

Sociology 566
Economic Sociology
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Fall 1998

ECONOMY AND ORGANIZATION

This is a graduate-level course in economic sociology. It also doubles as a core course for the sociology of organization. At first glance, it would seem that economic sociology and the sociology of organizations should constitute separate subfields, but until this year, economic sociology was included in the organization section of the American Sociological Association. This overlap between economic sociology and organization is no accident, but rather results from the significant restructuring of one of the theoretical cores of social science, namely the development of "institutionalism" and "institutional analysis." This inter-disciplinary movement has a number of variants, but one of the most significant is found in the "new institutionalism in organizational analysis." Economic sociology is the main site where variants of the new institutionalism confront one another. Indeed, the growing importance of economic sociology in the past decade has helped to revitalize organization theory. Starting next year, the ASA will recognize economic sociology as one of its authorized subfields, but I know for a fact that the linkages between economic sociology and organizational analysis will be stronger than ever.

This seminar is designed primarily as a reading course. The main purpose of the course will be for you to understand the assigned readings and to be able to discuss their main themes with some proficiency. All class members will be responsible for reading and discussing these assignments. I will lead the class discussion and will call each week on people in the class for summaries of the readings and for their evaluations. Therefore, it is important to do the readings and to concentrate on understanding the main topics for each week's discussion.

In addition to classroom participation, I will ask each of you to write a short paper, about 10 to 15 pages long on a topic of your choice. Please clear the topic with me though.

WEEK ONE (OCTOBER 5). WHERE DOES SOCIAL AND ECONOMIC ORGANIZATION COME FROM?: SOME CLASSIC FORMULATIONS

Topics for the week:

A discussion of the foundational perspectives with particular reference to the distinction between social and formal organization and between social and economic organization. Thinking about "the great transformation" and the birth of sociology.

Required reading:

Neil J. Smelser and Richard Swedberg, Chapter One, "The Sociological Perspective on the Economy" Handbook of Economic Sociology
Richard Swedberg and Mark Granovetter, "Introduction" in The Sociology of Economic Life (Reader)

Victor Nee, 1998. "Sources of the New Institutionalism." In The New Institutional in Sociology, edited by Mary C. Brinton and Victor Nee. New York: Russell Sage.

Karl Marx, The Preface to the First Edition of Capital
Adam Smith, Selection from The Wealth of Nations

Questions to ponder:

Do economic actions differ from any other form of action? Do economic organizations differ from any other form of organization? How do the different theoretical perspectives account for the emergence of social and economic organization?

WEEK TWO. (OCTOBER 12) THE NEW INSTITUTIONALISM IN ECONOMICS

Topics for the week.

What is the economic nature of economic activity and economic organization? Should sociologists consider economic rationality as an important topic?

Required reading:

- Ronald Coase. 1937. "The Nature of the Firm." Economica 4: 386-405.
Ronald Coase. 1998. "The New Institutional Economics" Proceeding for the American Economics Association, May: 72-74.
Oliver Williamson, Handbook of Economic Sociology, Chapter 4
Oliver Williamson, 1998. "The Institutions of Governance." Proceedings of The American Economics Association, May: 75-79
Avner Greif. 1998. "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies." In The New Institutional in Sociology, edited by Mary C. Brinton and Victor Nee. New York: Russell Sage.
Avner Greif. 1998. "Historical and Comarative Institutional Analysis." Proceeding for the American Economics Association, May: 80-84.

Optional:

- Review the thesis of Alfred Chandler's Visible Hand: The Managerial Revolution in American Business.
Douglas North. 1998. "Economic Performance Through Time." . In The New Institutional in Sociology, edited by Mary C. Brinton and Victor Nee. New York: Russell Sage.

Questions to ponder:

What does economic rationality mean? Are economic models and economic perspectives inherently anti-sociological?

