

Doctoral Seminar: *Economy and Society II*

Prof. Dr. Jens Beckert
Spring 2023
Max Planck Institute for the Study of Societies
Paulstraße 3, 50676 - Köln.
Meetings: Tuesdays, 14:00 - 15:30.
Start of seminar: April 25!

Course Description

The seminar focuses on recent debates on the interrelations between economy and society. Economic sociology has been one of the most vibrant fields of recent sociological scholarship. The field aims at the investigation of economic behavior, the operation of markets, and the development of economic institutions from the perspective of sociology. It brings culture, networks, social norms, institutions, power and politics to the center of the understanding of the economy.

The seminar starts with a discussion of the notion of embeddedness as the core concept of the new economic sociology, developing since the 1980s. This is followed by a session introducing the concept of markets and of capitalism. The five subsequent sessions focus on core issues for the understanding of markets from different sociological perspectives. This includes aspects of valuation and categorization in markets, the role of morality, the significance of the state for market constitution, consumption, and the performativity approach. Especially after the financial crisis of 2008, economic sociologists have become increasingly interested also in macro developments of the capitalist economy. The second part of the seminar concentrates on selected research on the development of modern capitalism, taking into account also some research from the field of political economy. The sessions focus on the macro and meso level. They present the analyses of innovation, 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 analyses of financial markets. The seminar proceeds from the assumption that economic action and economic structures are socially, politically and culturally constituted. Understanding the structures and 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 and political economy. Introducing European and American scholarship, the course will pay attention to the micro level of decision making as well as to the macro-development of capitalism.

Participation in the seminar

All students are expected to *read all of the required texts* on the syllabus and *take an active part in class discussions*. Based on the readings, each student is asked to formulate two questions emerging from the readings to be discussed in class. The questions need to be sent to the teaching assistant, Guadalupe

Moreno, on the day of the class, for the latest at 11am. Some of the questions will be used to structure the discussion.

Each student will be asked to write one 3000 words essay on the topic of one of the classes based on the course readings for the respective session. Students can choose the topic. All essays are due on July 31.

For registration and further organizational matters please contact Guadalupe Moreno (gm@mpifg.de).

The readings can be downloaded from the webpage: https://www.mpifg.de/people/jb1/lehre_en.asp
The username and the password will be provided to the students participating in the course at the beginning of the semester.

Recommended introductory readings

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

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

Neil J. Smelser and Richard Swedberg (eds.), 2005: *Handbook of Economic Sociology*. 2nd Edition, Princeton, NJ: Princeton University Press.

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

Course Schedule

Session 1: April 25, 2023 - Introduction

Session 2: April 25 2023 (16:00-17:30) - The Embeddedness of Economic Action

Karl Polanyi, 1957: The Economy as Instituted Process. In: Karl Polanyi, Conrad M. Arensberg and Harry W. Pearson (eds.), *Trade and Market in the Early Empires: Economies in History and Theory*, Glencoe, IL: Free Press, 243-270.

Mark Granovetter, 1985: Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology* 91, 481–510.

Greta Krippner, 2001: The Elusive Market: Embeddedness and the Paradigm of Economic Sociology. *Theory and Society* 30, 6, 775-810.

Recommended readings:

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

Viviana Zelizer, 2007: Past and Futures of Economic Sociology. *American Behavioral Scientist* 50, 1056-1069.

Sharon Zukin and Paul DiMaggio, 1990: Introduction. In: Sharon Zukin and Paul DiMaggio (eds.), *Structures of Capital: The Social Organization of the Economy*, Cambridge: Cambridge University Press.

Part 1: Markets

Session 3: May 2, 2023 - Markets and Capitalism

Albert Hirschman, 1982: Rival Views of Market Society: Civilizing, Destructive, or Feeble?, *Journal of Economic Literature* 20, 1463-1484.

Fernand Braudel, 1977: *Afterthoughts on Material Civilization and Capitalism*, Baltimore, John Hopkins University Press.

