SOCIOLOGY 355
ECONOMIC SOCIOLOGY

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Course Description: This is a rigorous course on the sociology of markets and economic activity in capitalist societies. Its core problem is to understand how rational, economic activities are facilitated, modified or impeded by collective commitments, social relations and social institutions. We address how variation and change in the social structures of economic life are produced, and the consequences for cooperation, rationality, economic competition, justice, and economic development. Topics to be covered include the social, political and cultural construction of markets; the role of networks, institutions, and states in economic development; cooperative alternatives to for-profit corporations; crossnational differences in capitalism; economic transitions in post socialist societies; globalization; and the shift from mass production economies to systems based on learning, innovation and flexibility.

The course comes in five parts. Part one broaches the problem of the relationships between social structure and the economy. Conventional wisdom and neo-classical economics commonly assume that there are fundamental incompatibilities or antagonisms between markets, profit-seeking and efficiency, on the one hand, and social relations, personal ties, or systems of social and moral regulation, on the other. Economic sociologists challenge and revise these understandings, opening up key agendas and questions for theory, research and public policy.

Parts II and III develop these agendas by considering two main ways economic sociologists analyze the social structures of markets—as system of networks or as systems of status, classification and ranking. For much of the last century, economists, political scientists and sociologists took markets and firms or contracts and corporations as the twin pillars of economic modernity. In so doing, they effectively stripped economic actors and practices from their social context, and cast competitive markets, atomized individuals and autonomous corporations as the central engines of development and growth in capitalist economies. In contrast, economic sociologists go beyond these dichotomies to recontextualize economic activity and to consider the full range of social structures, organizational forms and institutions that shape, constrain, and enable economic behavior in capitalist societies. And, in moving beyond markets and firms, economic sociologists find that social relations, non-market institutions and organizational alternatives to for-profit firms contribute to development, efficiency, and growth in fundamental ways.

In Part II, we take up one key prong of this effort to recontextualize economic activity, moving beyond conventional dichotomies to consider how social networks figure
Networks of interpersonal and inter-firm ties are ubiquitous in even the most competitive markets. Moreover, where traditional analyses often dismiss networks and other forms of association as “pre-modern” holdovers that impede progress and growth, economic sociologists, operating from different sensibilities, find that such forms promote the trust, flexibility and capacities for innovation that are necessary for economic success in today’s increasingly globalized capitalism. In part III, we take up the second key prong of this broader effort, examining how status orders, classification and ranking schemes likewise constitute markets, market processes, and economic opportunities for participants. Markets are arenas for ranking, observation, signaling and for the projection, evaluation, defense and revision of identities. Here, too, even the most competitive sectors are rife with audiences, critical communities, and classification schemes, with some participants specializing in judging and ranking others, other participants being particularly constrained by classifications and their position in the status order, and others being able to exploit their positions to revise, combine and challenge, established categories and identities.

Parts IV and V shift attention from the social structures of markets to their social, political and cultural construction. Markets are pivotal institutions of economic life. Yet their emergence, reproduction and development are typically either taken for granted or understood as a natural or inevitable outgrowth of individuals’ dispositions or utility maximizing behavior. Such presumptions and understandings are sociologically naïve, as they effectively bracket how markets, like other institutions, are products or accomplishments whose constituent elements and understandings, institutional foundations, agents, rules and day-to-day practices have to be articulated, assembled, defended, legitimated and routinized. As we shall see, this work is fundamentally collective, political and constitutive, and occurs at multiple levels, including the social construction of those calculative practices and economically rational individuals which conventional neo-classical accounts invoke as explanatory principles.

In part IV, we take up the general issue of making markets, tracing their origins and elaborations in institutional projects, collective action, state policy, and work by expert professions as part of their bids for jurisdiction and authority. We address both relatively conventional cultural, institutional and comparative political economy accounts of market creation, as well as more radical constructionist efforts to explain market emergence as performativity. In part V, we focus on some increasingly important dimensions of the market making process—where societies draw the lines between public and private, or between for-profit and not-for-profit realms, and how they mobilize different forms of organizations for providing key goods and services, including the “non-profit” organization. There is substantial variation in—and contestation over—the boundaries between spheres, the relations between states, for-profit firms, and non-profit providers, and the organizational forms economic enterprises take, with far reaching consequences for whether and how critical goods and services are produced and made available to different groups in society. Here, too, “the social” pervades, shapes and constitutes “the economic” in fundamental ways. And here, too, recent developments, border crossing and breached boundaries are raising questions about compatibilities, incompatibilities and antagonisms between those spheres.
**Course Prerequisite:** Introduction to Sociology (Sociology 211) plus one upper division course in sociology is required for taking this class.

