

Economic Sociology (ECON 895 – 007)

Wednesday, 7:20 pm – 10:00 pm

Enterprise Hall 77

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Course Description & Objectives

This seminar will explore key writings within the “new economic sociology” and survey recent developments within the field. Special emphasis will be placed on how culture, norms, ideologies and values shape economic action and interaction. The first half of the course will focus on the core writings in the economics and sociology of the market. The second half of the course will introduce students to interesting writings in important areas in the current economic sociology literature. The goal of the class is to prepare students to write academic papers in the field of economic sociology suitable for peer review journals. In addition to being graded on class participation, students will be graded on two drafts of a research paper exploring some topic related to economic sociology.

Course Readings & Required Books

You are expected to do all of the required readings (indicted below with an *) prior to the class where they will be discussed. All of the required readings can be obtained through GMU’s e-library or e-reserves (<http://library.gmu.edu/>) or via the links that are provided below. Additional readings are available at <http://docs.virgilhenrystorr.org/storreconsoc-additionalreadings.pdf> and should be a useful starting point if you wish to explore the topics covered in the class beyond the required readings.

Course Grading

Grades for this class will be based on class participation and a presentation of your research on April 27th 2011 (50%) as well as the first and final drafts of a research paper (20% and 30%, respectively). Class participation involves submitting and discussing questions raised by your colleagues in the class’ online discussion group before mid-day on the days that the class meets as well as occasionally leading and frequently participating in weekly in-class discussions. You will be expected to turn in and make an appointment to discuss the abstract and outline for the research paper on or before March 2nd 2011. The first draft of the research paper is due March 30th and the final draft is due May 11th 2011. The research paper should explore a topic within economic sociology and the final draft should be suitable for submission to a peer-reviewed journal within economics or sociology. It will be impossible to receive a high mark in this class without participating in online and class discussions and writing a high quality paper.

Course Outline

Class #1. *Introductions*

Class #2. *The economics of the market: the market process (93 pages)*

- * Hayek, F.A. 1945. "The Use of Knowledge in Society," *The American Economic Review*, Vol. 35, No. 4, pp. 519-530.
- * Kirzner, Israel 1992. *The Meaning of the Market Process*, ch. 2 (pp. 38-54)
- * Mises, Ludwig von. 1949. [*Human Action*](#), ch. 15 [sects. 1 - 5, 11, 12] (pp. 257-279, 311-319).
- * Smith, Adam [1776] 1976. [*An Inquiry into the Nature and Causes of the Wealth of Nations*](#), ch. 1-3 (pp. 1-36).

Class #3. *The economics of the market: the market order (83 pages)*

- * Hayek, F.A. 1976. *Law, Legislation and Liberty, Vol. 1: Rules and Order*, ch. 2 (pp. 35-54).
- * Hayek, F.A. 1976. *Law, Legislation and Liberty, Vol. 2: The Mirage of Social Justice*, ch. 10 (pp. 107-132).
- * Kirzner, Israel 1963. [*Market Theory and the Price System*](#), ch. 2 (pp. 13-32).
- * Schumpeter, Joseph A. 1942. *Capitalism, Socialism and Democracy*, ch. 6 and 7 (pp. 72-87).
- * Weber, Max [1968] 1978. *Economy & Society*, ch. 7 (pp. 635-640).

Class #4. *The economics of the market: rationality & economic action (117 pages)*

- * Mises, Ludwig von. 1949. [*Human Action*](#), ch. 1 (pp. 11-29).
- * Sen, Amartya K. 1977. "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory," *Philosophy and Public Affairs*, Vol. 6, No. 4, pp. 317-344.
- * Simon, Herbert A. 1979. "Rational Decision Making in Business Organizations," *The American Economic Review*, Vol. 69, No. 4, pp. 493-513.
- * Smith, Vernon L. 2003. "Constructivist and Ecological Rationality in Economics," *The American Economic Review*, Vol. 93, No. 3, pp. 465-508.
- * Williamson, Oliver E. 1973. "Markets and Hierarchies: Some Elementary Considerations," *The American Economic Review*, Vol. 63, No. 2, pp. 316-325.

