

Учебные программы

VR Мы размещаем учебную программу *Пола Димаджио* «Экономическая социология». Профессор Димаджио – один из самых известных людей в экономической социологии. Это специалист потрясающе широкого диапазона. Он известен работами по социологии организаций и новому институционализму, экономической социологии культуры и когнитивной социологии. Его программа заслуживает самого пристального внимания.

ECONOMIC SOCIOLOGY¹

Paul DiMaggio

Department of Sociology

2-N-2 Green Hall

Princeton University

Email: dimaggio@princeton.edu

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Objective. The objective of this mini-seminar is to introduce major themes and some major works in economic sociology, and thus to provide an overview for the curious and a platform from which the student who may wish to take comprehensives or teach a course in this area can pursue the topic independently.

Focus. Because this is a mini-seminar, the reading list is highly selective. (A list of supplementary readings will be provided when the seminar meets for those who wish to pursue certain themes further.) Three consequential curricular decision:

- 1) I have chosen to emphasize major contemporary issues and debates, at the cost of excluding the rich classical literature in sociology, political economy, and economics. (One could build an entire course around economic sociologies of Marx, Weber, Simmel, Veblen, Pareto, Commons, Parsons and Schumpeter, none of whom receive much attention below.)
- 2) Because scarcity and choice enter into everything that social scientists study, there is an arbitrary element in defining the subject matter of this emerging «subfield». I have largely omitted certain areas of sociology that, while dealing with economic themes and influenced by work in economics, are well-established subfields in their own right and therefore covered by other parts of the Department's curriculum (e.g., the sociology of labor markets, organizational sociology, and the sociology of the family). Instead I have emphasized those areas that are most clearly economic sociology's «home turf», and where sociological work highlights the contrast between economic and sociological ways of seeing: the sociology of exchange (more broadly, economic behavior); and the sociology of markets (more broadly, economic institutions).
- 3) Most, though far from all, of the readings are by sociologists. This is an interdisciplinary field, however, and, were the course longer, there would be more by economists, psychologists, anthropologists and political scientists.

The first week's readings provide an overview of the field, key themes within it, and a few major works. The next two weeks explore orientations to exchange, both the debate over the nature and limits of rational choice, on the one hand, and work on the prominent topic of the social «embeddedness» of economic behavior. The two weeks that follow address economic

¹ <http://www.princeton.edu/~sociolog/grad/courses/fall1996/soc520p.html>

institutions: first, institutional prerequisites of markets and, second, studies of markets as concrete organizational forms. The seminar's final week takes on a topic that connects individuals and the institutions and without which exchange is impossible: trust, its origins, its distribution, and effects.

Requirements. The course is a seminar. Students are expected to do the reading thoroughly *in advance* of the class meeting for which it is assigned and to participate actively in class meetings. Emphasis is on mastering and responding critically and creatively to the seminar's material. No term paper or research project is required.

There are three kinds of readings. *Required readings* represent the minimum necessary for participating in the seminar. I hope that most of you will choose to read at least some *recommended readings* for each week (smaller type), as well, for they are of high quality and cover significant themes that the required readings do not. Students who enroll in or audit regularly the seminar will also receive a set of *supplementary readings* for each week. These are primarily intended as resources for students who wish to pursue further studies in this field.

In addition to reading and participation, two other kinds of work are required:

- a) each student will prepare memoranda of 2-4 pages on the readings *prior to* at least three of the weekly meetings. Memoranda should be regarded as writing and thinking exercises, *not* as finished products. Use them to engage each week's materials and respond with questions, criticisms and new ideas that they suggest. Memoranda should be used to develop ideas informally over time and to put into words impressions that seem worth developing. Because I will read them each week, they also provide an opportunity to receive individualized feedback.
- b) for each of weeks 2-5, two students will prepare brief presentations
- c) student will prepare a «lead memo» (2-4 pp., to be in the seminar box by 5pm Monday evening and read by everyone before class), describing the major themes of the week's readings and identifying major unresolved issues in the form of a list of questions for discussion.
- d) A second student will prepare a «research memo» (2-4 pp., by 5pm previous Monday in seminar box) which can be one of two things: a brief account of an outstanding problem from the readings and a preliminary design of a study to solve it; OR a memo introducing and describing an existing data set relevant to the week's readings and suggesting some possible uses. (The directories from ICPSR and a comparable directory from the Netherlands, as well as resources at the Social Science Research Center data library at Firestone, can be used to identify likely data sets.)