Recommended readings:

Sigrid Quack, 2009: "Global" Markets in Theory and History: Towards a Comparative Analysis. In: Jens Beckert and Christoph Deutschmann (eds.), *Wirtschaftssoziologie. Kölner Zeitschrift für Soziologie und Sozialpsychologie*, Special issue 49. Wiesbaden: VS Verlag für Sozialwissenschaften, 125-142.

William H. Sewell, Jr., 2008: The Temporalities of Capitalism. *Socio-Economic Review* 6: 517–537.

Session 4: May 9, 2021 - Politics and Markets

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

Jacob Hacker and Paul Pierson, 2010: Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States. *Politics and Society* 38, 152-204.

Recommended readings:

Frank Dobbin, 2011: Why the Economy Reflects the Polity: Early Rail Policy in Britain, France and the United States. In: Mark Granovetter and Richard Swedberg (eds.) *The Sociology of Economic Life*. Boulder, CO: Westview Press, 397-418.

Henning Hilmann, 2013: Economic Institutions and the State: Insights from Economic History. *Annual Review of Sociology* 39, 251-273.

Timothy Mitchell, 1999: State Economy and the State Effect. In: George Steinmetz (ed.), *State/Culture: State Formation After the Cultural Turn*, Ithaca, NY: Cornell University Press, 76-97.

Monica Prasad, 2012: *The Land of Too Much: American Abundance and the Paradox of Poverty*, Cambridge, MA: Harvard University Press.

Session 5: May 23, 2023 - Valuation and Categorization on Markets

Patrik Aspers and Jens Beckert, 2011: Value in Markets. In: Jens Beckert and Patrik Aspers (eds.) *The Worth of Goods: Valuation and Pricing in the Economy*. Oxford: Oxford University Press, 3-38.

Marion Fourcade, 2011: Cents and Sensibility: Economic Values and the Nature of 'Nature' in France and America. *American Journal of Sociology* 116, 1721–1777.

Katharina Pistor, 2020. The Value of Law. *Theory and Society* 49: 165-186.

Recommended readings:

Kean Birch and Fabian Muniesa, 2020. Assetization. Turning Things into Assets in Technoscientific Capitalism, Cambridge: MIT Press. Introduction (p.1.31)

- Luc Boltanski and Arnaud Esquerre, 2016: The Economic Life of Things. Commodities, Collectibles, Assets. *New Left Review* 98, 31–54.
- Rainer Diaz-Bone, 2017: Classifications, Quantifications and Quality Conventions in Markets – Perspectives of the Economics of Convention. *Historical Social Research* 42, 238–262.
- Wendy Espeland and Mitchell Stevens, 1998: Commensuration as a Social Process, *Annual Review of Sociology* 24: 312–343.
- Lucien Karpik, 2010: *Valuing the Unique. The Economics of Singularities*. Princeton: Princeton University Press. Chapters 1-6 (pp. 3-66).
- Thomas B. Lawrence and Nelson Philipps, 2004: From Moby Dick to Free Willy: Macro-Cultural Discourse and Institutional Entrepreneurship in Emerging Institutional Fields. *Organization* 11, 5, 689-711.
- Georg Simmel, 2011 [1900]: *The Philosophy of Money*. London & New York: Routledge Classics, Chapter 1.
- David Stark, 2009: *The Sense of Dissonance: Accounts of Worth in Economic Life*. Princeton: Princeton University Press.
- Leon Wansleben, 2013: Dreaming with BRICs. Innovating the Classificatory Regimes of International Finance. *Journal of Cultural Economy* 6, 453–471.
- Ezra Zuckerman, 1999: The Categorical Imperative: Securities Analysts and the Illegitimacy Discount. *American Journal of Sociology* 104, 1398–1438.

Session 6: May 24, 2023 – Sophie Mützel: Making Sense. Markets from Stories in New Breast Cancer Therapeutics

11:00 Uhr bis 12:30 Uhr

Session with Sophie Mützel

Sophie Mützel, 2022: *Making Sense. Markets from Stories in New Breast Cancer Therapeutics*, Stanford University Press

Chapter 1 (Markets and Stories) and Chapter 4 (Making Sense of the Market)

Session 7: June 6, 2023 - Expectations and Future Making in the Economy

Jenny Andersson, 2018: *The Future of the World*. Oxford: Oxford University Press. Chapter 5, 75-97.

