 4, 6, and 9.**

Due Date Policy: Exams and research papers turned in after the due date will be graded down automatically according to how late they arrive. Due dates are specified in the syllabus below. In extraordinary circumstances late exams and papers may be accepted without being graded down if (1) you know in advance that you will be unable for extraordinary reasons to turn the assignment in on time and you make arrangements with the instructor at least one week before the scheduled due date, or (2) you are suddenly hospitalized or become seriously ill, have documentation to that effect from a doctor or dean, and consult with the instructor as soon as possible. Away games, job interviews, etc. are generally not acceptable reasons for turning assignments in late. Computer crashes are not an acceptable reason for turning assignments in late because you should routinely back up everything on your computer.

Grading: Your grade will be based on the total number of points earned on the exams, research report, and class participation. Note that recent student evaluations often remark that I am a hard grader. It would not be unusual for students to need 92% of the total points possible in the course to receive grades in the A range; 82-91% of points possible to receive grades in the B range; 72-81% of points possible to receive grades in the C range; and 62-71% of points possible to receive a D. If you fail to turn in an exam or the research paper you will automatically fail the course.

Exam #1	60 points
Exam #2	60 points
Research report	60 points
Class discussion	20 points

Honor Principle: All assignments will be conducted in accord with the principles of academic honor detailed in Dartmouth's Organization, Regulations and Courses and the Student Handbook.

Students with Disabilities: I encourage students with disabilities, including “invisible” disabilities like chronic diseases, learning disabilities, and psychiatric disabilities to discuss with me after class or during my office hours by the end of the second week of the term appropriate academic adjustments or accommodations that might be helpful to you. All discussions will remain confidential although the Academic Skills Center may be consulted to verify the documentation of the disability.

E-Mail: I will try to answer e-mail queries as soon as I can. However, given the rather large amount of e-mail that I receive, I can make no guarantees how fast that will be. For the same reason my responses may be rather short. Please do not take offense.

Reading Assignments: The reading assignments for the course are listed below in the course outline. It is expected that you will have done the reading by the time class meets on the date for which the assignment is listed in the syllabus. There is a lot of reading so you should keep up with it as we go along.

Course Outline:

Part I: Varieties of Capitalism

Capitalism was created through struggle and conflict. It is embedded in political and cultural institutions and all sorts of social relations. Its development was influenced heavily by states. As a result, capitalism takes many different forms within and across countries and changes over time.

Jan 5 How does capitalism vary within and across countries?

Leon Lindberg, John L. Campbell and Rogers Hollingsworth. 1991. “Economic Governance and the Analysis of Structural Change in the American Economy.” Pp. 3-34 in Governance of the American Economy, edited by J. Campbell, R. Hollingsworth and L. Lindberg. New York: Cambridge University Press.

Jan 6 **X-HOUR**. Is there one “best” way to organize a capitalist economy?

John L. Campbell and Ove K. Pedersen. 2007. “Institutional Competitiveness in the Global Economy: Denmark, the United States and the Varieties of Capitalism.” Regulation and Governance 1(3)230-46.

Part II: The Social Construction of Markets

Markets do not operate in a social vacuum. They are embedded in networks of social relations, rules and regulations, values and attitudes—all of which affect how markets are organized and operate.

Jan 7 What is a market?

Huggy Rao. Market Rebels. (Begin reading.)

Jan 9 **NO CLASS**

Jan 12 **NO CLASS**

Jan 14 How do consumer markets work?

Guest Lecture: Sam Mcelhinney, Sr. Account Manager, Google Inc.

Huggy Rao. Market Rebels. (Begin reading.)

Jan 16 How do labor markets work?

Huggy Rao. Market Rebels. (Continue reading.)

Jan 19 **NO CLASS**: Martin Luther King Jr. Holiday

Jan 20 **X-HOUR**. How do capital markets work?

Huggy Rao. Market Rebels. (Continue Reading.)

Jan 21 Discussion: How are markets created?

Huggy Rao. Market Rebels. (Finish reading.)

Part III: Corporations

Corporations have come to dominate capitalist economies. These corporations are organized and operate according to several logics, including the logic of power. Control of the corporations has changed historically and differs across countries. So have their forms, most recently in less hierarchical and more flexible directions. All of this has political and moral as well as economic consequences.

Jan 23 How did corporations develop?

Joel Bakan. The Corporation. (Begin reading.)

