

# Corporations and American Capitalism

Instructor: Matthew Stimpson  
mstimp@berkeley.edu  
Office Hours: Fridays, 2:30-4pm (or by appointment)  
Office Hours Sign-up: <https://wejoinin.com/sheets/xrset>

Sociology 190.7  
Spring 2021  
Friday, 10am-12pm

## Course Overview

Large firms like Walmart, GM, Facebook, and Apple shape our understanding of the economy and our place within it. How have large corporations changed over the past fifty years, and how have these changes shaped the fate of American workers? In this course we will read research by sociologists, economists, political theorists, and legal scholars who analyze important changes at American corporations, focusing particularly on rising market power and the reorientation of firms towards financial markets. The course ends with a closer look at the tech industry and how it has changed the nature of monopoly power and stratification.

A central theme of this course is that, in many ways, the fate of workers has been linked to the fate of corporations over the past half century. When corporations prospered in the decades after World War II, they provided a large number of stable jobs with benefits. As corporations have faced greater pressure from international competition and financial markets since the 1970s, they have passed this pressure on to their workers. Furthermore, widening economic inequality in the United States over recent decades has been driven in large part by rising inequality between firms, as sales and profits have become concentrated among fewer and fewer firms.

In this class you will conduct an empirical research paper based on data you obtain during the first half of the semester. The goal of the paper is to examine linkages between the trajectories of workers and the trajectories of the firms they work for through an empirical analysis. Using interviews, secondary datasets, or another data source, you will gather data on both the employment outcomes or experiences of workers and the conditions of the firms they work for. This is not a research design course, and you will not be graded on how well you execute the method. The primary purpose of this assignment is to use concepts from class to interpret your data and to use your data to shed new light on the course material.

## Learning Goals

1. Students will learn how American corporations have changed over the past half century and how the fate of workers over this period has been linked to the fate of corporations.
2. Students will learn to read academic texts effectively with an eye toward preparing for group discussions in a seminar-style class.

3. Students will improve their writing and analytic skills by completing a research paper over the course of the semester, incorporating feedback to produce a polished paper that makes a strong argument based on an empirical analysis.

## Course Requirements

*Participation:* This is likely a different type of class than others you have taken in the sociology department. This is a capstone seminar for the sociology major meant to give you a chance to engage with a specialized topic through group discussion. Participation is therefore crucial for success in this class. You should attend every class meeting having completed the readings. You are allowed two absences without penalty to your participation grade. (I do not distinguish between excused and unexcused absences.) Given the pandemic and the fact that we must meet online this semester, I will offer a make-up assignment for those who have to miss more than two class sessions.

There are many ways to demonstrate your engagement in the course. Contributing to class discussions is central, but I understand that this comes more easily to some than others. Showing you are actively listening to your classmates and trying to respond to their points can make up for less frequent participation. Attending office hours is another way to show you are actively engaging with the course material.

*Reading Responses:* In order to prepare for class discussions, you will write 7 reading response memos over the course of the semester. You will select two quotations from the week's readings and discuss how they relate to each other and to the main themes of the readings. These are short write-ups (250-500 words, not including the quotations) meant to help you reflect on and document your reactions to the week's readings. You will lose points if you simply summarize the readings, if you fail to engage with the readings, or if you submit your response memo late (one purpose of these response memos is to allow you to see how others in the class responded to the readings before our class meeting).

These will be due 24 hours before our class session, at 10am on Thursdays, and should be posted on the Discussions section of bCourses. In general, you can choose which 7 out of the 14 total weeks you will complete a reading response; however, you must submit at least 3 response memos by the middle of the semester (week 7). You cannot turn in more than 7 response memos over the course of the semester.

*Final Paper:* The two main components of this course are the class discussions of the readings and an empirical research paper you will write over the course of the semester. You will produce a 15-20 page paper using data you obtain to examine how the fate of workers is linked to the fate of their firms. You can use any data source—interviews (2-3 would be sufficient), a dataset like S&P's Compustat (which we will discuss in class), archival research comparing two or more corporations, participant observation (~4 hours), etc.

You will complete the final paper in steps over the course of the semester in order to help you pace yourself and to have the opportunity to get regular feedback. First, you will turn in a memo on your proposed research question and how you plan to collect data in order to answer it (1-2 pages). Second, after collecting your data, you will write up your preliminary empirical results and describe how they answer your research question (5-7 pages). Please note that these

first two assignments will help you develop text that—with slight revision—will form the core of your final paper. Third, you will complete a rough draft and a peer editing exercise a couple weeks before the final paper is due in order to have an opportunity to make revisions. Finally, you will turn in your final paper at the beginning of finals week.