**Course Assignments:** This is a small, reading intensive, and intensely collaborative upper-division course designed to immerse you in theory and debate in this subfield. There will be no assigned research or term paper. Students will, however, be required to write ten, two-page (double spaced, 12 point, standard format) reading memos in order to engage the materials deeply and prepare for conference. Memos will address particular questions about the week’s readings, which I will provide. However, as the semester proceeds, we could consider integrating into these memos concerns or questions from students’ own ongoing research, either as part of or in preparation for their theses or quals. Students are required to bring two typed copies of their memos to class. We will often begin by exchanging and commenting on these memos. With one exception, memos are due, in class, on Mondays, for weeks two through seven (the six weeks before break), and for weeks eight, nine, eleven and thirteen after break. (Week eleven’s memo is due on that Wednesday). *Nota bene:* I only accept hard copies, not email, unless otherwise explicitly arranged, as I am neither an email server nor a print shop. And late memos will not be accepted.

**Readings:** The following books are required and are available at the Reed College bookstore. Yes, some are expensive, but there are important books, and the handbook in particular will be something you might use for years. Additional readings listed below are available on reserve, as pdfs from me, through JSTOR, or via the AJS website ([www.journals.uchicago.edu/AJS/journal/available.html](http://www.journals.uchicago.edu/AJS/journal/available.html))


READING ASSIGNMENTS

PART I: RETHINKING THE RELATIONS
BETWEEN “ECONOMIC” AND “THE SOCIAL”

Week 1: (September 3)

Posing the Problem

Week 2: (September 8, 10)

Economy and society reconsidered


Reading memo 1: Due Monday, September 8th in class.

PART II:
THE SOCIAL STRUCTURES OF MARKETS I: NETWORKS

Week 3: (September 15, 17)

Embeddedness, Networks and Economic Performance


Reading memo 2: Due Monday, September 15th in class.

Week 4: (September 22, 24)

Networks, the Corporation, and the Decline of Fordist Mass Production


**Reading memo 3:** Due Monday, September 22

**Week 5:** (September 29, October 1)

*Network systems, communities and economic transitions*


**Reading memo 4:** Due Monday, September 29

**PART III: SOCIAL STRUCTURES OF MARKETS II: STATUS, CLASSIFICATIONS, IDENTITIES**

**Week 6:** (October 6, 8)

*Status, Category and Conformity*


**Reading memo 5:** Due Monday, October 6th in class.

**Week 7 (October 13, 15)**

*Status Coherence, Conformity or Challenge?*


**Reading memo 6:** Due Monday, October 13th in class.

**Fall Break:** October 18-26
PART IV: THE SOCIAL CONSTRUCTION OF MARKETS I:
POLITICS, PROJECTS AND PERFORMATIVITY

**Week 8:** (October 27, 29)

*Market Making as Institutional Projects and Social Movements*


**Reading memo 7:** Due Monday, October 27th in class.

**Week 9:** (November 3, 5)

*Market Making and the Professions: Projects, Classifications, Discourse*


**Reading memo 8:** Due Monday, November 3rd in class.

**Week 10:** (November 10, 12)

*Market Making and Performativity*


**PART V:**

**THE SOCIAL CONSTRUCTION OF MARKETS II: TO PROFIT OR NOT-TO PROFIT? BOUNDARIES, DOMAINS, FORMS**

**Week 11:** (November 17, 19)

*Forms, boundaries, provision: the non-profit sector*

Peter Frumkin. 2002. *On Being Nonprofit.* Chapter 1,

From *The Non-profit Sector, A Research Handbook, Second Edition*


Elizabeth Boris and C Eugen Steuerle. “Scope and Dimensions of the Non-profit Sector.” Pp. 66-88


**Reading memo 9:** Due *Wednesday*, November 19th in class.
Week 12: (November 24, 26)

*Boundaries and “performance:” remixing “social” and “economic”*

From *The Non-profit Sector, A Research Handbook, Second Edition*

Peter Frumkin, *On Being Nonprofit*, Chapters 2-5.

From *The Non-profit Sector, A Research Handbook, Second Edition*

Week 13: (December 1, 3)

*Market versus the social revisited: Invasion, commercialization, dilution?*


From *The Non-profit Sector, A Research Handbook, Second Edition*


**Reading memo 10:** Due Monday, December 1st in class.

Week 14 (December 8, 10)

*Wrap up*

No new reading