Class #5. *The sociology of the market: embeddedness and the social construction of the market (101 pages)*

- * Boettke, Peter J. and Virgil Henry Storr 2002. "[*Post Classical Political Economy: Polity, Society and Economy in Weber, Mises and Hayek*](#)," *American Journal of Economics and Sociology*, Vol. 61, No. 1, pp. 161-191.
- * Lie, John 1997. "Sociology of Markets," *Annual Review of Sociology*, Vol. 23, pp. 341-360.

* Granovetter, Mark 1985. "[Economic Action and Social Structure: The Problem of Embeddedness](#)," *American Journal of Sociology*, Vol. 91, pp. 481-510.

* Storr, Virgil Henry 2010. "[The Social Construction of the Market](#)," *Society*, Vol. 47, No. 3, pp. 200-206.

* Swedberg, Richard 1994. "[Markets as Social Structures](#)," in *Handbook of Economic Sociology* eds. Neil Smelser and Richard Swedberg (New York and Princeton: Russell Sage Foundation and Princeton University Press) pp. 255-282.

Class #6. *The sociology of the market: social capital (119 pages)*

* Coleman, James S. 1988. "Social Capital in the Creation of Human Capital," *American Journal of Sociology*, Vol. 94, pp. S95-S120

* Coleman, James S. 1988. "Free Riders and Zealots: The Role of Social Networks," *Sociological Theory*, Vol. 6, No. 1, pp. 52-57.

* Portes, Alejandro 1998. "Social Capital: Its Origins and Applications in Modern Sociology," *Annual Review of Sociology*, Vol. 24, pp. 1-24.

* Portes, Alejandro and Julia Sensenbrenner 1993. "Embeddedness and Immigration: Notes on the Social Determinants of Economic Action," *American Journal of Sociology*, Vol. 98, No.6, pp. 1320-1360.

* Portes, Alejandro 2000. "The Two Meanings of Social Capital," *Sociological Forum*, Vol. 15, No. 1, pp. 1-12.

* Putnam, Robert D. 1995. "Bowling Alone: America's Declining Social Capital," *Journal of Democracy*, Vol. 6, No. 1, pp. 65-78.

Class #7. *The sociology of the market: structural holes and the strength of weak ties (101 pages)*

* Burt, Ronald S. 2004. "Structural Holes and Good Ideas," *American Journal of Sociology*, Vol. 110, No. 2, pp. 349-399.

* Granovetter, Mark 1973. "[Strength of Weak Ties](#)," *American Journal of Sociology*, Vol. 78, pp. 1360-1380.

* Granovetter, Mark 1983. "The Strength of Weak Ties: A Network Theory Revisited," *Sociological Theory*, Vol. 1, pp. 201-233.

* Granovetter, Mark 2005. "[The Impact of Social Structure on Economic Outcomes](#)," *Journal of Economic Perspectives*, Vol. 19, No. 1, pp. 33-50.

Class #8. *The economic sociology of work and workplaces (127 pages)*

* Abbott, Andrew 1993. "The Sociology of Work and Occupations," *Annual Review of Sociology*, Vol. 19, pp. 187-209.

* Coase, Ronald 1937. "The nature of the firm," *Economica*, Vol. 4, No. 16, pp. 386-405.

* DiMaggio, Paul J. and Walter W. Powell 1983. "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields," *American Sociological Review*, Vol. 48, No. 2, pp. 147-160.

* Granovetter, Mark 1992. "Economic Institutions as Social Constructions: A Framework for Analysis," *Acta Sociologica*, Vol. 35, No. 1, pp. 3-11.

* Lin, Nan, and Mary Dumin 1986. "Access to Occupations through Social Ties," *Social Networks*, Vol. 8, pp. 365-385.

* Storr, Virgil Henry 2008. "[The Market as a Social Space: On the Meaningful Extra-economic Conversations that Occur in Markets](#)," *The Review of Austrian Economics*, Vol. 21, No. 2/3, pp. 135-150.

* White, Harrison C. 1981. "Where Do Markets Come From?" *The American Journal of Sociology*, Vol. 87, No. 3, pp. 517-547.

