

Soc. 120
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Sociology 120: Economy and Society

This course introduces students to the study of economic relations as social relations. Unlike neo-classical economics, which mainly posits markets and market behavior as a unique and rational type of social interaction, sociology has long argued that economic life is a specialized area of social interactions and culture that is profoundly intertwined with social, cultural and political life more generally. Specifically, market relations are politically, socially and culturally informed and institutionalized, and market activities are shaped and motivated by the exercise of power, social capital and culture by both governmental and non-state actors. The social relationships of markets, and the production and consumption activities that inform them, deeply shape and constrain all social relationships. This course provides students with an introduction to the theories, methods and data to make sense of the deep interplay between economic and non-economic social life.

We now live in a global era dominated by neo-liberal policies that promote free trade, free markets, deregulation of economic activity and upwardly re-distributive tax policies in the name of innovation and economic growth. Sociology offers a fundamental critique of the assumptions that lie at the root of neo-liberalism, and indeed shows that the ideological holy grail of neo-liberalism—the free market—is an abstraction that bears little resemblance to real economic behavior. Clarification of the social character of markets is not just an intellectual exercise: neo-liberal ideology, in large part articulated by economists, obscured governments' ability to anticipate the catastrophic collapse of the world's financial markets in 2008, and continues to justify efforts to undermine governments' ability to enact and enforce policies that might prevent the crisis from re-emerging in the future. Neo-liberal ideology has also spurred a wide range of policies that have spurred rapidly growing inequality in most nations, a trend that is undermining social stability in the U.S. and across the globe, most recently in Puerto Rico.

The 2008 calamity, like all crises, opened up a growing public debate, this one over neo-liberalism. Since 2008, the world has seen a robust debate about a number of possible futures for market-based societies. A fertile and promising search for new ideas was unleashed in the U.S. by Barack Obama's election and by the 2010 appearance of the Occupy Wall Street movement. The passage and institutionalization of the Affordable Care Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act were indicators of the movement away from the pre-2008 neo-liberal consensus. Ironically, Donald Trump was also elected on a platform predicated on a critique of globalization. But his election actually opened the door to the re-assertion of neo-liberal (de)regulatory and tax policies, as well as to more insidious racist and xenophobic ideas. Nevertheless, it is my belief that the era of public acceptance for neo-liberal ideas has passed, and we are now in an era in which the old is dying, but the new has not yet been born.

This course will attempt to assess the rise of neo-liberalism, its current crisis, and the possible futures we can more or less perceive today. In this way, a goal for this course is to provide students with the sociological tools to make sense of this dangerous yet potentially promising time. This course is organized in five units. First, we inquire into the sociological assumptions embedded in neo-classical economics. Second, we study social conceptions of economic life as portrayed by the rich theoretical traditions in which modern sociology is grounded. Third, we study the conception of economics as a type of social activity by looking at the concepts of property, markets, firms, commodities and labor from the vantage point of sociology. Fourth, we apply the tools of economic sociology to the study of the economic crisis of 2008 and its aftermath. And, fifth, we will look at the impact of neo-liberalism on social life in the United States, as well as the remarkable resilience and commitment to social justice both in the neo-liberal era and since 2008.

For many students, the study of economics and the sociology of economic life may feel like a daunting challenge, as the issues we will discuss have complex technical rationales and arguments behind them. Some students may even feel that the discussion of economics is off limits to them, as they have had little personal experience with many of the economic activities and institutions we will study. For those of you who are reluctant to engage with this material, here is the motivation I wish for you: since all of us are deeply affected by the workings of the economy, it behooves all of us to become literate in the nature of economic life, not just to understand society, but to change it. The future of democracy depends on your courage.

Course Requirements:

- Class Participation (25% of final grade)
- Three three-page essays (15% of final grade each)
- Final Paper (10-12 pages) (30% of final grade)

- **Course Readings:**
- Neil Fligstein, The Architecture of Markets Princeton, N.J.: Princeton University Press, 2001
- Bethany MacLean and Joe Nocera All the Devils are Here: The Hidden History of the Financial Crisis N.Y.: Penguin Press, 2011
- All readings marked [PDF] are available on the Soc. 120 bcourse site with links from the course syllabus on the Syllabus page.

Course Calendar of Lecture Topics and Readings

May 22: Introduction to the course

Unit I: Towards a sociology of neo-classical economics

May 23-May 24: neo-liberal economic assumptions about the individual and society

Readings: Friedman, Milton and Rose Friedman, "The Power of the Market" in Free to Choose N.Y.: Harcourt, Brace Jovanovich, 1980, pp. 9-37 [PDF]

E. Roy Weintraub, "Neoclassical Economics" [PDF];

Gary Becker, "The Economic Way of Looking At Life" in Torsten Persson (ed.) Nobel Lectures: Economics, 1991-1997 Singapore, World Scientific Publishing Co., 1997 [PDF]

Unit II: Sociological Theories of Economic Relationships

May 25: Sociological Theories of Economic Relations (I): Historical Materialism

Readings:

Marx, Karl, Preface, The Critique of Political Economy [PDF]

Braverman, Harry, from Labor and Monopoly Capital [PDF]