PLEASE NOTE: THERE WILL BE NO CLASS ON OCTOBER 19TH

WEEK THREE. (OCTOBER 26) THE CONCEPTUALIZATION OF DOMINATION IN MODERN SOCIETY

Topics for the week:

What is the nature of social control in modern Western society? A reconsideration of Weber's concept of legal-rational domination and bureaucratic organization. The organizational paradigm. The role of politics and the state. All this in relation to the economy.

Required Reading:

- Max Weber, "Politics as a Vocation" (Reader)
Max Weber, Economy and Society, pp. 941-955 (Reader)
Stephen Kalberg. "Max Weber's Types of Rationality: Cornerstones for the Analysis of Rational Processes in History." AJS 85 3:1145-79.
Hamilton. "Civilizations and the Organization of Economies," Handbook of Economic Sociology, Chapter 8

Questions to ponder:

How are justifications and institutions of power and control (i.e., domination) related to patterns of social organization? What is the distinction between economic domination and authority? What is the role of the state in social and economic organization? Is there a distinction between the state (political authority) and domination?

WEEK FOUR. (NOVEMBER 2) EMBEDDEDNESS

Topics of the week:

The concept of embeddedness. The influence of social organization on both economic and authoritative organizations.

Required reading:

Mark Granovetter. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." American Journal of Sociology 91:481-510. (Reader)

Mark Granovetter. 1992. "Problems of Explanation in Economic Sociology." In Networks and Organizations, Structure, Form, and Action, edited by Nitin Nohria and Robert G. Eccles. Cambridge, Mass.: Harvard Business School Press.

Richard Swedberg. 1997. "New Economic Sociology: What Has Been Accomplished, What Is Ahead?" Acta Sociologica 40:161-182.

Brian Uzzi. 1996. "The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: The Network Effect." American Sociological Review 61,4 (August): 674-698. (Reader)

Optional:

Karl Polanyi, "The Economy as Instituted Process" (Reader)

Sharon Zukin and Paul DiMaggio, "Introduction," in Structures of Capital, The Social Organization of the Economy (Reader)

Questions to ponder:

What do these authors mean by embeddedness? Is it the same meaning? What is embedded in what and with what consequence? How general is the concept of embeddedness?

WEEK FIVE. (NOVEMBER 9) DEEP STRUCTURE AND SOCIAL REPRODUCTION

Topics of the week:

Understanding social continuity and social change. A discussion of organizational logics and the meaning of culture.

Required readings:

Clifford Geertz, Peddlers and Princes: Social Development and Economic Change in Two Indonesian Towns.

Roger Friedland and Robert R. Alford, "Bringing Society Back In: Symbols, Practices, and Institutional Contradictions." In The New Institutional in Organizational Analysis, edited by Walter W. Powell and Paul J. DiMaggio. Chicago: University of Chicago Press. (In Reader)

Paul DiMaggio, "Culture and Economy," Handbook of Economic Sociology.

Questions to ponder:

What do we mean by social change? How should we conceptualize "tradition" and continuity? What do we mean by "deep structure"? Is culture a fruitful concept for sociological analysis?

WEEK SIX. (NOVEMBER 16) NETWORKS: CONSEQUENCES OF WORK PROCESS OR EMBEDDEDNESS?

Topics of the week:

Network, a new buzz word? A useful concept? A fruitful methodology? All or none? Work process explanations.

Required readings:

Walter Powell and Laurel Smith-Doerr. "Networks and Economic Life."

The Handbook of Economic Sociology

Ronald Burt. "The Social Structure of Competition" (Reader)

Mustafa Emirbayer and Jeff Goodwin. "Network Analysis, Culture, and the Problem of Agency." American Journal of Sociology 99:1411-54.

Nitin Nohria. 1992. "Is a Network Perspective a Useful Way of Studying Organizations." In Networks and Organizations, Structure, Form, and Action, edited by Nitin Nohria and Robert G. Eccles. Cambridge, Mass.: Harvard Business School Press.

Mark S. Mizruchi. 1994. "Social Network Analysis: Recent Achievements and Current Controversies." Acta Sociologica 37:329-343.