Enrollment is open to any graduate student in Sociology, any other social-science department or the Woodrow Wilson school. No background in economics is required.

Readings

Week 1: Introduction to Economic Sociology

Required: The required readings provide both overview and a sample of directions in which economic sociologists have wandered. Smelser and Swedberg's introductory chapter to their *Handbook* provides a fine overview of the field. Granovetter's classic manifesto, originally entitled «On the Social Embeddedness of Economic Action», asserts the need to situate economic behavior in its social context. Zelizer's fine essay challenges persuasively conventional claims that markets inexorably subordinate every aspect of human existence and develops a related agenda. Baron and Hannan skeptically interpret the impact of economics on sociology for an audience of economists.

- Smelser, Neil and Richard Swedberg. The Sociological Perspective on the Economy, in: Smelser, Neil and Richard Swedberg (eds.) *Handbook of Economic Sociology*. N.Y.: Russell Sage Foundation, 1994. P. 3-26.
- Granovetter, Mark. Economic Action and Social Structure: The Problem of Embeddedness, *American Journal of Sociology* (1985). Vol. 91. P. 481-510. Also in: Granovetter, Mark and Richard Swedberg (eds.) *The Sociology of Economic Life*. Boulder, Col.: Westview Press, 1992. P. 53-84.
- Zelizer, Viviana A. Beyond the Polemics of the Market: Establishing a Theoretical and Empirical Agenda, *Sociological Forum* (1988). Vol. 3. P. 614-34.
- Baron, James and Michael T. Hannan. The Impact of Economics on Contemporary Sociology, *Journal of Economic Literature* (1994). Vol. 32. P. 1111-46.

Recommended: Beckert argues that a distinctive view of uncertainty is at the core of the difference between economics and economic sociology. Etzioni's essay provides a different research agenda and critique of economic reasoning than those in the required readings. Hirsch et al. give a quasi-ethnographic overview of stylistic and cultural differences between (stylized versions of) economics and sociology. Economist Pollack and sociologist/demographer Watkins discuss similar issues in the context of a particular substantive area. Sociologists Lindenberg and economist Frey expand the notion of rational choice to incorporate significant sociological concepts. Block raises questions about categories economists use to analyze macro-economic behavior. Sen, an accomplished economist, raises fundamental questions about the psychological foundations of *homo economicus*.

- Beckert, Jens. What is Sociological About Economic Sociology? *Theory and Society* (1996).
- Etzioni, Amitai. Opening the Preferences: A Socio-Economic Research Agenda, *Journal of Behavioral Economics* (1985). Vol. 14. P. 183-205.
- DiMaggio, Paul. Culture and Economy, in: Smelser, Neil and Richard Swedberg (eds.) *Handbook of Economic Sociology*. P. 27-57.
- Hirsch, Paul, Stuart Michaels and Ray Friedman. Clean Models vs. Dirty Hands: Why Economics is Different from Sociology, in: Zukin, Sharon and Paul DiMaggio (eds.) *Structures of Capital: The Social Organization of the Economy*. P. 39-56. Also in *Theory and Society* (1986). Vol. 15, special double issue on economic sociology.
- Block, Block. Political Choice and the Multiple 'Logics' of Capital, in: Zukin, Sharon and Paul DiMaggio (eds.) *Structures of Capital: The Social Organization of the Economy*. N.Y.: Cambridge University Press, 1990. P. 293-310. Also in *Theory and Society* (1986). Vol. 15, special double issue on economic sociology.
- Lindenberg, Siegwart and Bruno S. Frey. Alternatives, Frames, and Relative Prices: A Broader View of Rational Choice Theory, *Acta Sociologica* (1993). Vol. 36. P. 191-205.
- Polanyi, Karl. The Economy as Instituted Process, in: Granovetter, Mark and Richard Swedberg (eds.) *The Sociology of Economic Life*. P. 29-52.
- Pollack, Robert A. and Susan Cotts Watkins. Cultural and Economic Approaches to Fertility: A Proper Marriage or a *Mésalliance*? *Population and Development Quarterly* (1993).
- Sen, Amartya. Rational Fools: A Critique of the Behavioral Foundations of Economic Theory, *Philosophy and Public Affairs* (1977). Vol. 6. P. 317-44.

