

Soc. 120  
Fall, 2015

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## **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, in capitalist societies, 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 an 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 very concept of 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 Greece.

The 2008 calamity, like all crises, opened up opportunities for change. 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 the election of Barack Obama and by 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 are indicators of the movement away from the pre-2008 neo-liberal consensus. Strikingly similar discussions are found around the world in the protests of the Arab Spring, the Anti-Corruption Movement of India, and the desperate struggles of Greek, Spanish and Italian labor unions and progressive political parties. This course will attempt to assess the momentum towards social democracy as well as the continuing power of neo-liberal ideology in the present moment of world history.

This course provides students with the sociological tools to make sense of this dangerous yet potentially promising time. It does so in five units. First, we inquire into the sociological assumptions embedded in neo-liberal 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, the remarkable social resilience shown in the neo-liberal era, and the on-going aspirations for social justice now in evidence.

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 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
- Stiglitz, Joseph, The Price of Inequality: How Today's Divided Society Endangers Our Future N.Y.: Norton, 2012
- All readings marked (PDF) are accessible on the Soc. 120 bcourse site, on the Resources page and linked from the syllabus page.

**Course Requirements:** The final grade for this course will be based on the following criteria: (1) Section participation (30% of course grade), based on attendance, participation and completion of section writing assignments; (2) an in-class midterm exam and a final exam (20% of final grade each), each consisting of two essay questions chosen from a list of seven questions that will be distributed a week before the exam; and (3) a 12 to 15-page paper analyzing the politics, structure and culture of market behavior and its social consequences (30% of course grade).

The purpose of section is to provide students with a place for sustained discussion and feedback on your understanding of course readings and lectures. In the first half of the semester, students will write short (one-page) essays on core concepts found in the readings and lectures. In the second half, students will focus on the final paper, with intermediate assignments (topic, bibliography and outline) along the way. The primary purpose of section writing assignments is to support students' developing analytical writing skills. A useful reference for students can be found on the Department of Sociology website, Writing For Sociology, 2<sup>nd</sup> Edition. [Writing for Sociology Guide Second Edition.pdf](#)

## Course Calendar of Lecture Topics and Readings

August 27: Introduction to the course

### Unit I: Towards a sociology of neo-classical economics

September 1-September 3: neo-liberal economic assumptions about the individual and society

Readings:

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

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

September 8: 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]

September 10-September 15: 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]

September 17-September 22: 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

September 24: 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]

### **Unit III: The Social Constitution of Markets**

September 29-October 1: The social composition of markets: politics, culture and social capital

Reading:

Fligstein, The Architecture of Markets, Ch. 2

October 6-October 8: 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]

October 13: Labor markets

Reading:

Fligstein, The Architecture of Markets, Ch. 5

October 15: What is (and isn't) Globalization?

Reading:

Fligstein, Ch. 9

## **MIDTERM EXAM: OCTOBER 20**

### **Unit IV: The Mortgage Securitization Crisis of 2008**

October 22: 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]

October 27: The rise of shareholder value in the United States

Readings:

Neil Fligstein, The Architecture of Markets , Ch.7

Useem, Michael, "The Rise of Shareholder Value" Executive Defense, Harvard University Press, 1993, Ch. 2 [PDF]

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

October 29: 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=a1V009Y080>

November 3: 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]

## **Unit V: The Social Impacts of Economic Relationships**

November 5-November 10: 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]

November 12: Inequality

Reading:

Stiglitz, The Price of Inequality Chs. 1-3

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>

November 18: The Social Impacts of Growing Inequality (I)

Readings:

Stiglitz, The Price of Inequality Chs. 4, 5

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]

November 20: The Social Impacts of Growing Inequality (II)

Readings:

Stiglitz The Price of Inequality Chs. 6-8

November 25: Resilience in the face of inequality

Readings:

Stiglitz, The Price of Inequality Ch. 10

Sherman, Rachel and Kim Voss, "Organize or Die: Labor's New Tactics" [PDF]

Bonancich Edna, "Organizing Immigrant Garment Workers" [PDF]

**November 27: Thanksgiving Holiday**

December 1: Social justice movements in the 21<sup>st</sup> Century

Reading:

Neil Fligstein, The Architecture of Markets, Ch. 10

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]

December 3: Last Class: Social Resilience and Social Justice in the 21<sup>st</sup> Century

**RR&R Week: December 7-December 11**

**December 11: Review for final exam**

**Final papers are due December 9 at 12:00PM. Hard copies must be submitted. Late papers will lose a grade for each calendar day late.**

**FINAL EXAM: DECEMBER 17 - 11:30 AM-2: 30 PM (Group 14)**