Questions to ponder:

Is the concept of networks a useful way to conceptualize embeddedness? What is a network? Do networks differ from place to place and time to time? Does it make sense to view social organization as a form of relational network?

WEEK SEVEN (NOVEMBER 23) THE NEW INSTITUTIONALISM IN ORGANIZATIONAL ANALYSIS

Topics of the week:

The institutional environment. What is an institution? What is an environment? The vision of a society of organizations and the sociology of an organizational society. Weber and the institutionalists.

Required reading:

W. Richard Scott. 1995. Institutions and Organizations. Thousand Hills: Sage Publications.

John Meyer and Brian Rowan. 1977 "Institutionalized Organizations: Formal Structure as a Myth and Ceremony." American Journal of Sociology 83:340-362 (Reader).

Paul DiMaggio and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." American Sociological Review 48: 147-160 (Reader).

Paul DiMaggio. 1998. "The New Institutionalism: Avenues of Collaboration." Journal of Institutional and Theoretical Economics, Vol. 154, in press.

Questions to ponder:

How does an institutional approach alter an embedded or a work process interpretation of economic and social organization? How are "the individual" and "self-control" conceptualized in institutional theory? How is power and domination conceptualized? Does institutional theory mark an unwitting return to theories of social organization?

WEEK EIGHT. (NOVEMBER 30) ECONOMIC PROCESSES AND THE ORGANIZATION OF SOCIETY

Topics of the week:

The organization of work and the organization of the economy. The relationship between economic processes and economic organization.

Required Reading:

Gary Gereffi, "The International Economy and Economic Development," The Handbook of Economic Sociology
Gary Hamilton and Robert Feenstrat, 1998. "The Organization of Economies." In The New Institutional in Sociology, edited by Mary C. Brinton and Victor Nee. New York: Russell Sage.
Gary Gereffi and Gary Hamilton, "Commodity Chains and Embedded Networks. The Organization of Global Capitalism" Unpublished manuscript.

Questions to ponder:

What are networks? How do economic processes create organization?
How does social organization shape economic processes?

WEEK NINE. (DECEMBER 7) WORK WORLDS, PRODUCT WORLDS, AND THE ORGANIZATION OF DEMAND

Topics of the week:

The conceptualization of social life in which both economic and authoritative organizations are included. Social worlds. The social construction of work processes.

Required reading:

Howard Becker, 1985. "The Power of Inertia." Qualitative Sociology 18,3: 301-309. (Reader)
Adele Clarke. 1991. "Social Worlds/Arenas Theory as Organizational Theory." Pp 119-158 in Social Organization and Social Process: Essays in Honor of Anselm Strauss, edited by David R. Maines. New York: Aldine de Gruyter. (Reader)
Anselm L. Strauss 1982. "Social Worlds and Legitimation Processes." Pp. 171-190 in Studies of Symbolic Interaction, Volume 4, edited by Norman Denzin. Greenwich, CT: JAI Press. (Reader)
An additional reading to be announced.

(Not required but you might want to take a look at one of the best examples of this kind of analysis.) Howard Becker. 1982. Art Worlds. Berkeley: University of California Press.

Questions to ponder:

How do we set boundaries for our analysis? Does conceptualizing organizations in terms of work worlds helps or hinders the way we analyze organizational settings.

WEEK TEN. (TO BE SCHEDULED) THE SOCIAL CONSTRUCTION OF ECONOMIC ACTIVITY

Topics of the week:

Bringing the pieces together: Institutions, social worlds, networks, embeddedness, work process, authority and norms, and economic exchange.

Required readings:

The class will divide these readings. One half of the class will read one book and one half the other.

Mitchel Abolafia. 1997. Making Markets: Opportunism and Restraint on Wall Street. Cambridge, Mass.: Harvard University Press.

Nicole Biggart. 1989. Charismatic Capitalism. Chicago: Chicago University Press.

Questions to ponder:

What is the difference between economic sociology and the sociology of organizations? What is the distinction between economic sociology and general sociology?