

Soc. 120  
Fall, 2012  
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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 activity, sociology has long argued that economic life is profoundly social, and is intertwined with all other forms of social relationships. Specifically, in capitalist societies, markets are culturally informed and institutionalized, and market activities are shaped by the exercise of power by both governmental and non-state actors. Market activities in turn profoundly shape and constrain all other 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 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 holy grail of neo-liberalism—the free market—is an abstraction that bears little resemblance to real economic relations. Clarification of the social character of markets is not just an intellectual exercise: neo-liberal dogma obscured government's ability to anticipate the catastrophic collapse of the world's financial markets in 2008, and continues to undermine government's ability to enact policies that might prevent the crisis from re-emerging in the future. In the wake of that crisis, and the longer-term trends that gave birth to it, a number of possible futures for capitalist societies are being openly discussed in civil society, a fertile discussion that was unleashed in the U.S. by last Fall's Occupy Wall Street movement, and is reflected 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 provides students with the sociological tools to make sense of this dangerous yet potentially promising time, a moment when neo-liberalism's hegemony is being seriously challenged. It does so in four units: first, we study the economy in the rich theoretical traditions in which modern sociology is grounded. Second, we study the conception of economics as a type of social activity by looking at the concepts of property, markets, firms, and labor from the vantage point of sociology. Third, we will apply the tools of economic sociology to the study of the economic crisis of 2008 and its aftermath. Fourth, we will look at possible futures for capitalism in the coming years, and the on-going struggles for social justice in this era.

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 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.

### **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 (R) are accessible on the Soc. 120 course site on bspace, on the Resources page.

**Course Requirements:** The final grade for this course will be based on the following criteria: (1) posting on bspace at least five responses to readings and/or lectures and other students' posts during the week the topic is covered (20% of course grade); (2) two midterm and a final exam (20% of final grade 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 ten page paper analyzing market behavior and its consequences.

## **Course Calendar of Lecture Topics and Readings**

August 23: Introduction to the course

August 28-August 30: neo-liberal economic assumptions about the individual and society

Reading: E. Roy Weintraub, "Neoclassical Economics" [R]; J. Williamson, "A Short History of the Washington Consensus" [R]; Gary Becker, "The Economic Way of Looking At Life" [R]

### **Unit I: Sociological Theories of Economic Relations**

September 4: Sociological Theories of Economic Relations (I)

Reading: Marx, Karl, Preface, The Critique of Political Economy [R]  
 Selections from Wages, Price and Profit [R]

September 6-September 11: Sociological Theories of Economic Relations (II)

Reading: Weber, Max selections from Economy and Society [R]; The Protestant Ethic and The Spirit of Capitalism [R] Richard Swedberg, selection from Economic Sociology of Capitalism [R]

Polanyi, Karl, selections from The Great Transformation [R]

September 13-September 18: Sociological Theories of Economic Relations (III): Markets as Fields

Readings: Pierre Bourdieu, "Economic Anthropology" [R]  
Neil Fligstein, The Architecture of Markets, Ch.1

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

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

September 20: The social composition of markets: politics, culture and social capital

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

### **MIDTERM EXAM #1: SEPTEMBER 25**

September 27-October 2: The emergence, stabilization and transformation of markets

Reading: Neil 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 [R]

October 4: Labor markets

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

October 9: Globalization

Reading: Fligstein, Ch. 9

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

October 11: The rise of shareholder value in the United States

Reading: Neil Fligstein, The Architecture of Markets, Ch.7

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

October 16: Neoliberalism

Reading: Harvey, David, A Brief History of Neoliberalism, pp.5-62[R]

October 18-23: 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

### **MIDTERM EXAM #2 OCTOBER 25**

October 30-November 1: The rise and fall of the sub-prime market

Reading: MacLean and Nocera, All the Devils are Here, Chs. 9-10; 15-19

November 6: The world financial crisis of 2008 to the present

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

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 [R]

### **Unit IV: Then Social Impacts of Economic Relationships**

November 8: Neo-liberal capitalism and the commodification of social life

Reading: Hochschild, Arlie, "The Outsourced Life" New York Times Magazine, 2012  
Robert Putnam, selections from Bowling Alone Ch. [R]

November 13: Neo-liberal Capitalism and Social Class (I): The Crisis of the Middle Class

Reading: Barlow, "Globalization and the Politics of Fear" [R]

**No lecture on November 15**

November 20: Neo-Liberal Capitalism and Social Class (II): The Working Class

Reading: Sherman, Rachel and Kim Voss, "Organize or Die: Labor's New Tactics" [R]  
Bonancich Edna, "Organizing Immigrant Garment Workers" [R]

**November 22: Thanksgiving Holiday**

November 27: Markets, Racism and Anti-Racism

Reading, Wacquant, Loic, "The Prison as Surrogate Ghetto", from Punishing the Poor, Durham, NC: Duke University Press, 2009 [R]

Barlow, Andrew "Possible Futures for Racial Justice in the Era of Globalization," from Between Fear and Hope: Globalization and Race in the United States Lanham, MD.: Rowman and Littlefield, 2003 [R]

November 29: Last Class: Markets, Social Justice and Democracy

Reading: Neil Fligstein, The Architecture of Markets, Ch. 10

**R&R Week: December 4-December 7**

**Review for final exam.**

**Final papers due December 4. Hard copies must be submitted. Late papers will lose a grade for each calendar day late.**

**FINAL EXAM: DECEMBER 13 11:30 AM-2:30 PM**