Jan 26 Who controls the corporations?

Joel Bakan. The Corporation. (Continue reading.)

Jan 28 Corporate restructuring: What is the new “flexible” firm and where did it come from?

Joel Bakan. The Corporation. (Continue reading.)

Jan 30 Discussion: Is the corporation good for America? Can corporations be socially responsible?

Joel Bakan. The Corporation. (Finish reading.)

EXAM #1 DISTRIBUTED IN CLASS

Part IV: Workers and Unions

Corporate power is sometimes counterbalanced by the power of labor unions. The relationship between corporations and unions has varied widely both historically and across countries. These differences have important impacts on economic performance—some good, some bad.

Feb 2 What do unions do?

Richard Freeman. America Works. (Begin reading)

Feb 3 **X-HOUR.** How have unions changed in the United States?
Richard Freeman. America Works. (Continue reading)

Feb 4 How are labor-management relations organized?
Richard Freeman. America Works. (Continue reading)
EXAM #1 DUE IN CLASS

Feb 6 **NO CLASS. WINTER CARNIVAL.**

Feb 9 Discussion: Do we need new labor market institutions?
Richard Freeman. America Works. (Finish reading)

Part V: Business Networks

The network relationships among firms, workers, government, and other economic actors vary across industries and countries. These networks are increasingly important keys to economic success, in part because they tend to facilitate trust and cooperation as well as competition, which when properly balanced can yield substantial benefits.

Feb 11 How are corporations interlocked?
Richard Lester & Michael Piore. Innovation. (Begin reading.)

Feb 13 Small-firm networks and industrial districts
Richard Lester & Michael Piore. Innovation. (Continue reading.)

Feb 16 Large-firm networks, strategic alliances and global commodity chains
Richard Lester & Michael Piore. Innovation. (Continue reading.)

Feb 18 Discussion: Do corporate networks make a difference in economic performance?
Richard Lester & Michael Piore. Innovation. (Finish reading.)

Part VI: State-Economy Relations

States play key roles in all capitalist economies and are one of the most important reasons why capitalism takes so many different forms. States help organize markets, corporations, unions and the network relationships among them. For these reasons and others state's affect economic performance.

Feb 20 How should states help manage economies?
Linda Weiss. America Inc.? (Begin reading.)
RESEARCH PAPERS DUE IN CLASS

Feb 23 How do states affect economic organization?
Linda Weiss. America Inc.? (Continue reading.)

Feb 25 How do states affect economic performance? The problem of social inequality.
Linda Weiss. America Inc.? (Continue reading.)

Feb 27 How do states affect economic performance? The problem of economic regulation.

Film: "Bigger than Enron"

Linda Weiss. America Inc.? (Continue reading.)

Mar 2 Discussion: Is state intervention necessary for economic prosperity?

Linda Weiss. America Inc.? (Finish reading.)

Part VII: The Recent Economic Crisis

In 2007 the U.S. housing market began to collapse. In its wake fell a number of mortgage companies and investment banks. One very large insurance company almost went bankrupt. Quickly thereafter the national credit markets froze and the Great Recession was unleashed—the worst economic crisis since the 1930s. It spread quickly to other countries. The U.S. government and others took unprecedented steps to resolve the crisis. But we are not out of the woods yet. The effects of all this have been profound. What went wrong? And what has been done about it?

Mar 4 Underpinnings and triggers of the crisis

Student group presentations

John L. Campbell. 2011. "The U.S. Financial Crisis: Lessons for Theories of Institutional Complementarity." Socio-Economic Review 9:211-34. (Begin reading.)

Mar 6 The crisis unfolds and spreads

Student group presentations

John L. Campbell. 2011. "The U.S. Financial Crisis: Lessons for Theories of Institutional Complementarity." Socio-Economic Review 9:211-34. (Continue reading.)

Mar 9 Crisis management and crisis effects

Student group presentations

John L. Campbell. 2011. "The U.S. Financial Crisis: Lessons for Theories of Institutional Complementarity." Socio-Economic Review 9:211-34. (Finish reading.)

EXAM #2 DISTRIBUTED IN CLASS

Mar 14 **EXAM #2 DUE IN MY OFFICE (123 SILSBY HALL) ABSOLUTELY NO LATER THAN 5:000 PM. (I am leaving the country a few days after this date and need to grade the exams in a very short period of time. You must turn your exam into me on time!!)**