**Grade Breakdown:**

Participation:	15%
Weekly Reading Responses:	30%
Research Paper:	55%
<i>research question</i>	10%
<i>empirical write-up</i>	10%
<i>rough draft/peer edit</i>	10%
<i>final paper</i>	25%

**Class Policies**

*Class Discussion:* Creating an environment where everyone feels free to share their reactions, interpretations, and questions will be extremely important for this class. Please engage with each other respectfully and attentively during discussions. I understand that some will be more comfortable with participating in group discussions than others, but I hope we can all push ourselves—and encourage each other—to step out of our comfort zones, whether that be by speaking up more, listening more carefully, or trying to recap and engage with comments made by others in class.

*Class Sessions over Zoom:* To best approximate the experience of an in-person seminar, I ask that you turn your video on during our class meetings. Good communication is an important part of seminar discussions, and visual cues facilitate communication. If you need equipment (laptop, Wi-Fi hotspot, etc.) in order to participate in our Zoom meetings, you may borrow them through the Student Technology Equity Program (STEP): <https://technology.berkeley.edu/STEP>

*Communication:* The best time for substantive questions is during class. Emails are best for administrative questions; please check the syllabus and notes from class before emailing me.

*Getting Help:* College can be difficult, and that’s especially true in these extraordinary times. Please let me know if you are falling behind or facing some obstacle to full participation in the course. For an exhaustive list of campus resources, please see: <https://recalibrate.berkeley.edu/one-click-mode/one-click-resources-undergraduate-students>

*Writing.* Writing pushes us to think more clearly and critically, and I hope you enjoy the opportunity this class offers to practice writing as you grapple with the course material. I can work with you on your papers in office hours, but I will not be able to read full drafts or look at your work more than once. If you are looking to improve specific aspects of your writing, ask me and I can provide those comments on your assignments. Please consider utilizing the writing tutoring offered at the Student Learning Center ([slc.berkeley.edu](http://slc.berkeley.edu)).

*Readings:* Course readings will be available electronically on bCourses.

*Academic Honesty:* It is essential that you do your own work and properly cite the work of others that you draw on—academic honesty will be taken extremely seriously in this course. Please see UC Berkeley’s Code of Student Conduct: <https://sa.berkeley.edu/code-of-conduct>

*Accommodation:* If you require accommodations in class or on assignments, please let me know about them as early in the term as possible.

## **Course Outline and Weekly Readings**

### INTRODUCTION

#### **Week 1 (January 22): Corporations in the United States**

*Recommended:*

Kahle, Kathleen M., and René M. Stulz. 2017. “Is the U.S. Public Corporation in Trouble?” *Journal of Economic Perspectives* 31(3):67-88.

#### **Week 2 (January 29): Defining and Theorizing Corporations**

Davis, Gerald F. 2016. “Corporations in America and around the World”. Pp. 5-17 in *The Vanishing American Corporation*. Berrett-Koehler.

Ciepley, David. 2013. “Beyond Public and Private: Toward a Political Theory of the Corporation.” *American Political Science Review* 107(1):139-158.

### FROM SOCIAL INSTITUTION TO NEXUS OF CONTRACTS

#### **Week 3 (February 5): Flexible Firms**

Vallas, Steven Peter. 2011. “From Fordism to Flexibility?” (selections). Pp.87-110 in *Work: A Critique*. Polity.

Kalleberg, Arne. 2011. “Economic Transformation and the Decline of Institutional Protections.” Pp.21-39 in *Good Jobs, Bad Jobs*. Russell Sage Foundation.

Davis, Gerald F. 2009. “From Institution to Nexus” (selections). Pp.77-87 in *Managed by Markets*. Oxford.

#### **Week 4 (February 12): Shareholder Value**

Dobbin, Frank, and Dirk Zorn. 2005. "Corporate Malfeasance and the Myth of Shareholder Value." *Political Power and Social Theory* 17:179-198.

Stout, Lynn. 2012. "Short-Term Speculators Versus Long-Term Investors," "Keeping Promises to Build Successful Companies," and "Hedge Funds versus Universal Investors." Pp. 63-94 in *The Shareholder Value Myth*. Berrett-Koehler.

