UCLA Sociology 173

Economic Sociology

Fall 2019

Lecture: TR 8:00am-9:15am Fowler A103B

Professor Gabriel Rossman
rossman@soc.ucla.edu

Office Hours: Mondays and Tuesdays 9:30-10:30 in Haines 287

This course is about the subfield of economic sociology, which is simultaneously a theoretical perspective and the sociological study of the substantive phenomenon of markets. Economic sociology is often understood in opposition to our sister discipline of economics, but I prefer to see it as laying out some important scope conditions and mild correctives as to the validity of the important predictions and findings of economics. In general, economic sociology tends to problematize the assumption that markets (and even more so non-market interactions that are sometimes modeled as if they were markets by “applied micro” economics) are characterized by utility-maximizing rational actors with perfect information. Within this broad theme, economic sociology engages in understanding the importance of social networks, how trust can both reduce transaction costs and create closure within the scope of the trusted community, specific ways in which information is socially constructed, how markets are not just the absence of state power but rather constituted by state institutions, how ideas and practices spread through markets and other social systems, and how systems of gift exchange and everyday interaction differ from markets per se.

Lectures

Attendance at the lectures is strongly encouraged, but not enforced. I have decided to not enforce attendance in any way because I worry about grade inflation and I know that the surest way for people to earn Ds and Fs on the midterm and final is to not attend lecture and just say “I’ll get the notes from someone.” If however you would like to play a part in annoying me by putting me in a position where I have no choice but to give most of the class As because you all earned them, then I suggest you attend lecture regularly.

Here are a few things to know that will facilitate your comprehension of lecture:

1. You can come to scheduled office hours to clarify concepts you didn’t understand (but not for private tutoring in the case of absenteeism).
2. I will be posting brief outlines of each lecture and a list of supporting citations. There are three reasons for this.
1. You can use the lecture outlines as a study guide. If you can't give a good explanation of the causal logic behind every term on the lecture outline then you're not ready for the next test.
2. You can check your spelling of key names and concepts.
3. I want you to know that I am not making this stuff up and you can check out the supporting citations if you are interested in more details.

There are no laptops in class. This is not only to avoid distractions but also because people take better notes on paper where they have to decide what is important rather than trying to transcribe every word. Exceptions will be made only by special arrangement and only for people who can demonstrate an injury that impedes handwriting but not typing.

Readings

All readings are on the website with hyperlinks directly in the syllabus and the weekly pages. Most of the readings require you to be on campus or using VPN. If you tend to study off-campus, please learn to use VPN or download them from a campus lab. If you click the link and it asks you for money, this means you're not using VPN. You should not have to pay for any readings if you access them on campus or from VPN. The only exception is that the TAL episodes can be streamed for free or you can pay $1 to download each from Amazon/iTunes.

Grading and Assignments

There will be a midterm in week five and a final during finals week. Both the midterm and final will be a mix of short answer questions on the lectures and multiple choice questions on the readings. Both exams will require a bluebook. The final is not cumulative, but rather covers material since the midterm.

In addition, you will be responsible for completing five memos on the assigned reading. You may choose any five weeks to write the memos, but I suggest you get started early in the term. There will be no excuses if, for instance, you wait until after the midterm to do them back to back but then have an emergency in week 8 that precludes turning in a memo that week. These memos should be about 1200 words and deal with all of the assigned readings that week. We expect to see not just summary, but also comprehension and analysis of the material. Memos are due at the beginning of your enrolled section. If you are so rude as to turn in the memos and then leave early, the TAs have been instructed to discard your memos. Student-athletes who have away games should meet with their TAs in advance to discuss submitting by email.

You are very welcome to ask myself or the TAs for more clarification or feedback, but I have a firm policy of stare decisis for grades so don’t ask for myself or the TAs to regrade an assignment. There are two reasons for this. First, statistically mistakes should be distributed randomly and if students only appeal cases where mistakes went against them, this will create systematic bias in the grades, which
is worse than random error. Second, I want to respect all of you so I have a blanket ban on the behavior most likely to undermine that respect.

Total grades for the course are 40% midterm, 40% final, and 20% for the memos. The grade breakdown is the usual 60/70/80/90 cutpoints. We will apply three point bins for “+” and “-.” For instance 76.99 is a “C,” 77.01 is a “C+,” 80.1 is a “B-,” and 83.01 is a “B.”

Calendar of Lectures and Readings

Week 1

Tuesday
- Introduction and Overview

Thursday
- Micro-economics
- Supply and demand
- Information, utility, and types of goods

Readings
- Cowen, Tyler and Alex Tabarrok. “Supply, Demand, and Equilibrium” [ten short videos: “The Demand Curve”...“Supply and Demand Terminology”] Marginal Revolution University [Note: captions are available by scrolling to the bottom of the video and clicking “CC”]

Week 2

Tuesday
- Applied micro-economics

Thursday
- Carnegie school
- Behavioral economics
- Bounded rationality

Readings
Week 3

Tuesday

• Networks and structural power
• Dependence
• Brokerage

Thursday

• Networks and identity
• Status
• Stigma

Readings


Week 4

Tuesday

• Trust
• Social capital

Thursday

• Market Information Regimes

Readings

• “NUMMI” *This American Life*

Week Five

Tuesday

• Neo-Institutionalism

Thursday

• Midterm

Readings

**Week Six**

*Tuesday*
- The state and positive market institutions
- Property rights
- Technical standards

*Thursday*
- The Long 19th Century
- The Great Depression and World Wars
- Corporatism
- Neoliberalism
- The Great Recession

**Readings**
- “When Patents Attack” *This American Life*

**Week Seven**

*Tuesday*
- The Matthew Effect
- Information cascades
- Network externalities
- Sorting
- Regression to the Mean

*Thursday*
- Diffusion
- Internal and external influence
- Opinion leaders

**Readings**

**Week Eight**

*Tuesday*

• Organizational ecology  
• Categories  
• Focused identities

*Thursday*

• Relational models  
• Communal sharing  
• Equality matching  
• Authority ranking  
• Market pricing

**Readings**

• “The Zoo Economy.” *Planet Money*

**Week Nine**

*Tuesday*

• Reciprocity  
• Twofold truth of gifts  
• Direct reciprocity  
• Generalized reciprocity  
• Chain generalized reciprocity

*Thursday*

• Thanksgiving, no class

**Readings**

Week Ten

Tuesday

- Patronage
- Potlatch
- Big man
- Pyramids
- Patronage vs charity

Thursday

- Taboo exchanges
- Intimacy
- Bribery
- Human tissues
- Obfuscated exchange

Readings


Final Exam: Tuesday, December 10, 3:00pm-5:30pm.