Week 2: Orientations to Exchange

Required: A fundamental tenet of economic sociology is that orientations to exchange vary both between and within cultures. By orientations to exchange, I refer to the extent to which individuals behave like *homo economicus* (that rational, self-interested, optimizer) or, to put it another way, the extent to which people behave as if they have no role relations that constrain their pursuit of personal gratification. In an essay originally entitled «Patching Up the Rational Model». Geertz writes a bout a system of exchange governed by customs and norms quite different from our own. Kahneman (Princeton Psychology) demonstrates that widespread norms of fairness cause popular economic judgments to deviate wildly from the dictates of rationality. Miller and Ratner, also Princeton psychologists, ask, not, «are people rational», but rather, «what difference does it make that people *think* people are rational». Sears and Funk, two political scientists, summarize an important research program that demonstrates that rather narrow limits within which economic self-interest dominates political opinions and voting behavior. Wuthnow's chapter (from a longer book) focusses on the meaning that people attribute to economic action and the role of such action in their lives.

- Etzioni, Amitai. *The Moral Dimension: Towards a New Economics*. N.Y.: The Free Press, 1988. Chs. 8-11 (P. 136-98).
- Geertz, Clifford. The Bazaar Economy: Information and Search in Peasant Marketing, in: Granovetter, Mark and Richard Swedberg (eds.) *The Sociology of Economic Life*. P. 225-32. Also in: *American Economic Review* (1978). Vol. 68. P. 28-32.
- Kahneman, Daniel, Jack L. Knetsch and Richard Thaler. Fairness as a Constraint on Profit Seeking: Entitlements in the Market, *American Economic Review* (1986). Vol. 76. P. 728-41.
- Miller, Dale T. and Rebecca K. Ratner. The Power of the Myth of Self-Interest, in: Montada, L. and M.J. Lerner (eds.) *Current Societal Issues in Justice*. N.Y.: Plenum Press, 1996.
- Sears David, O. and Carolyn L. Funk. Self-Interest in Americans' Political Opinions, in: Mansbridge, Jane J. (ed.) *Beyond Self-Interest*. Chicago: University of Chicago Press, 1990. P. 147-70.
- Wuthnow, Robert. Getting and Spending, in his: *Poor Richard's Principle*. Princeton: Princeton University Press, 1996. P. 168-205.

Recommended: You really should read Lane's book some day: it is a synoptic, erudite synthesis of a huge range of social science research with the ambitious aim of explaining the effects of a market economy on the quality of life (social relations, values, happiness, innovativeness, sense of autonomy, etc.) of the people who live in it. The brief snatch of Bourdieu sets out his notion of *habitus*, a set of instilled orientations that shape the different ways that different kinds of people pursue self-interest. The Marwell/Ames and Frank et al. papers report surprising findings from a series of game-theoretically inspired experiments that illustrate the effects of culture and socialization on exchange orientations. Frank, an unorthodox economist, summarizes his two fascinating books, which look, respectively, at the role of reference groups in economic action and at the functions of emotions in «rational» market exchange. (Frank's paper, «If homo economicus...», is the full version of the previous paper's argument about conscience.) Kahneman writes about additional cognitive deviations from rationality. Wuthnow's book provides an illuminating interpretive analysis of the cultural construction of money and economic action in the contemporary U.S.

- Bourdieu, Pierre. Structures, *Habitus*, Practices, in his: *The Logic of Practice*. Stanford: Stanford University Press, 1990. P. 52-65.
- Frank, Robert H. If *Homo Economicus* Could Choose His Own Utility Function Would He Want One with A Conscience? *American Economic Review* (1987). Vol. 77. P. 595-604.

- Frank, Robert H., Tom Gilovich and D.T. Regan. Does Studying Economics Inhibit Cooperation? *Journal of Economic Perspectives* (1993). Vol. 7. P. 159-71.
- Frank, Robert H. Rethinking Rational Choice, in: Friedland, Roger and A.F. Robertson (eds.) *Beyond the Marketplace: Rethinking Economy and Society*. N.Y.: Aldine de Gruyter, 1990. P. 53-87.
- Kahneman, Daniel. New Challenges to the Rationality Assumption, *Journal of Institutional and Theoretical Economics* (1994). Vol. 150. P. 18-36.
- Lane, Robert E. *The Market Experience*. N.Y.: Cambridge University Press, 1991. Chs.3-7 (P. 41-136).
- Marwell, Gerald and Ruth E. Ames. Economists Free Ride: Does Anyone Else? *Journal of Public Economics* (1981). Vol 13. P. 295-310.
- Wuthnow, Robert. The Cultural Construction of Material Life, Part 2 (P. 83-205) in his: *Poor Richard's Principle*. Princeton: Princeton University Press, 1996.