**\*\*\* DUE FEBRUARY 12: RESEARCH QUESTION AND PROPOSED DATA \*\*\***

#### **Week 5 (February 19): The Fissured Workplace**

Weil, David. 2014. "The Fissured Workplace and Its Consequences," "Why Fissure?" (selections) and "The Fissured Economy." Pp.1-26, 49-60, 268-85 in *The Fissured Workplace*. Harvard.

### RISING MARKET POWER

#### **Week 6 (February 26): The Rise in Market Concentration**

Philippon, Thomas. 2019. "Why Economists Like Competition...and Why You Should Too," "The Rise in Market Power," and "The Failure of Free Entry." Pp.13-24, 45-61, 80-96 in *The Great Reversal: How America Gave Up on Free Markets*. Harvard.

#### **Week 7 (March 5): Powerful Firms and the Labor Market**

Philippon, Thomas. 2019. "Monopsony Power and Inequality." Pp.279-86 in *The Great Reversal: How America Gave Up on Free Markets*. Harvard

Wilmers, Nathan. 2018. "Wage Stagnation and Buyer Power: How Buyer-Supplier Relations Affect US Workers' Wages, 1978-2014." *American Sociological Review* 83(2):213-239.

#### **Week 8 (March 12): Fissuring, Market Power, and Income Inequality**

Song, Jae, David J. Price, Fatih Guvenen, Nicholas Bloom, and Till Von Wachter. 2018. "Firming Up Inequality." *The Quarterly Journal of Economics* 134(1). Pp.1-23, 37-47.

## RACE AND GENDER INEQUALITY

### **Week 9 (March 19): Workplace Segregation**

Ferguson, John-Paul, and Rembrand Koning. 2018. "Firm Turnover and the Return of Racial Establishment Segregation." *American Sociological Review* 83(3). Pp.445-51, 456-70.

Huffman, Matt L., Philip N. Cohen, and Jessica Pearlman. 2010. "Engendering Change: Organizational Dynamics and Workplace Gender Desegregation, 1975-2005." *Administrative Science Quarterly* 55(2). Pp.255-60, 266-74.

**\*\*\* DUE MARCH 19: EMPIRICAL RESULTS SUMMARY \*\*\***

### **Spring Break (March 26): No Class**

### **Week 10 (April 2): Evaluation**

Castilla, Emilio J. 2008. "Gender, Race, and Meritocracy in Organizational Careers." *American Journal of Sociology* 113(6):1479-1520.

Jeong, Seung-Hwan, and David A. Harrison. 2017. "Glass Breaking, Strategy Making, and Value Creating: Meta-analytic Outcomes of Women as CEOs and TMT Members." *Academy of Management Journal* 60(4):1219-1239.

## NEOLIBERALISM, HUMAN CAPITAL, AND WORKERS AS CORPORATIONS

### **Week 11 (April 9): Personal Branding**

Vallas, Steven P., and Angèle Christin. 2018. "Work and Identity in an Era of Precarious Employment: How Workers Respond to 'Personal Branding' Discourse." *Work and Occupations* 45(1):3-30.

### **Week 12 (April 16): Human Capital**

Brown, Wendy. 2015. "Undoing Democracy" (selections) and "Educating Human Capital" Pp.17-24, 175-200 in *Undoing the Demos: Neoliberalism's Stealth Revolution*. Zone Books.

**\*\*\* DUE APRIL 16: ROUGH DRAFT \*\*\***

## THE TECH INDUSTRY

### **Week 13 (April 23): Big Tech and Antitrust**

Wu, Tim. 2018. "The Rise of the Tech Trusts." Pp.119-126 in *The Curse of Bigness: Antitrust in the New Gilded Age*. Columbia Global Reports.

Philippon, Thomas. 2019. "Looking to the Stars: Are the Top Firms Really Different?" and "To Regulate or Not to Regulate, That is the Question." Pp.240-278 in *The Great Reversal: How America Gave Up on Free Markets*. Harvard.

### **Week 14 (April 30): Big Data and Stratification**

Fourcade, Marion, and Kieran Healy. 2017. "Seeing Like a Market." *Socio-Economic Review* 15(1):9-29.

Rosenblat, Alex, Karen E.C. Levy, Solon Barocas, and Tim Hwang. 2017. "Discriminating Tastes: Uber's Customer Ratings as Vehicles for Workplace Discrimination." *Policy & Internet* 9(3):256-279.

**\*\*\* FINAL PAPER DUE MONDAY, MAY 10 AT NOON \*\*\***