Martin Giraudeau, 2018: Proving Future Profit: Business Plans as Demonstration Devices, *Osiris* 33: 130-148.

Robert Boyer, 2019: Expectations, Narratives and Socio-Economic Regimes. In: Beckert/Bronk 2019: *Uncertain Futures*. OUP, p.39-61.

Recommended readings:

Jens Beckert, 2016: *Imagined Futures. Fictional Expectations and Capitalist Dynamics*. Cambridge Ma.: Harvard University Press. Chapter 1-4, 21-95.

Jens Beckert and Richard Bronk, 2018: An Introduction to Uncertain Futures. In: Jens Beckert and Richard Bronk (eds.): *Uncertain Futures. Imaginaries, Narratives and Calculation in the Economy*. Oxford: Oxford University Press. Pp: 1-37.

Jens Beckert, Lisa Suckert. 2020. The Future as a Social Fact. The analysis of perceptions of the future in sociology, Poetics.

- Liliana Doganova, 2018: Discounting and the Making of the Future. On Uncertainty in Forest Management and Drug Development. In: Jens Beckert and Richard Bronk (eds.): *Uncertain Futures. Imaginaries, Narratives and Calculation in the Economy*. Oxford: Oxford University Press, 278-297.
- Sheila Jasanoff, 2015: Future Imperfect: Science, Technology, and the Imaginations of Modernity. In: Sheila Jasanoff and Sang-Hyun Kim (eds.): *Dreamscapes of Modernity: Sociotechnical Imaginaries and the Fabrication of Power*. Chicago: University of Chicago Press. Pp. 1—33.
- Robert Lucas, 1972: Expectations and the Neutrality of Money. *Journal of Economic Theory* 4, 103–124.
- Andrew Abbott.(2005).The idea of outcome in U.S. sociology. P. 393-426 in G. Steinmetz (Ed.), *The politics of method in the human sciences: Positivism and its epistemological Others*. Durham: Duke University Press.
- Jonathan Levy, 2017: Capital as Process and the History of Capitalism. *Business History Review* 91: 483-510.

Session 8: June 13, 2023 - The Performativity of Economics

- Marie-France Garcia, 2007: 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.
- 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.

Recommended readings:

- 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.
- Frank Dobbin and Jiwook Jung, 2010: The Misapplication of Mr. Michael Jensen: How Agency Theory Brought Down the Economy and Why it Might Again. In: Michael Lounsbury and Paul M. Hirsch (eds.), *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis. Research in the Sociology of Organizations* 30b, 29–64.
- Daniel Miller, 2002: Turning Callon the Right Way Up. *Economy and Society*, 31:218-233.

Session 9: June 13, 2023 (16:00-17:30) - Morality in Markets

- Debra Satz, 2010: *Why Some Things Should Not Be for Sale: The Moral Limits of Markets*. Oxford: Oxford University Press. Chapter 4. “Noxious Markets”, 91-112.
- Viviana Zelizer, 1978: Human Values and the Market: The Case of Life Insurance and Death in 19th-Century America. *American Journal of Sociology* 84, 591-610.

Recommended readings:

- Tim Bartley, 2018: *Rules without Rights: Land, Labor, and Private Authority in the Global Economy*. Oxford: Oxford University Press.
- Amitai Etzioni, 1988: *The Moral Dimension. Toward a New Economics*. New York: The Free Press. Chapter 1: “The New Paradigm: Underlying Themes”, 1-22.

Michael Sandel, 2012: *What Money Can't Buy: The Moral Limits of Markets*. New York: Farrar, Straus, and Giroux.

Cheris Shun-Ching, 2009. "Invigorating the Content in Social Embeddedness: An Ethnography of Life Insurance Transactions in China." *American Journal of Sociology* 115: 712-54.

Part 2: Capitalism

Session 10: June 20, 2023 - Innovation, Growth and Capitalist Dynamics

Fred Block and Matthew Keller, 2009: Where Do Innovations Come From? Transformations in the US Economy, 1970–2006. *Socio-Economic Review* 7, 459–483.

