

Doctoral Seminar
Economy and Society II
Prof. Dr. Jens Beckert
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Max Planck Institute for the Study of Societies
Spring 2017
Meets Tuesdays, 2:00–3:30 (Paulstraße 3)

Course Description

The seminar focuses on recent debates on the interrelations between economy and society. It builds on a second course taught in Fall on foundational controversies (*Economy & Society I*).

The first part on “action” centers on processes of agency in the economy. At the beginning stands a discussion of Max Weber’s typology of action and a text by John Dewey which outlines a pragmatist understanding of social action. This is followed by five sessions on different approaches to understand economic action, the rational actor model, the embeddedness perspective, research into the role of cognitive categories, the nature of creativity and innovation in modern capitalist economies, and sociological views of the formation of expectations. Creativity, habits, mental models, imaginaries, and institutions are all elements of a theory of economic action which sees the economy as being embedded in its social environment.

The second part of the seminar is more macro-oriented, discussing markets and socio-economic understandings of the constitution of markets through cultural change, institutions, policies, and theories.

The third and final part of the seminar focuses on selected research on the development of modern capitalism. The sessions present analyses of credit, money, finance, and crises in recent socio-economic scholarship.

The goal of the seminar is to familiarize students with several major theories, approaches and topics that contribute to our understanding of the interrelations between the economy and society. The readings range from modern classics to contemporary sources. The seminar proceeds from the assumption that economic action and economic structures are socially, politically and culturally constituted. Understanding the processes leading to the actual forms of organization of the economy and to the specific forms of agency within the economy is the primary goal of economic sociology.

Participation in the seminar

All participants will be expected to *read all of the required texts* on the syllabus; *take an active part in class discussions*; and *prepare response memos* on the required readings for two of the weeks (1500 words each). The memos are intended to prepare the ground for discussions by asking participants to set out their responses to the readings in written form. Memos should not just summarize the readings, but rather take up specific arguments, compare the positions of different authors, raise questions of evidence, usefulness, or plausibility or draw attention to particular strengths and weaknesses in the arguments and descriptions. We will share these

memos through email. In order for everyone to have time to read over the comments of others, these will be due by 4 pm on the day before the class meets.

For registration and further organizational matters please contact Timur Ergen (te@mpifg.de).

Recommended readings

Recommended books, chapters, and collections introducing the debates relevant to the seminar include,

Jens Beckert, 2002 [1997]: *Beyond the Market: The Social Foundations of Economic Efficiency*, Princeton: Princeton University Press.

Jens Beckert, 2009: The Social Order of Markets. In: *Theory and Society* 38, 245–269.

Frank Dobbin, 2004: Introduction: The Sociology of the Economy. In: Frank Dobbin (ed.), *The New Economic Sociology. A Reader*, Princeton: Princeton University Press, 1–26.

Mark Granovetter and Richard Swedberg (eds.), 2011: *The Sociology of Economic Life*. 3rd Edition, Boulder et al.: Westview Press.

Richard Swedberg, 1990: *Economics and Sociology: Redefining Their Boundaries. Conversations with Economists and Sociologists*, Princeton: Princeton University Press.

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

Course Schedule

April 25, 2017

Introduction

Part 1: Economic Action

May 2, 2017

Models of Action

John Dewey, 2008 [1922]: *Human Nature and Conduct. An Introduction to Social Psychology*.

Carbondale: Southern Illinois University Press, 119–170.

Max Weber, 1978 [1921]: *Economy and Society: An Outline of Interpretive Sociology*, Berkeley:

University of California Press, 3–31.

May 9, 2017

Rational Choice

Milton Friedman, 1953: The Methodology of Positive Economics. In: Milton Friedman, *Essays in Positive Economics*. Chicago: University of Chicago Press, 3–43.

Jon Elster, 2009: Excessive Ambitions. In: *Capitalism and Society* 4, Online article.

May 16, 2017

The Embeddedness of Economic Action

Mark Granovetter, 1985: Economic Action and Social Structure: The Problem of Embeddedness.

In: *American Journal of Sociology* 91, 481–510.

Brian Uzzi, 1997: Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness. In: *Administrative Science Quarterly* 42, 35–67.

Gernot Grabher, 1993: The Weakness of Strong Ties. The Lock-in of Regional Development in the

Ruhr Area. In: Gernot Grabher (ed.), *The Embedded Firm. On the Socioeconomics of Industrial*

Networks. London, New York: Routledge, 255–277.

May 23, 2017

Categories in Economic Action

Wendy Espeland and Mitchell Stevens, 1998: Commensuration as a Social Process, *Annual Review of Sociology* 24: 312–343.

Marion Fourcade, 2011 Cents and Sensibility: Economic Values and the Nature of ‘Nature’ in

France and America. *American Journal of Sociology* 116, 1721–1777.

Ezra Zuckerman, 1999: The Categorical Imperative: Securities Analysts and the Illegitimacy Discount. *American Journal of Sociology* 104, 1398–1438.

