



McGill

McGill University

COURSE OUTLINE

SOCI-470: TOPICS IN ECONOMIC SOCIOLOGY

Tuesdays 2:35pm - 4:25pm, Leacock 721

Winter Term 2018

Prof. Axel van den Berg

Office Hours: by appointment

Leacock 816 (tel. 398-6846)

COURSE DESCRIPTION

In this course we will examine the continuing debates going on around the borderline between economics and sociology. Since their very beginnings, there has been disagreement within the social sciences over whether human social behaviour is best understood as primarily rational and utility-maximizing or as normative and culture-guided, or power-driven. While such debates are going on in all the social sciences, the rational utility-maximizing model became dominant within economics (although always challenged by a minority of "institutionalists") while the normative model and the power-driven model became more prevalent (although never quite so dominant) among sociologists and political scientists.

But in recent years this interdisciplinary truce has been upset by two opposing movements. On one side, advocates of the "economic approach" to social and human behaviour have become more and more daring in their claims to be able to explain behaviour that was traditionally thought of as typically *non*-economic, including complex organizations, crime, marriage, child-bearing, discrimination and even religion. Many sociologists and political scientists have become quite alarmed by such "economic imperialism." On the other side, there has been a vigorous counter-movement among sociologists and economists, variously referred to as the "new (historical or sociological) institutionalism," "economic sociology" or "socio-economics," which claims not only that the economic approach is inadequate for explaining such non-economic behaviour but that it is not even adequate for explaining economic behaviour itself.

In this course, we will examine the arguments of both sides in detail and try to determine on what issues exactly, and to what extent exactly, these two approaches disagree and offer alternative rather than complementary ways of explaining social behaviour.

REQUIREMENTS AND ASSESSMENT:

The course will be organized as a seminar. A certain amount of reading will be assigned for each class meeting. The day before each class meeting at 12:00 noon at the latest you submit a brief (no more than 2-3 pages) **typewritten** critical comment on the assigned readings, preferably by e-mail. Depending on the size of the class, a **sample** of these comments will be graded every week. Two students will be designated for each session to start off the discussion. Your participation in the discussions will account for 10% of your final course grade and the grades you get for your written comments will together account for 15% of your course grade.

By midterm (February 20th) you will submit a brief (no more than 1-2 pages) proposal for a term paper with a short bibliography. This proposal will also be graded and accounts for 15% of the final grade.

The term paper will be due on the last day of classes. The length of the paper should be about 15 double-spaced pages. It will contribute the remaining 60% to your final grade.

Students receiving a D, F or J for this course will not be allowed to do additional work.

In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

Conformément à la Charte des droits de l'étudiant de l'Université McGill, chaque étudiant a le droit de soumettre en français ou en anglais tout travail écrit devant être noté.

Plagiarism

French version:

L'université McGill attache une haute importance à l'honnêteté académique. Il incombe par conséquent à tous les étudiants de comprendre ce que l'on entend par tricherie, plagiat et autres infractions académiques, ainsi que les conséquences que peuvent avoir de telles actions, selon le Code de conduite de l'étudiant et des procédures disciplinaires (pour de plus amples renseignements, veuillez consulter le site www.mcgill.ca/students/srr/honest/)

English version:

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/students/srr/honest/ for more information)

READINGS

The course text will be available in the bookstore as well as on reserve in the library. All other readings will be accessible through the course website on *myCourses*.

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

APPROXIMATE COURSE SCHEDULE

(Note: The following is a *tentative* list of required and suggested readings. It may occasionally be altered during the term as the need arises)

PART I. INTRODUCTION: THE ECONOMIC APPROACH TO SOCIAL BEHAVIOUR AND ITS CRITIQUE

January 9th:

Introduction; no required readings.

January 16th:

Gary S. Becker, "Nobel Lecture: The Economic Way of Looking at Behavior," *Journal of Political Economy*, vol. 101, no. 3, 1993, pp. 385-409.

Kroneberg, Clemens, and Frank Kalter. "Rational choice theory and empirical research: Methodological and theoretical contributions in Europe." *Annual Review of Sociology* 38 (2012): 73-92.

January 23rd:

Neil J. Smelser. 1992. "The Rational Choice Perspective: A Theoretical Assessment," *Rationality and Society*, Vol. 4, No. 4 (October), pp. 381-410.