Class #9. *The economic sociology of economic culture: "the spirit of capitalism" (126 pages)*

* Dickson, Tony and Hugh V. McLachlan 1989. "In Search of 'the Spirit of Capitalism': Weber's Misinterpretation of Franklin," *Sociology*, Vol. 23, pp. 81-89.

* Nee, Victor 1998. "Norms and Networks in Economic and Organizational Performance," *American Economic Review*, Vol. 87, No. 4, pp. 85-89.

* Storr, Virgil Henry 2006. "[Weber's Spirit of Capitalism and the Bahamas' Junkanoo Ethic](#)," *The Review of Austrian Economics*, Vol. 19, No. 4, pp. 289 – 309.

* Storr, Virgil Henry 2009. "[Schutz on Meaning and Culture](#)," *The Review of Austrian Economics*, Vol. 23, No. 2, pp. 147-163.

* Swedberg, Richard 2002. "The Economic Sociology of Capitalism: Weber and Schumpeter," *Journal of Classical Sociology*, Vol. 2, No. 3, pp. 227-255.

* Weber, Max 1930. *The Protestant Ethic and the Spirit of Capitalism*, ch. 2 (pp. 47-78).

* Zelizer, Viviana A. 1978. "Human Values and the Market: The Case of Life Insurance and Death in 19th-Century America," *The American Journal of Sociology*, Vol. 84, No. 3, pp. 591-610.

Class #10. *The economic sociology of economic development (124 pages)*

* Boettke, Peter, Christopher Coyne and Peter Leeson 2008. "[Institutional Stickiness and the New Development Economics](#)," *American Journal of Economics and Sociology*, Vol. 67, No. 2, pp. 331-358.

* Chamlee-Wright, Emily 1993. "[Indigenous African Institutions and Economic Development](#)," *The Cato Journal*, Vol. 13, No. 1, pp. 79-99.

* Chamlee-Wright, Emily 2005. "['Bottom Up' Development Strategies in Zimbabwe](#)," *The Review of Austrian Economics*, Vol. 18, No.1, pp. 5-28.

* Evans, Peter 2004. "Development as Institutional Change: The Pitfalls of Monocropping and Potentials of Deliberation," *Studies in Comparative International Development*, Vol. 38, No. 4, pp. 30-53.

* Evans, Peter and James Rauch 1999. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structures on Economic Growth," *American Sociological Review*, Vol. 64, No. 5, pp. 748-765.

* Woolcock, Michael and Deepa Narayan 2000. "Social Capital: Implications for Development Theory, Research, and Policy," *World Bank Research Observer*, Vol. 15, No. 2, pp. 225-249.

Class #11. *The economic sociology of informal trade and alternative economic systems (136 pages)*

* Biggart, Nicole and Mauro Guillen 1999. "Developing Difference: Social Organization and the Rise of the Auto Industries of South Korea, Taiwan, Spain and Argentina," *American Sociological Review*, Vol. 64, No. 5, pp. 722-747.

* Carruthers, Bruce G. and Laura Ariovich 2004. "The Sociology of Property Rights," *Annual Review of Sociology*, Vol. 30, pp. 23-46.

* Geertz, Clifford 1978. "The Bazaar Economy: Information and Search in Peasant Marketing," *The American Economic Review*, Vol. 68, No. 2, pp. 28-32.

* King, Brayden G. and Nicholas A. Pearce 2010, "The Contentiousness of Markets: Politics, Social Movements, and Institutional Change in Markets," *Annual Review of Sociology*, Vol. 36, pp. 249-267.

* Leeson, Peter 2007. "[Trading with bandits](#)," *Journal of Law and Economics*, Vol. 50, pp. 303 – 321.

* Nee, Victor 1989. "A Theory of Market Transition: From Redistribution to Markets in State Socialism," *American Sociological Review*, Vol. 54, pp. 663-681.

* Portes, Alejandro and Saskia Sassen 1987. "Making it Underground: Comparative Materials on the Informal Sector in Western Market Economics," *American Journal of Sociology*, Vol. 98, pp. 1320-1350.

Class #12. *Student Presentations (abstracts and introductions to be circulated on April 24th).*

Note: We will not have class on April 13th or May 4th. Please use these periods to work on your research papers.