May 29: Sociological Theories of Economic Relations (II): Rationalization and Society

Readings:

Weber, Max selections from Economy and Society [PDF]; The Protestant Ethic and The Spirit of Capitalism [PDF]

Richard Swedberg, selection from Economic Sociology of Capitalism [PDF]

May 30-May 31: Sociological Theories of Economic Relations (III): Markets as Fields

Readings:

Pierre Bourdieu, "Economic Anthropology" from The Social Structures of the Economy N.Y. Sage Press, 2006, pp. 193-222 [PDF]

Fligstein, The Architecture of Markets, Ch.1

June 1: Sociological Theories of Economic Relations (IV): Economies and culture

Reading: Marion Fourcade and Kieran Healy, "Moral Views of Market Societies" American Sociological Review (2007) [PDF]

PAPER #1 DUE JUNE 5

Unit III: The Social Constitution of Markets

June 5: The social composition of markets: politics, culture and social capital

Reading: Fligstein, The Architecture of Markets, Ch. 2

June 6: The emergence, stabilization and transformation of markets

Readings:

Fligstein, The Architecture of Markets, Chs.3, 4

Garfinkle, Norton, The American Dream vs. The Gospel of Wealth: The Fight for a Productive Middle-Class Economy, Ch.5 [PDF]

June 7: Labor markets

Reading: Fligstein, The Architecture of Markets, Ch. 5

June 8: What is (and isn't) Globalization?

Reading: Fligstein, Ch. 9

PAPER #2 Due June 12

Unit IV: The Mortgage Securitization Crisis of 2008

June 12: Neoliberalism

Reading:

Evans, Peter and William Sewell, Jr. "Neo-Liberalism: Policy Regimes, International Regimes and Social Effects" in Hall, Peter and Michelle Lamont (eds.), Social Resilience in the Neoliberal Era Cambridge: Cambridge University Press, 2013, pp. 35-68. [PDF]

June 13: The rise of shareholder value in the United States

Readings:

Neil Fligstein, The Architecture of Markets , Ch.7
 Krippner, Greta R., "The Financialization of the American Economy" Socio-Economic Review 3 (2005):173-208 [PDF]

June 14: The securitization of the U.S. housing market and the origins of subprime

Reading: MacLean and Nocera All the Devils are Here , Ch. 2-7

Other resources that may help you understand financial concepts:

Video: The Giant Pool of Money" NPR, This American Life, May 9, 2008

<http://www.thisamericanlife.org/radio-archives/episode/355/the-giant-pool-of-money>

Video: Credit Default Swaps explained: <https://www.youtube.com/watch?v=a1lV009Y080>

June 15: The world financial crisis of 2008 to the present

Reading:

Fligstein, Neil and J. Habinek "The spread of the worldwide financial crisis"[PDF]

Sassen, Saskia, "A Savage Sorting of Winners and Losers and Beyond" in Calhoun, Craig, and Georgi Derluguian (eds.), Aftermath: A New Global Economic Order? , New York: NYU Press and Social Science Research Council, 2011, pp. 21-38 [PDF]

Paper #3 Due June 19

***Unit V: The Social Impacts of Economic Relationships (ALL TOPICS SUBJECT TO CHANGE BASED ON STUDENT INPUT)**

June 19: The commodification of social life

Reading: Hochschild, Arlie, "The Outsourced Life" New York Times Magazine, 2012

Dutton, Julie, "Liquid Gold," Wired.Com May 17, 2011_ [PDF]

Cline, Elizabeth L., Overdressed: The Shockingly High Cost of Cheap Fashion, N.Y.: Penguin,

2012, pp. 62-94 [PDF]

June 20-June 21: Inequality

Readings: Stiglitz, The Price of Inequality Ch. 2 and 3 [PDF]

Taylor, Paul, et.al., “Twenty to One: Wealth Gaps Rise to Record Highs Between Whites, Blacks and Hispanics” Pew Research Center, July 26, 2011 [PDF]

Video: “Wealth Inequality in America”

<https://www.youtube.com/watch?v=QPKKQnijnsM&feature=youtu.be>

June 26: The Social Impacts of Growing Inequality (I)

Readings: Stiglitz, The Price of Inequality Ch. 4

Barlow, “Globalization, Race, and the Politics of Fear in the United States” in Bertho, Michelle , Beverley Crawford and Edward A. Fogarty (eds.) The Impact of Globalization on the United States Praeger, 2008 [PDF]

June 27: Resistance in the face of inequality

Readings:

Sherman, Rachel and Kim Voss, “Organize or Die: Labor’s New Tactics” [PDF]

Bonancich Edna, “Organizing Immigrant Garment Workers” [PDF]

June 28: Last Class: Social Resilience and Social Justice in the 21st Century

Reading:

Ruth Milkman, Stephanie Luce and Penny Lewis, Changing the Subject: A Bottom-Up Account of Occupy Wall Street in New York City N.Y.: Russell Sage Foundation, 2013 [PDF]

Final papers are due on June 26 at 12:00PM in class unless you are presenting on your topic during the last week. Those papers will be due on June 29 at noon in class.. Hard copies must be submitted. Late papers will lose a grade for each calendar day late.