Rainer Diaz-Bone, 2017: Classifications, Quantifications and Quality Conventions in Markets –

Perspectives of the Economics of Convention. In: *Historical Social Research* 42, 238–262.

May 30, 2017 (double session)

Innovation

Joseph Schumpeter, 1912: *Theorie der wirtschaftlichen Entwicklung*. Berlin: Duncker & Humblot,

124–164.

Richard K. Lester and Michael J. Piore, 2004: *Innovation. The Missing Dimension*. Cambridge,

MA: Harvard University Press, 1–12, 35–73.

Daron Acemoglu, James A. Robinson and Thierry Verdier, 2013: Can’t We All Be More Like Scan-

dinavians? Asymmetric Growth and Institutions in an Interdependent World. *Working Paper*.

Fred Block and Matthew Keller, 2009: Where Do Innovations Come From? Transformations in

the US Economy, 1970–2006. In: *Socio-Economic Review* 7, 459–483.

Competing for the Future

Jens Beckert, 2013: Imagined Futures. Fictional Expectations in the Economy. *Theory and Society*

42, 219–240.

Leon Wansleben, 2013: Dreaming with BRICs. Innovating the Classificatory Regimes of Interna-

tional Finance. *Journal of Cultural Economy* 6, 453–471.

Harro van Lente and Arie Rip, 1998: The Rise of Membrane Technology: From Rhetorics to Social

Reality.” *Social Studies of Science* 28, 221–254.

Part 2: Markets

June 6, 2017 (no seminar)

June 13, 2017 (no seminar)

June 20, 2017

Markets as Institutions

Neil Fligstein, 2001: *The Architecture of Markets: An Economic Sociology of Twenty-First-Century Capitalist Societies*, Princeton: Princeton University Press. pp. 3–44.

Peter Hall and David Soskice, 2001: An Introduction to Varieties of Capitalism. In: Ibid. (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford: Oxford University Press, 1–45.

Wolfgang Streeck, 2012: E Pluribus Unum? Varieties and Commonalities of Capitalism. *MPIfG Discussion Paper* 10/12.

June 27, 2017

Performativity

Donald MacKenzie 2007: Is Economics Performative? Option Theory and the Construction of Derivatives Markets. In: Donald MacKenzie et al. (eds.), *Do Economists Make Markets? On the Performativity of Economics*. Princeton, NJ, Princeton University Press, 54–86.

Marie-France Garcia, 2007 [1986]: The Social Construction of a Perfect Market: The Strawberry Auction at Fontaines-en-Solognes. In: Donald MacKenzie et al. (eds.), *Do Economists Make Markets? On the Performativity of Economics*. Princeton, NJ, Princeton University Press, 20–53.

Optional:

Michel Callon, 1998: Introduction: The Embeddedness of Economic Markets in Economics. In: Michel Callon (ed.), *The Laws of the Markets*. Malden, Oxford: Blackwell, 1–57.

July 4, 2017

Consumption

Gunnar Trumbull, 2012: Credit Access and Social Welfare: The Rise of Consumer Lending in the United States and France. In: *Politics and Society* 40, 9–34.

Colin Campbell, 1987: *The Romantic Ethic and the Spirit of Modern Consumerism*, Oxford: Basil Blackwell, Chapter 5.

Luc Boltanski and Arnaud Esquerre, 2016: The Economic Life of Things. Commodities, Collectibles, Assets. *New Left Review* 98, 31–54.

Part 3: Capitalism

July 11, 2017

Credit and Money

Bruce G. Carruthers and Laura Ariovich, 2010: *Money and Credit. A Sociological Approach*, Cambridge & Malden: Polity Press. pp. 6–11, 23–49.

André Orléan, 2014: *The Empire of Value. A New Foundation for Economics*, Cambridge, MA: MIT Press. Chapter 4.

July 18, 2017

Financialization

Greta Krippner, 2011: *Capitalizing on Crisis. The Political Origins of the Rise of Finance*. Cambridge, MA: Harvard University Press, Chapters 2 & 3.

Marion Fourcade and Sarah Babb, 2002: The Rebirth of the Liberal Creed: Paths to Neoliberalism in Four Countries, *American Journal of Sociology* 108, 533–579.

Neil Fligstein and Adam Goldstein, 2015: The Emergence of a Finance Culture in American Households, 1989–2007. *Socio-Economic Review* 13, 575–601.

Gerald F. Davis, 2009: The Rise and Fall of Finance and the End of the Society of Organizations. *ACM Perspectives* 23, 27–44.

July 25, 2017

Crises in Capitalism

Wolfgang Streeck, 2011: The Crises of Democratic Capitalism. In: *New Left Review* 71, 5–29.

Kindleberger, Charles P. and Robert Z. Aliber, 2005 [1978]: *Manias, Panics and Crashes*.

A History of Financial Crises, Houndsmills & New York: Palgrave MacMillan. Chapters 1 & 2.