



# Foundations of Economic Sociology

**First Term Seminar 2015-2016**

**Organised by Klarita Gërxhani**

Please register [here](#)

## Course Description and Objectives

This course introduces the field of economic sociology. It does so by focusing on modern classics and contemporary literature studying the intersection of economy and society. Its main goal is two-fold. First, to provide an understanding of the ways in which various kinds of institutions and social structure and processes play a fundamental role in explaining economic outcomes. Second, to stimulate an integration of the major theories, approaches and topics covered into students' research interests. At the end of the course, students will be able to:

- have an understanding of the most important thematic literature and the critical analytical capacity to evaluate its scholarly validity from different methodological angles and within both a disciplinary and interdisciplinary context;
- have the capacity to fully participate and adopt a clear position in academic discussions on substantive theories and methodological design;
- have the ability to independently present social science research findings both orally and in writing in English to the required scholarly standard, making use of theoretical insights relevant to the particular research problem under study;
- have the ability to contribute theoretical knowledge and insight to the formulation and resolution of scientifically and socially relevant research problems.

Each week, for seven meetings, students will read and discuss the selected readings. During the last three meetings, students will present an application of the theories and approaches covered into their own research topic. By collectively reading a list of studies, students get to know the different traditions of theory and research in economic sociology, how the theory is connected to empirical research, how particular research designs and methods may be chosen for different research questions, and how new research projects can build on existing studies.

## Teaching Methods/Learning Formats

Weekly two-hour class meetings, weekly active participation, and discussion.

## Schedule

The seminar takes place on **Thursdays at 15.00-17.00** in Seminar Room 3 in the Badia Fiesolana, with the exception of: the first session which will be held on a Wednesday the 14<sup>th</sup> of October in Seminar Room 4, the fifth session which will be held on Thursday the 12<sup>th</sup> of November at 13.00-15.00, the ninth session which will be held in Seminar Room 2 and the last session which will be held

on Tuesday the 15<sup>th</sup> of December at 11.00-13.00 in Seminar Room 2. The seminar will run from the **14<sup>th</sup> of October** until the **15<sup>th</sup> of December**.

The full list of seminar sessions is the following:

Wednesday	14 <sup>th</sup> October:	Seminar Room 4	
Thursday	<del>15<sup>th</sup> October:</del>	<del>Seminar Room 3</del>	
Thursday	22 <sup>nd</sup> October:	Seminar Room 3	
Thursday	29 <sup>th</sup> October:	Seminar Room 3	
Thursday	5 <sup>th</sup> November:	Seminar Room 3	
Thursday	12 <sup>th</sup> November:	Seminar Room 3	at 13.00-15.00
Thursday	19 <sup>th</sup> November:	Seminar Room 3	
Thursday	26 <sup>th</sup> November:	Seminar Room 3	
Thursday	3 <sup>rd</sup> December:	Seminar Room 3	
Thursday	10 <sup>th</sup> December:	Seminar Room 2	
Tuesday	15 <sup>th</sup> December	Seminar Room 2	at 11.00-13.00
Thursday	<del>17<sup>th</sup> December:</del>	<del>Seminar Room 3</del>	

## Teaching Criteria

This seminar is worth 20 credits.

Students who choose to take this seminar for credit are required to meet Departmental attendance, *participate actively*, and complete the *discussion memo* tasks.

Students also have the option of writing a term paper for this course as part of their general term paper requirements. Should they wish to do so, they must discuss their proposed topic with Professor Gërkhani well before the Department's deadline for Term Papers.

### In detail:

- Students are required to *participate actively*. This implies that they are required to read the designated literature before each meeting and participate actively in class discussions.
- *Discussion memos*: It is important to carefully study each week's readings prior to the meetings. This improves the quality of the discussion since students come to the meeting well prepared. For this reason, students are requested to prepare a brief discussion memo on the readings programmed for each week. Discussion memos should consist of max 250 words and must include: (1) a reflection of what you find most engaging, exciting, and/or puzzling from the weekly literature; and (2) what you would like the class discussion to focus on (in the form of one or two questions).

The Discussion memos are not meant to be mere summaries of the readings. Instead, they are meant to be food for thought, by reflecting your own intellectual engagement with the material; specifying what is obscure or confusing in the readings; taking issue with some core idea or argument; or, exploring some interesting consequences of an idea. The Discussion memos will be the basis for the meetings' discussions. Each student submits them to the course website at the latest every Tuesday prior to the meeting at 23:00, and takes them to class for the discussion.