Week 3: Varieties of Embeddedness

Required: Economic sociologists like to demonstrate that concepts that economists regard as unproblematic are glazed in the oast of social interaction. Since the publication of Granovetter's paper (week 1), probably the most-cited work in economic sociology, the key metaphor for discussing such things has been «social embeddedness». Like many powerful and evocative concepts, «embeddedness» requires domestication (parsing, unpacking, operationalizing) to become fully useful. This week's readings begin with Portes and Sensenbrenner's paper, which does this very nicely indeed. Nee and Ingram's essay sets out a view of embeddedness that tacks a bit more towards the rational-choice approach. Zelizer explores the social and cultural embeddedness of price and value in her study of the changing value of children. Putnam discusses the role of a particularly benign version of «embeddedness» (called into questioned by Portes and Landolfi in their rejoinder) in enhancing communities' economic and political welfare and worries about its disappearance in the U.S.

- Portes, Alejandro and Julia Sensenbrenner. Embeddedness and Immigration: Notes on the Social Determinants of Economic Action, *American Journal of Sociology* (1993). Vol. 98. P. 1320-50.
- Nee, Victor and Paul Ingram. Embeddedness and Beyond: Institutions, Exchange, and Social Structure, in: Brinton, Mary and Victor Nee (eds.) *The New Institutionalism in Sociology*. N.Y.: Russell Sage Foundation, 2001 (1998).
- Zelizer, Viviana. *Pricing the Priceless Child: The Changing Social Value of Children*. N.Y.: Basic Books, 1985. Introduction – Ch. 3 (P. 3-112).
- Putnam, Robert. The Strange Disappearance of Civic America, *The American Prospect* (Winter 1996). P. 34-48.
- Portes, Alejandro and Patricia Landolt. The Downside of Social Capital, *American Prospect*, (May-June 1996). P. 18-21 ff.

Recommended: The recommended readings include two papers on social influences on prices, a key economic category. The paper by Blinder, a Princeton economist, noted that nothing in neoclassical theory leads one to expect the finding that prices are «sticky»; (ratchet upward), so he asked businesspeople how they set prices; sociologists will find their answers comforting. Smith's ethnographic study of many kinds of auctions (a form privileged in economic theory) describes the strictly social factors that shape the valuations that auctions yield. Ibarra and Smith-Lovin summarize findings on the effect of gender-correlated variations in embeddedness

on women's career chances. Two papers describe the embeddedness of industrial organization: like Portes and Sensenbrenner, Uzzi refines the notion of embeddedness as he uses it to explain economic outcomes in the rag trade. Writing on regional economies, Romo and Schwartz report surprising findings on corporate flight and disinvestment and develop an «embeddedness» explanation to explain anomalies that neoclassical models cannot. Saxenian asks why two very similar high-tech industrial districts (California's Silicon Valley and Boston's Rte. 128) had such different fates during the 1980s, and finds differences in social relations to be the reason. Padgett and Ansell's elegant study of the Medicis and their peers specifies the consequences of particular forms and combinations of embeddedness in the Florentine elite. Zelizer's paper demonstrates that even money, that supposedly neutral medium of exchange, takes on the character of the relations in which it is embedded.

- Blinder, Alan S. Why are Prices Sticky? Preliminary Results from an Interview Study, *American Economics Association Papers and Proceedings* (May 1991).
- Ibarra, Herminia and Lynn Smith-Lovin. New Directions in Social Network Research on Gender and Organizational Careers, in: Jackson, Susan and Cary Cooper (eds.) *Handbook of Organizational Behavior*, 1997.
- Padgett, John and Chris Ansell. Robust Action and the Rise of the Medici, *American Journal of Sociology* (1992). Vol. 98. P. 1259-1330.
- Romo, Frank P. and Michael Schwartz. The Structural Embeddedness of Business Decisions: The Migration of Manufacturing Plants in New York State, 1960-1985, *American Sociological Review* (1995). Vol. 60. P. 874-907.
- Saxenian, AnnaLee. In Search of Power: the Organization of Business Interests in Silicon Valley and Route 128, *Economy and Society* (1989). Vol. 18. P. 25-70.
- Smith, Charles W. What Auctions Tell us About Values, in his: *Auctions: The Social Construction of Value*. Berkeley: University of California Press, 1989. Ch. 8 (P. 162-84).
- Uzzi, Brian. The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: The Network Effect, *American Sociological Review* (1996). Vol. 61. P. 674-98.
- Zelizer, Viviana. The Social Meaning of Money, *American Journal of Sociology* (1989). Vol. 95. P. 342-77.

