

## UNIVERSITY OF MICHIGAN

Sociology 315  
Economic Sociology  
Mark S. Mizruchi  
Winter 2009

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Economic sociology is concerned with the social bases of economic behavior, and the relations among business organizations, economic institutions, and the larger society. It is one of the most vibrant and fastest-growing areas of sociology. Some of the most interesting work in the social sciences is being done by sociologists and economists at the intersection of the two fields. One goal of this course is to work toward developing a systematic conception of the field.

We begin the course with a discussion of the differences between sociological and economic approaches, followed by samples from the classic works of Adam Smith, Karl Polanyi, Marx, and Weber. We then discuss the rise of the large corporation, focusing on both economic and sociological accounts. Following this unit, we move progressively from the internal workings of the firm toward macro-level discussions of the relation between business and society. Topics covered include issues of corporate control, the social meaning of money, production and financial markets, mergers and divestitures, globalization, and fundamental questions about the distribution of income and wealth.

Our focus will be on the scholarly literature within each of these topics. Much of this reading will be difficult, but all of it should be rewarding. Students will be expected to complete the readings and be prepared to discuss them in class and/or section. The requirements for the course include a short paper (18 percent of the final grade), midterm and final examinations (36 percent each), various short assignments, and class participation (10 percent). The purpose of the sections is to provide an opportunity for increased discussion, as well as more detailed attention to the readings. The required readings for the course will come from two books, which are available for purchase at the Shaman Drum Bookstore at 313 South State Street; a coursepack, assembled by Dollar Bill Copying and available at the store, 611 Church Street, just below South University; and a few items on the class Ctools site.

**Books Available for Purchase** (purchase strongly recommended):

Granovetter, Mark and Richard Swedberg (eds.), *The Sociology of Economic Life* (second edition)

Frank, Robert H. and Philip J. Cook, *The Winner-Take-All Society*

**COURSE OUTLINE** (Topics associated with particular dates are approximate and are subject to change. Unless otherwise noted, readings not from the books are in the coursepack.)

**January 8: Introduction to the Course****January 13: Sociological vs. Economic Approaches**

Reading: Richard Swedberg and Mark Granovetter, "Introduction to the Second Edition" pp. 1-19 in Granovetter and Swedberg.

**January 15, 20, 22, 27: Classical Writings on the Economy**

Readings: Adam Smith, *The Wealth of Nations*, vol. 1, pp. 5-19; Karl Polanyi, *The Great Transformation*, pp. 43-67; Karl Marx and Frederick Engels, "Manifesto of the Communist Party," in Robert C. Tucker (ed.), *The Marx-Engels Reader*, pp. 335-353, 361-362; Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, pp. 166-183.

**January 29: The Rise of the Large Corporation**

Readings: Alfred D. Chandler, Jr., *The Visible Hand*, pp. 1-12; Richard B. Du Boff and Edward S. Herman, "Alfred Chandler's New Business History: A Review," *Politics and Society*, 1980:87-110 (on Ctools site).

**February 3: Transaction Cost Economics**

Reading: Oliver E. Williamson, *The Economic Institutions of Capitalism*, pp. 43-63.

**February 5, 10, 12: Sociological Alternatives to Transaction Cost Economics**

Readings: Charles Perrow, "Markets, Hierarchies and Hegemony," pp. 371-386 in Andrew H. Van de Ven and William F. Joyce (eds.), *Perspectives on Organization Design and Behavior*; William McKinley, Carol M. Sanchez, and Allen G. Schick, "Organizational Downsizing: Constraining, Cloning, Learning," *Academy of Management Executive*, August, 1995 (on Ctools site); Rakesh Khurana, "The Curse of the

Superstar CEO,” *Harvard Business Review*, September 2002; Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness,” pp. 51-76 in Granovetter and Swedberg; Brian Uzzi, “Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness,” pp. 207-219, in Granovetter and Swedberg.  
 Recommended: Frank Dobbin, "Why the Economy Reflects the Polity: Early Rail Policy in Britain, France, and the United States," pp. 401-424 in Granovetter and Swedberg.

**February 17: Review; Midterm Examination Distributed**

**February 19: Midterm Examination in Progress; no class**

**March 3: Inside the Firm**

Reading: Rosabeth M. Kanter, *Men and Women of the Corporation*, pp. 186-221, 237-242 (on Ctools site).

**March 5: A Sociological Theory of Markets**

Readings: Joel M. Podolny, *Status Signals*, Chapter 1; Neil Fligstein, “Markets as Politics: A Political-Cultural Approach to Market Institutions,” *American Sociological Review*, August 1996, pp. 656-663 (on Ctools site); Douglas Century, “Jay-Z Puts a Cap on Cristal,” *New York Times*, July 2, 2006 (on Ctools site).

**March 10, 12: Labor Markets**

Readings: Mark Granovetter, *Getting A Job*, pp. 3-22, 41-50; Paula England and Dana Dunn, “Evaluating Work and Comparable Worth,” *Annual Review of Sociology*, 1988 (on Ctools site). Recommended: William P. Bridges and Robert L. Nelson, "Economic and Sociological Approaches to Gender Inequality in Pay," pp. 163-190 in Granovetter and Swedberg.

**March 17, 19: Who Controls the Corporation?**

Readings: Mark S. Mizruchi, “Berle and Means Revisited: The Governance and Power of Large U.S. Corporations,” *Theory and Society*, October 2004 (on Ctools site); Michael Useem, *Investor Capitalism*, pp. 1-7, 15-37.

**March 24, 26: Money and Financial Markets**

Readings: Viviana A. Zelizer, "Human Values and the Market," pp. 146-162 in Granovetter and Swedberg; Robert J. Shiller, *Irrational Exuberance*, Chapter 1; Linda Brewster Stearns and D. Allan, "Economic Behavior in Institutional Environments: The Corporate Merger Wave of the 1980s," *American Sociological Review*, August 1996 (on Ctools site).

### **March 31, April 2: The Current Crisis**

Readings: Gerald F. Davis, *Portfolio Society*, Chapter 6 (on Ctools site); other topical readings (TBA).

### **April 7: Globalization**

Readings: David Stark, "Recombinant Property in East European Capitalism," pp. 479-506 in Granovetter and Swedberg; Anthony Giddens, *Runaway World*, pp. 24-37; Joseph E. Stiglitz, "What I Learned at the World Economic Crisis," *The New Republic*, April 17, 2000 (on the Ctools site).

### **April 9: Corporate Social Responsibility**

Readings: Daniel Bell, "The Subordination of the Corporation in the Coming Post-Industrial Society," in Maurice Zeitlin (ed.), *American Society, Inc.*, pp. 221-229; Milton Friedman, "The Social Responsibility of Business is to Increase its Profits," *New York Times Magazine*, Sept., 13, 1970; both readings are on the Ctools site.

### **April 14: Business and Politics**

Readings: Dan Clawson, Alan Neustadt, and Denise Scott, *Money Talks*, pp. 1-26.

### **April 16, 21: The Distribution of Income and Wealth**

Readings: Kingsley Davis and Wilbert E. Moore, "Some Principles of Stratification," pp. 47-53 in Reinhard Bendix and Seymour Martin Lipset (eds.), *Class, Status, and Power*, second edition, 1966; Frank and Cook, *The Winner-Take-All Society*, Chapters 1-3, 6, 8, 11.

### **April 21: Final examination distributed**