- *Term paper*: Students who chose to submit a term paper are required to make significant use of the selected literature and provide an application to their research topic. The term paper must be submitted via email to Professor Gërkhani with the administrative assistant in copy ([Jennifer.Dari@eui.eu](mailto:Jennifer.Dari@eui.eu)). Please see the 2015-16 Researchers' Guide for more information regarding the term paper and the deadlines for submission.

Credit is only given to students who meet the tasks outlined here above. Moreover, students are required to take part in the meetings. Taking part in a meeting implies timely presence, good preparation, and active participation in-group discussions. Foreseeable delays and absence should be motivated and discussed with Prof. Gërkhani at least 48 hours beforehand. Discussion memos are a course requirement, and will not be accepted if handed in late.

Should a student decide to submit a term paper for this course, it must be handed in by the deadline indicated in the 2015-16 Researchers' Guide. A term paper which is handed in late will not be considered.

## Feedback

Discussion memos and active participation: students can expect to receive brief individual feedback at the end of each meeting. Group feedback will also be provided, as part of the learning process in class discussions.

Term paper: students can expect to receive feedback within two weeks of submitting it.

## Readings

### **WEEK 1: Introduction, basic background readings**

1. Smelser, Neil J. and Richard Swedberg (2005). Ch. 5 “Behavioral Economics” (p. 90-109) in *The Handbook of Economic Sociology* (2<sup>nd</sup> edition). Princeton University Press.
2. Swedberg, Richard (2003). Ch. 1 “The Classics in Economic Sociology” (p. 1-32) & Ch. 2 “Contemporary Economic Sociology” (p. 32-53) in *Principles of Economic Sociology*. Princeton University Press.
3. Coleman, James S. (1990). Ch. 1 “Metatheory: Explanation in Social Science” (p. 1-27) & Ch. 2. “Actors and Resources, Interest and Control” (p. 27-45) in *Foundations of Social Theory*. Harvard University Press.

### **WEEK 2: New institutionalism**

1. Ingram, Paul and Karen Clay (2000). The choice-within-constraints new institutionalism and implications for sociology. *Annual Review of Sociology* 26: 525–46.
2. Nee, Victor and Paul Ingram (1998). Embeddedness and beyond: Institutions, exchange, and social structure. In: Brinton & Nee (Eds.), *The New Institutionalism in Sociology*. Stanford University Press. (pp. 19-46).
3. Knight, Jack and Jean Ensminger (1998). Conflict over changing social norms: Bargaining, ideology, and enforcement. In: Brinton & Nee (Eds.), *The New Institutionalism in Sociology*, Stanford University Press. (pp. 105-127).
4. Gërkhani, Klarita and Jeroen Bruggeman (2015). Time Lag and Communication in Changing Unpopular Norms. *PLoS ONE*, Vol. 10, e0124715.

### **WEEK 3: Post-communist countries**

1. King, Lawrence P. and Ivan Szelenyi (2005). Post-Communist Economic Systems. Ch. 10 (p. 205-233), in Neil J. Smelser and Richard Swedberg (Eds.) *The Handbook of Economic Sociology* (2<sup>nd</sup> edition). Princeton University Press.
2. Nee, Victor (2005). Organizational Dynamics of Institutional Change: Politicized Capitalism in China. Pp. 53-74 In *The Economic Sociology of Capitalism*, edited by Victor Nee and Richard Swedberg. Princeton: Princeton University Press.
3. Heyns, Barbara (2005). Emerging Inequalities in Central and Eastern Europe. *Annual Review of Sociology* 31: 163-197.
4. Szelenyi, Ivan and Eric Kostello (1998). Outline of an Institutional Theory of Inequality: The Case of Socialist and Postcommunist Eastern Europe. In: Brinton, M. & V. Nee (Eds.), *The New Institutionalism in Sociology*. Stanford University Press. (pp. 305-327)

### **WEEK 4: Informal economy**

1. Portes, Alejandro and Saskia Sassen-Koob (1987). Making it Underground: Comparative Material on the Informal Sector in Western Market Economies. *American Journal of Sociology* 93 (1): 30-61.
2. Gërxhani, Klarita (2004). The Informal Sector in Developed and Less Developed Countries: A Literature Survey. *Public Choice* 120(3-4): 267-300.
3. Feige, Edgar L. (1997). Underground Activity and Institutional Change: Productive, Protective, and Predatory Behavior in Transition Economies. In Nelson, Joan M., Charles, Tilley and Lee, Walker (Eds.) *Transforming Post-communist Political Economies*, National Academy Press, Washington, D.C. (pp. 19-34) & Gërxhani, Klarita (2004). Tax evasion in transition: Outcome of an institutional clash? Testing Feige's conjecture in Albania. *European Economic Review*, 48(4): 729-745
4. Ferrer-i-Carbonell, Ada and Klarita Gërxhani (2011). Financial Satisfaction and (In)formal Sector in a Transition Country. *Social Indicators Research* 102(2): 315-331. & Ferrer-i-Carbonell, Ada and Klarita Gërxhani (2015). Tax evasion and well-being: A study of the social and institutional context in Central and Eastern Europe. *Working paper*.