Week 4: Institutional Prerequisites of Markets

Required: A key tenet of economic sociology, which economic historians are coming to share, is that markets, far from representing a universal category, are an historically specific form that can only exist under certain cultural and institutional conditions. North's essay summarizes a rational-choice explanation of the emergence of economic institutions that is becoming increasingly influential among sociologists and historians. Economic historian Greif brings culture into the mix. Campbell and Lindberg examine the role of an important legal foundation of market economies – property rights – from a sociological perspective. The Oberschall/Leifer paper is a nice review article that criticizes the use of economic reasoning under many circumstances: we can argue about whether the shoe fits any of the other readings. One of the best ways to understand the cultural and institutional specificity of markets is to see how they vary over time and space. Hamilton and Biggart's paper describes the very different types of market systems in the Far East. Analyzing the reaction of several industrial societies to the Depression, Dobbin demonstrates that national variations in economic «rationality» lead to different constructions of economic problems and different solutions.

- North, Douglass. Institutions and Their Consequences for Economic Performance, in: Schweers Cook, Karen and Margaret Levi (eds.) *The Limits of Rationality*. Chicago: University of Chicago Press, 1990. P. 383-401.
- Greif, Avner. Cultural Beliefs and the Organization of Society, *Journal of Political Economy* (1994). Vol. 102. P. 912-50.
- Overschall, Anthony and Eric M. Leifer. Efficiency and Social Institutions: Uses and Misuses of Economic Reasoning in Sociology, *Annual Review of Sociology* (1986). Vol. 12. P. 233-53.
- Campbell, John and Leon Lindberg. Property Rights and the Organization of Economic Activity by the State, *American Sociological Review* (1990). Vol. 55.
- Dobbin, Frank. The Social Construction of the Great Depression: Industrial Policy During the 1930s in the United States, Britain, and France, *Theory and Society* (1993). Vol. 22. P. 1-56.
- Hamilton, Gary and Nicole Woolsey Biggart, Market, Culture and Authority: A Comparative Analysis of Management and Organization in the Far East, *American Journal of Sociology*, supplementary special issue on economics and sociology (1988). Vol. 94. P. S52-S94. Also in: Granovetter, Marc and Richard Swedberg (eds.). *The Sociology of Economic Life*. P. 181-221.

Recommended: Although his Protestant Ethic argument is better known, Weber's more serious «last» theory of capitalism is better, and is narrated with great clarity by Collins. The recommended North reading permits him to develop his perspective in more detail. The Smith excerpt describes the emergence of markets at a more «micro» level. Dobbin's book develops his argument about distinctive rationalities in the context of a careful historical examination of how different states encouraged the growth of national railroad industries and how they regulated them once they emerged. The paper by Ellickson, a legal scholar, reports a fascinating study of economic dispute resolution among California cattle farmers that challenges both economic and sociological approaches to economic institution. Sabel also addresses the emergence of informal economic institutions in contemporary industrial societies. Fligstein and Iona Mara-Drita analyze the effort to construct a single market in the European Union. The fall of socialism in Eastern Europe provides an unequalled laboratory setting in which to study the institutionalization of market systems (or perhaps failed attempts to do so): Stark's paper describes several such systems, argues that approaches must and should vary, and introduces the important concept of «path dependence».

- North, Douglass C. *Institutions, Institutional Change and Economic Performance*. N.Y.: Cambridge University Press, 1990. Chs. 1-2 (P. 3-16).
- Smith, Charles W. Creating and Maintaining Auction Communities, in his: *Auctions: The Social Construction of Value*. Ch. 3 (P. 51-79).
- Collins, Randall. Weber's Last Theory of Capitalism: A Systematization, *American Sociological Review* (1980). P. 925-42. Also in: Granovetter, Mark and Richard Swedberg (eds.) *The Sociology of Economic Life*. P. 85-110.
- Dobbin, Frank. *Forging Industrial Policy: The United States, Britain and France in the Railway Age*. N.Y.: Cambridge University Press, 1994.
- Ellickson, Robert C. Of Coase and Cattle: Dispute Resolution among Neighbors in Shasta County, 38 *Stanford Law Review* 623 (1986).