Karl Polanyi, "The Economy as Instituted Process", Chapter 1 in M. Granovetter and R. Swedberg, *The Sociology of Economic Life, 2nd Edition*, Westview Press, 2001

PART II. ECONOMIC SOCIOLOGY: THE SOCIOLOGICAL APPROACH

January 30th:

Neil J. Smelser and Richard Swedberg, "Introducing Economic Sociology," Ch. 1 of Smelser and Swedberg, eds., *The Handbook of Economic Sociology*, 2nd ed., 2005, Princeton, NJ: Princeton University Press.

Beckert, Jens. "What is Sociological about Economic Sociology? Uncertainty and the Embeddedness of Economic Action," *Theory and Society*, Vol. 25, 1996, pp. 803-840.

PART III. 'EMBEDDEDNESS'

February 6th:

Granovetter, Mark. 1985. "Economic Action and Social Structure: the Problem of Embeddedness," *American Journal of Sociology*, Vol. 91, pp.481-510.

Greta R. Krippner and Anthony S. Alvarez, "Embeddedness and the Intellectual Projects of Economic Sociology," *Annual Review of Sociology*, Vol. 33, 2007, pp. 219-40.

PART IV. MARKETS AND PRICES

February 13th:

Richard Lipsey and Christopher Ragan, "Demand, Supply, and Price," Chapter 3 (pp. 48-69) in Lipsey and Ragan, *Economics*, 2001, Toronto: Addison Wesley Longman, 10th Canadian Edition.

Jens Beckert, 2011, "Where do prices come from? Sociological approaches to price formation," *Socio-Economic Review*, Vol. 9, No.4, pp. 757-786.

PART V. ECONOMICS, MARKETS AND 'PERFORMATIVITY'

February 20th:

Michel Callon, 1998, "Introduction: The Embeddedness of Economic Markets in Economics," pp. 1-57 of Michel Callon, ed., *The Laws of the Markets*, Oxford: Blackwell Publishers.

Marion Fourcade, 2007, "Theories of Markets and Theories of Society," *American Behavioral Scientist*, Vol. 50, No.8, April, pp. 1015-1034.

Ana C. Santos and João Rodrigues, 2009, "Economics as Social Engineering? Questioning the Performativity Thesis," *Cambridge Journal of Economics*, Vol. 33, pp. 985-1000.

PART VI. INSTITUTIONS AND THE ECONOMY

February 27th:

Nee, Victor and Richard Swedberg "Economic Sociology and New Institutional Economics," Ch. 29 (pp. 189-818) in Ménard, Claude, and Mary M. Shirley, eds. *Handbook of new institutional economics*. Vol. 9. Dordrecht: Springer, 2005.

North, Douglass. 2005. "Institutions and the Performance of Economies Over Time," Ch. 1 (pp.21-30) in Ménard, Claude, and Mary M. Shirley, eds. *Handbook of new institutional economics*. Vol. 9. Dordrecht: Springer, 2005.

PART VII. FINANCIAL MARKETS AND ECONOMIC CRISES

March 13th:

Bruce Carruthers, 2011. "The Sociology of Finance," *Annual Review of Sociology*, Vol. 37, pp. 239-259.

John L. Campbell. 2010. "Neoliberalism in crisis: regulatory roots of the U.S. financial meltdown," In Michael Lounsbury and Paul Hirsch, eds. 2010b. *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis: Part B*. Bingley: Emerald, pp. 65-101.

Donald MacKenzie. 2011. "The Credit Crisis as a Problem in the Sociology of Knowledge," *American Journal of Sociology*, vol. 116, No. 6 (May 2011), pp. 1778-1841.

March 20th:

Krippner Greta. 2011. *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Cambridge, MA: Harvard University Press. Ch. 1-3 (pp. 1-85)

March 27th:

Krippner Greta. *Capitalizing on Crisis*, Ch. 4-6 (pp. 86-152)

April 3rd:

REVIEW SYMPOSIUM: Greta R. Krippner *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. 2011, *Socio-Economic Review* (2012) 10, 403–418

Van der Zwan, Natascha, 2014. “Making Sense of Financialization,” *Socio-Economic Review*, Vol. 12, No.1, pp. 99-129,

PART VIII: STUDENT PAPER PRESENTATIONS

April 10th:

Student paper presentations