History, Technology and Society

Georgia Institute of Technology

Spring 2011

ES&T L1175

# Sociology of Economic Institutions – HTS 3003

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Office hours: Tuesday 12:30 2:30

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## Course Overview

Every society, from the most primitive to the most advanced, produces, collects and distributes goods among its population. The allocation of resources, division of labor, mode of production, along with questions of fairness and efficiency, are all commonly thought of as being **economic** matters. These matters have been at the center of many debates and inquiries, from the ancient Greek philosophers (the word “economy” comes from the Greek Oikonomia, which means household management), through Adam Smith’s invisible hand, to today’s economists, sociologists and other social scientists. One of the most exciting and vibrant fields of economic analysis is Economic Sociology. At its basis is the notion that economic matters are inherently **social**, and economic sociologists purport to study this feature of social life.

This goal of this course is to introduce students to the sociology of economic institutions, one of the fastest growing areas of sociology. Questions we will continually address include the following: What is economic sociology? In other words, what makes it a field of inquiry of its own? Why economic **sociology**, and not simply economics? In order to address these questions, we will examine different topics within both economics and sociology.

In part one of this course, our focus will be on the historic relationship between the disciplines of economics and sociology. These disciplines share a common origin, and so we will read texts on the history of both disciplines, and on their relationship throughout the years.

Part two analyzes how different societies organize and distribute their production. What are the origins of capitalism? What are its different forms? Why are some nations more successful under it than others? In this section we will read classic and contemporary works that deal with the rise of capitalism and economic development throughout the world.

After reading about large scale social changes, we then turn to the sociological aspects of the functioning of markets in part 3. How do social and historical factors influence the creation and operation of markets? We will initially consider the sociological approach to markets, before addressing relatively “applied” issues.

Part 4 deals with important topics within economic sociology. In this section, we will read work on firms, the rise of modern consumerism and cultural industries, and inequality.

By looking at all of the issues listed above, students should be able to understand and come up with different explanations for a variety of economic and social issues. Also, one of the purposes of this course is to broaden the horizons of students, showing different paths that one can follow to pursue a career dealing with economic issues, allowing students to come up with and/or criticize policy recommendations and daily issues.

## Course Requirements

1. Participation- While lectures will make up the majority of time spent in class, student participation is encouraged and, in many instances we will have class discussions in which students will participate constructively. Attendance is expected, and excessive tardiness will not be tolerated. Students arriving more than 10 minutes late will be allowed to sit in class, but will be considered absent for that day. Students with more than 3 unexcused absences will have a point deducted from their participation grade for each additional absence, and students who miss fewer than 3 classes will receive 2 extra-credit points. Also, class discussions are to be conducted in a respectful and tolerant manner. Offensive behavior will not be tolerated.
2. Reading- This is almost a precondition for participation. Students are expected to do the readings for each class in advance. These are listed on the course outline (see below). We will use the following textbook, which should be available at the bookstore:

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

Required articles and book chapters available on Tsquare and electronic reserves will complement this textbook

1. Reading responses – during the semester, students will have to write short essays answering a specific question posed based on the readings. Students will have a choice of 1 of two questions, and answers should be no longer than 2 pages. 6 reading responses will be assigned, with the lowest grade being dropped.
2. Tests- This course will have two tests: one take home midterm and one take home final.
   1. The Mid-term will be made up of two to three short essay questions. It will be due on **03/01**.
   2. The final will be a **take home** exam due on **05/06**. Questions will be distributed on the last day of class and will consist of short-answer and essay questions.
3. Grading-

Mid term exam – 30%

Final exam – 30%

Reading Responses – 30%

Participation – 10%

## Class Policies

*Students with disabilities* – Georgia Tech complies with the regulations of the Americans with Disabilities Act of 1990 and offers accommodations to students with disabilities. If you are in need of a classroom accommodation, please make an appointment with me to discuss this as soon as possible. All information will be held in the strictest confidence.

*Academic Dishonesty –* Students are expected to know and abide by the honor code. Violations of the honor code will be reported and dealt with according to Georgia Tech’s regulations

*Disruptive class behavior* – As previously stated, disruptive class behavior will not be tolerated, and will be dealt with in accordance to Georgia Tech’s regulations. Disruptive class behavior includes use of offensive language, being offensive to others, and any behavior that negatively affects the learning environment.

### Late assignments and make up exams- Late assignments are accepted, if the situation is previously discussed with me. However, late assignments will be marked down, depending on how late the assignment is handed in. Please consult with me on these matters.