- Fligstein, Neil and Iona Mara-Drita. How to Make a Market: Reflections on the Attempt to Create a Single Market in the European Union, *American Journal of Sociology* (1996). Vol. 102. P. 1-33.
- Sabel, Charles F. Learning by Monitoring: The Institutions of Economic Development, in: Smelser, Neil and Richard Swedberg (eds.) *The Handbook of Economic Sociology*. Princeton: Princeton University Press and Russell Sage Foundation, 1994. P. 137-65.
- Stark, David. Path Dependence and Privatization Strategies in East Central Europe, *East European Politics and Societies* (1992). Vol. 6. P. 17-54.

Week 5: The Social Organization of Markets

Another basic feature of the sociological approach to the economy is to analyze markets not as theoretical constructs but as concrete social structures: actors transacting in patterned ways with foreseeable consequences. This very quickly leads one away from such neoclassical shortcuts as fungibility of products of different sellers, full information, freedom to trade, and prices as signals. Burt focusses on constraints on information and choice, emphasizing the ways in which distinctive relationships among buyers and sellers influence the relative market power, and thus profits, of each. Williamson provides an ingenious and influential, if controversial, economic theory of the conditions under which different forms of market and hierarchy develop. Eccles and White demonstrate the political functions of «markets» (a topic Williamson neglects) and the importance of variations in rule systems in a study of the construction and consequences of fashionable «internal markets» within large firms. The two final readings are ambitious efforts to identify and analyze large-scale changes in industrial the organization of firms and markets in the U.S. and Eastern Europe, respectively.

Required:

- Burt, Ronald S. Turning a Profit, in his: *Structural Holes, the Social Structure of Competition*. Cambridge: Harvard University Press, 1992. Ch. 3 (P. 82-114).
- Williamson, Oliver. Comparative Economic Organization: The Analysis of Discrete Structural Alternatives, *Administrative Science Quarterly* (1991). Vol. 36. P. 269-96.
- Eccles, Robert and Harrison C. White. Price and Authority in Inter-Profit-Center Transactions, *American Journal of Sociology*, supplementary special issue on economics and sociology (1988), Vol. 94. P. S17-S51.
- Powell, Walter W. Neither Market Nor Hierarchy: Network Forms of Social Organization, *Research in Organizational Behavior* (1990). Vol. 12. P. 295-336.
- Stark, David. «Heterarchy: Asset Ambiguity, Organizational Innovation, and the Postsocialist Firm». Presented at Session on the Firm in the 21st Century, ASA meetings, New York City, 1996.

Recommended: Carroll and Harrison use simulation modelling to argue that economic competition does not yield the survival of the «most efficient». Leifer and White summarize White's brilliant but difficult AJS paper, «Where do Markets Come From». The central insight is that most markets represent role systems, where sellers maintain unique identities/niches into which they jockey as a result of close mutual observation. From this they develop generalizations about the sets of parameters (product qualities, output quantities, and terms of trade) that can and cannot sustain viable markets. Other recommended readings include a probing theoretical piece by Bradach and Eccles; and five fine empirical studies: Baker and Faulkner on the organization of conspiracy in markets; Davis et al. on the deinstitutionalization of conglomerate organization; Gerlach on the organization of the Japanese economy; and Mizruchi/Stearns on political and social influences on capital markets. Nee's and Stark's papers describe the transformation of

economic systems in China and Eastern Europe, respectively, with particular attention to the link between economic interest and political resources.