Harro van Lente and Arie Rip, 1998: The Rise of Membrane Technology: From Rhetorics to Social Reality. *Social Studies of Science* 28, 221–254.

Recommended readings:

Robert J. Gordon, 2016: *The Rise and Fall of American Growth*. Princeton: Princeton University Press.

Richard K. Lester and Michael J. Piore, 2004: *Innovation. The Missing Dimension*. Cambridge, MA: Harvard University Press, 1–12, 35–73.

Joseph A. Schumpeter, [1912] 1934: *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*. Cambridge, MA: Harvard University Press, Chapter 2 (part 3): The Fundamental Phenomenon of Economic Development, p. 74-94.

Michael Storper, Tom Kemeny, Naji Makarem and Taner Osman, 2015: *The Rise and Decline of Urban Economies: Lessons from Los Angeles and San Francisco*. Stanford University Press.

Session 11: June 27, 2023 – Money and Credit

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

Geoffrey Ingham, 2004: *The Nature of Money*. Cambridge: Polity Press. Chapter 3, 69-85.

Viviana Zelizer, 1989: The Social Meaning of Money: Special Monies. *American Journal of Sociology* 95, 342-377.

Recommended readings:

Niall Ferguson, 2008: *The Ascent of Money. A Financial History of the World*. Penguin Books.

David Graeber, 2011: *Debt: The First 5000 Years*. Brooklyn, NY: Melville House Publishing, pp. 89-126.

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

Georg Simmel, [1900] 2004: *Philosophy of Money*. London and New York: Routledge. Third chapter, first section, Money in the Sequence of Purposes, I. *Action towards an end as the conscious interaction between subject and object*, 204-228.

Session 12: June 27, 2023 – (16:00-17:30) Financialization

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

Natascha van der Zwan, 2014: Making Sense of Financialization. *Socio-Economic Review* 12: 99-129.

Recommended readings:

Colin Crouch, 2009: Privatised Keynesianism: An Unacknowledged Policy Regime. *British Journal of Politics and International Relations* 11, 382-399.

Gerald F. Davis, 2009: *Managed by the Markets: How Finance Re-shaped America*. Oxford: Oxford University Press.

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

Marion Fourcade and Kieran Healy, 2013: Classification Situations: Life-chances in the Neoliberal Era. *Accounting, Organizations and Society* 38, 559-572.

Akos Rona-Tas and Alya Guseva, 2014: *Plastic Money. Constructing Markets for Credit Cards in Eight Post-communist Countries*. Stanford, Stanford University Press, Ch. 4 & 7.

Session 13: July 4, 2021 – Crises in Capitalism

Charles P. Kindleberger and Robert Z. Aliber, [1978] 2005: *Manias, Panics and Crashes. A History of Financial Crises*, Houndsmills & New York: Palgrave MacMillan. Chapters 1 & 2.

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

Recommended readings:

Mark Blyth, 2013: *Austerity. The History of a Dangerous Idea*, Oxford: Oxford University Press.

Matthew Desmond, 2016: *Evicted: Poverty and Profit in the American City*. New York, NY: Broadway Books.

Nancy Fraser, 2015: Legitimation Crisis? On the Political Contradictions of Financialized Capitalism, *Critical Historical Studies*, Vol. 2. Number 2.

Arlie Hochschild, 2016: *Strangers in their Own Land*. New York: The New Press.

Hyman Minsky, 1982: The Financial Instability Hypothesis: Capitalist Processes and the Behavior of the Economy. In Charles P. Kindleberger and Jean-Pierre Laffargue (Eds.) *Financial Crises: Theory, History, and Policy*. Cambridge: Cambridge University Press, 13-39

Robert C. Shiller, 2000: *Irrational Exuberance*. Princeton, NJ: Princeton University Press

Wolfgang Streeck, 2016: Introduction. In Wolfgang Streeck (ed.), *How will Capitalism end? Essays on a Failing System*. London & New York: Verso, 1-46.

Additional possibilities

-The return of the state? Mazuchati

-Gabor, 2020