#### *Optional:*

1. Gërxhani, Klarita and Herman van de Werfhorst (2013). The Effect of Education on Informal Sector Participation in a Post-communist Country. *European Sociological Review* 29(3): 464-476.
2. Portes, Alejandro and William Haller (2005). The Informal Economy. Ch. 18 (p. 403-429). in Neil J. Smelser and Richard Swedberg (2005). *The Handbook of Economic Sociology* (2<sup>nd</sup> edition). Princeton University Press.

3. Gërxhani, Klarita and Arthur Schram (2006). Tax Evasion and Income Source: A Comparative Experimental Study. *Journal of Economic Psychology* 27(3): 402-422.

#### **WEEK 5: Social capital**

1. Portes, Alejandro (1998). Social capital: Its origins and applications in modern sociology. *Annual Review of Sociology* 24: 1-24.
2. Lin, Nan (2001). *Social Capital: A theory of social structure and action*. Chapter 11: "Institutions, networks, and capital building: societal transformations", in pp. 184-210, Cambridge: Cambridge University Press.
3. Coleman, James S. (1988). Social capital in the creation of human capital. *American Journal of Sociology* 94: s95-s120.
4. Fidrmuc, Jan and Klarita Gërxhani (2008). Mind the Gap: Social capital, East and West! *Journal of Comparative Economics* 36: 264-286.

#### *Optional:*

1. Lyon, F. (2000) Trust, networks and norms: The creation of social capital in agricultural economies in Ghana, *World Development* 28(4): 663-681.
2. Ostrom, E. (2000) Social capital: A fad or a fundamental concept?, in Dasgupta, Partha and Ismail Serageldin, eds., *Social Capital: A Multifaceted Perspective*, pp. 172-215, The World Bank, Washington.

#### **WEEK 6: Labor market**

1. Granovetter, Mark (2005). The impact of social structure on economic outcomes. *Journal of Economic Perspectives* 19(1): 33-55.
2. Wegener, Bernd (1991). Job mobility and social ties: Social resources, prior job, and status attainment. *American Sociological Review* 56: 60-71.
3. Gërxhani, Klarita and Ferry Koster (2015). Making the Right Move: Investigating Employers' Recruitment Strategies. Forthcoming in *Personnel Review*.
4. Gërxhani, Klarita, Brandts, Jordi and Arthur Schram (2013). The Emergence of Employer Information Networks in an Experimental Labor Market. *Social Networks* 35: 541-560.

#### *Optional:*

1. Bridges, William P. and Wayne J. Vellemez (1986). Informal hiring and income in the labor market. *American Sociological Review* 51: 574-82.
2. Di Stasio, Valentina and Klarita Gërxhani (2015). Employers' Social Contacts and Their Hiring Behavior in a Factorial Survey. *Social Science Research* 51: 93-107.

3. Kalleberg, Arne L. and Aage B. Sorensen (1979). The Sociology of Labor Markets. *Annual Review of Sociology* 5: 351-379.

### **WEEK 7: Gender and Emotions**

1. England, Paula and Nancy Folbre (2005). Gender and Economic Sociology. Ch. 27 (p. 627-650), in Neil J. Smelser and Richard Swedberg (2005). *The Handbook of Economic Sociology* (2nd edition). Princeton University Press.
2. Schram, Arthur, Brandts, Jordi and Klarita Gërxhani (2014). Status Anxiety Makes Women Underperform. *Barcelona GSE Working Paper No. 817*.
3. Elster, Jon (1998). Emotions and Economic Theory. *Journal of Economic Literature* 36: 47-74.
4. Berezin, Mabel (2005). Emotions and the Economy. Ch. 6 (p. 109-127) in Neil J. Smelser and Richard Swedberg (Eds.). *The Handbook of Economic Sociology* (2<sup>nd</sup> edition). Princeton University Press.

#### *Optional:*

1. DiMaggio, Paul (2002). Endogenizing 'animal spirits': Toward a sociology of collective response to uncertainty and risk'. (p. 79-100) in Guillen, Mauro et al. (2002). *The New Economic Sociology. Developments in an Emerging Field*, New York: Russell Stage.
2. Reuben, Ernesto and Frans van Winden (2010). Fairness perceptions and prosocial emotions in the power to take. *Journal of Economic Psychology* 31: 908-922.

### **WEEKS 8-10**

Presentations of students (approximately 20 minutes per presentation).