## Course Outline

*January 13th*

Introductions

**PART 1: What is Economic Sociology and the Sociology of Economic Institutions?**

***A Brief History of Economics and Sociology***

*January 18th*

Swedberg, Richard. Introduction, pages 1-18 in *Economics and Sociology: Redefining Their Boundaries.*

***Differences between Economics and Sociology***

*January 20th*

Smelser, Neil and Richard Swedberg (1994), “The Sociological Perspective on the Economy,” pages 3-20 in Neil Smelser and Richard Swedberg (Eds.) *The Handbook of Economic Sociology.*

**PART 2: Social Organization and the Rise of Capitalism**

***Introduction to the Organization of Society***

*January 25th*

*PES.* Chapter 3

***Classical Approaches to the Rise of Capitalism***

*January 27th*

*PES.* Chapter 1

Adam Smith and the Division of Labor

*February 1st*

Smith, Adam. 1776*. An Inquiry into the Nature and Causes of the Wealth of Nation.* Book I, chapters 1-4

Marx and Alienation

*February 3rd*

“Karl Marx” in Coser, Lewis A. 1977. *Masters of Sociological Thought: Ideas in Historical and Social Context. 2nd ed. Harcourt.*

Durkheim and Social Cohesion

*February 8th*

Selection from “The Division of Labor in Society”, pages 227-244 in Dobbin, Frank. *The New Economic Sociology*.

**READING RESPONSE DUE**

Weber and the Rise of Capitalism

*February 10th*

Collins, Randal. “Weber’s Last Theory of Capitalism,” pages 379-400 in Granovetter, Mark and Richard Swedberg, *The Sociology of Economic Life*

Polanyi and the Great Transformation

*February 15th*

Selections from Polanyi, Karl. *The Great Transformation*.

***Economic Development and Modern Capitalism***

*February 17th*

Carruthers, Bruce and Sarah Babb. “Economic Development,” pages 143-180 in *Economy/Society*

*February 22nd*

*PES*, chapter 9.

**READING RESPONSE DUE**

**PART 3: The Functioning of Markets**

***Different Perspectives on the Market***

*February 24th*

*PES,* chapter 5

***Social Aspects of Markets***

*March 1st*

Zelizer, Viviana. 1988. “Beyond the Polemics on the Market: Establishing a Theoretical and Empirical Agenda.” *Sociological Forum* 3:614-634.

**MIDTERM DUE**

***Case Studies on the Social Construction of Markets***

*March 3rd*

*PES*, chapter 6

Zelizer, Viviana. 1978. “Human Values and the Market.” *American Journal of Sociology*.

***States and Markets***

*March 8th*

*PES*, chapter 7

*March 10th*

Dobbin, Frank. “Why the Economy Reflects the Polity: Early Rail Policy in Britain, France and the United States,” pages 401-424 in in Granovetter, Mark and Richard Swedberg, *The Sociology of Economic Life*

Money and Markets

*March 15th*

Carruthers, Bruce G. and Sarah Babb. 1996. “The Color of Money and the Nature of Value: Greenbacks & Gold in postbellum America.” American Journal of Sociology 101(6): 1556-1591

**READING RESPONSE DUE**

Labor Markets and the Informal Economy

*March 17th*

Portes, Alejandro (1994), “The Informal Economy and Its Paradoxes,” in *The Handbook of Economic Sociology*.

***The Market for Health and Healthcare***

*March 29st*

Kikuzawa, Saeko, Sigrun Olafsdottir, and Bernice A. Pescosolido. 2008. “Similar Pressures, Different Contexts: Public Attitudes toward Government Intervention for Health Care in 21 Nations.” Journal of Health and Social Behavior 49:385 -399.

***Financial Markets and the Financial Crisis***

*March 31st*

Vitols, Sigurt. 2002. “The Financial System of Industrial Finance and the Social System of Production” in Hollingsworth, J Rogers, Karl H. Muller and Ellen Jane Hollingsworth (eds.). *Advancing Socio-Economics: an institutionalist perspectiveI.* Lanham, MD. Rowman & Littlefied Publishers, Inc. Pp. 307-330

Selected Newspaper articles

**PART 4: Topics in Economic Institutions**

***Firms and Organizations***

*April 5th*

*PES,* chapter 4

**READING RESPONSE DUE**

*April 7th*

Scott, W. Richard. “Organizations as Rational Systems,” pages 33-55 in *Organizations: Rational, Natural, and Open Systems*.

***Consumers, Fashions and the Cultural Industry***

*April 12th*

Carruthers, Bruce and Sarah Babb. Pages 15-45 in *Economy/Society*.

*April 14th*

Negus, Keith. 1998. “Cultural Production and the Corporation: Musical Genres and the Strategic Management of Creativity in the US Recording Industry.” *Media, Culture & Society* Vol. 20 No. 3, 1998, pp359-379.

*April 19st*

Bielby, William T. and Denise D. Bielby. 1994. “All Hits are Flukes: Institutionalized Decision Making and the Rhetoric of Network Prime- Time Program Development.” American Journal of Sociology 99: 1287-1313

**READING RESPONSE DUE**

***Inequality and Redistribution***

*April 21th*

Carruthers, Bruce and Sarah L. Babb. “Economic Inequality,” pages 101-142 in *Economy/Society*.

*April 26th*

Morris, Martina and Bruce Western. 1999. "Inequality in Earnings at the Close of the Twentieth Century." *Annual Review of Sociology* 25: 623-657.

*April 28th*

Esping-Andersen, Gosta. “Welfare States and the Economy”, pages 711-732 in the *Handbook of Economic Sociology*

**READING RESPONSE DUE**

*May 6th*

**FINAL DUE**