- Carroll, Glenn R. and J. Richard Harrison. On the Historical Efficiency of Competition Between Organizational Populations, *American Journal of Sociology* (1994). Vol. 100. P. 720-49.
- Leifer, Eric and Harrison C. White. A Structural Approach to Markets, in: Mizruchi, Mark and Michael Schwartz (eds.) *Structural Analysis of Business*. Cambridge: Cambridge University Press, 1987. P. 85-108.
- Bradach, Jeffrey L. and Robert G. Eccles. Price, Authority and Trust: From Ideal Types to Plural Forms, *Annual Review of Sociology* (1989). Vol. 15. P. 97-118.
- Davis, Gerald F., Kristina A. Diekmann, and Catherine H. Tinsley. The Decline and Fall of the Conglomerate Firm in the 1980s: The Deinstitutionalization of an Organizational Form, *American Sociological Review* (1994). P. 547-71.
- Baker, Wayne and Robert R. Faulkner. The Social Organization of Conspiracy: Illegal Networks in the Heavy Electrical Equipment Industry, *American Sociological Review* (1993). Vol. 58. P. 837-60.
- Gerlach, Michael. The Japanese Corporate Network, *Administrative Science Quarterly* (1992). Vol. 37. P. 105-39.
- Mizruchi, Mark and Linda Brewster Stearns. A Longitudinal Study of Borrowing by Large American Corporations, *Administrative Science Quarterly* (1994). Vol. 38. P. 118-40.
- Nee, Victor. Organizational Dynamics of Market Transitions: Hybrid Forms, Property Rights and the Mixed Economy in China, *Administrative Science Quarterly* (1993). Vol. 37. P. 1-27.
- Stark, David. Recombinant Property in Eastern European Capitalism, *American Journal of Sociology* (1996). Vol. 101. P. 993-1027.

Week 6: Trust

Required: Trust is a crucial concept in economic sociology because it is where behavioral questions about orientations to exchange meet up with organizational concerns. Under what conditions do exchange partners trust one another to obey the rules of the game, and what structures or rules of the game encourage that kind of trust? Answering these questions is complicated by the fact that trust is defined in so many ways. Macauley's classic study of buyer-supplier relations demonstrates that trust is more common than most economic theories would suggest. Sabel's essay, based on work with cooperative ventures among for-profit enterprises and public-private partnerships, portrays trust as a fragile yet attainable product of political relations. The Yamagashis offer an important distinction between commitment and trust and use it to explain intriguing differences in the results of laboratory experiment on exchange in the U.S. and Japan. Zucker's institutional view argues that the modern economy is based on the substitution of organizational and legal-rational legitimacy for interpersonal trust. Williamson's paper analyzes trust from the perspective of transaction-cost economics.

- Macauley, Stewart. Non-Contractual Relations in Business: A Preliminary Study, in: Granovetter, Mark and Richard Swedberg (eds.) *The Sociology of Economic Life*. P. 265-84. Also in: *American Sociological Review* (1963). Vol. 28. P. 55-67.
- Sabel, Charles. Studied Trust: Building New Forms of Cooperation in a Volatile Economy, in: Pyke, Frank and Werner Sengenberger (eds.) *Industrial Districts and Local Economic Regeneration*. Geneva: International Institute for Labor Studies, 1992. P. 215-50.

- Yamagishi, T. and M. Yamagishi. Trust and Commitment in the United States and Japan, *Motivation and Emotion* (1994). Vol. 18. P. 129-66.
- Zucker, Lynne G. Production of Trust: Institutional Sources of Economic Structure, 1840-1920, *Research on Organizational Behavior* (1986). Vol. 8. P. 53-111.
- Williamson, Oliver E. Calculativeness, Trust, and Economic Organization, *Journal of Law and Economics* (1993). Vol. 36. P. 453-86.

Recommended: Burt and Knez offer an intriguing amalgam of sociological and game-theoretic insights, Garfinkel presents a view of trust, as based in routine and in people's shared interest in producing order. The excerpt from Coleman's rational-choice manifesto reflects a different, theoretical approach to trust. Dore presents yet another view of trust (as «goodwill» in exchange) in the context of comparison of Japanese and British economic systems. Kollock's paper uses an experimental approach to examine the emergence of trust.

- Burt, Ronald S. and Marc Knez. *Kinds of Third-Party Effects on Trust*. Chicago: University of Chicago Press, 1994.
- Garfinkel, Harold. Studies of the Routine Grounds of Everyday Activities, in his: *Studies in Ethnomethodology*. Cambridge: Polity, 1987 [1967]. Ch. 2 (P. 35-75).
- Dore, Ronald. Goodwill and the Spirit of Market Capitalism, *British Journal of Sociology* (1983). Vol. 34. P. 459-82. Also in: Granovetter, Mark and Richard Swedberg (eds.) *The Sociology of Economic Life*. P. 159-180.
- Coleman, James S. *Foundations of Social Theory*. Cambridge: Harvard University Press, 1990. Ch. 5 (P. 91-118) and Ch. 8 (P. 175-96).
- Kollock, Peter. The Emergence of Exchange Structures: An Experimental Study of Uncertainty, Commitment and Trust, *American Journal of Sociology* (1994). Vol. 100. P. 313-45.