

Department of Sociology
Dartmouth College
Winter 2009

Course: Markets and Management (Socy 66)

Time: MWF 11:15-12:20
Tues 12:00-12:50 (X-hour)

Instructor: John Campbell
123 Silsby Hall
Office phone: 646-2542

Office Hours: Monday 1:00-3:00 (and by appointment)

E-Mail: I will try to answer e-mail queries as soon as I can. However, given the rather large amount of e-mail that I receive, I can make no guarantees how fast that will be. For the same reason, my responses may be rather short. Please do not take offense.

Course Description: What is a market? How do people find jobs? Who controls corporations? Are markets always competitive? Should government help manage the economy? Do we need labor unions? Is American-style capitalism the best form of capitalism? This course addresses these issues and explores how advanced capitalist economies are organized and operate. It considers whether markets develop naturally in response to the forces of supply and demand, or whether other social forces are involved, like friendship, trust and politics. It investigates how corporations developed and how they are changing today. It probes the positive and negative impacts that labor unions have on economic performance. It analyzes the proliferation of strategic alliances and other forms of business networks in the United States and abroad. Finally, it investigates the current economic crisis in the United States; what caused it; what its effects are; and what is being done to try to resolve it. In sum, this is a course about the social relations and institutions within which economic activity is embedded and that affect economic performance. *No background in economics is required for this course.*

Required Texts: The following required texts for the course are available at the Dartmouth Bookstore and Wheelock Books. They are also on reserve at Baker Library.

Richard Freeman. 2007. America Works: Critical Thoughts on the Exceptional U.S. Labor Market. New York: Russell Sage

Mark Roe. 1994. Strong Managers, Weak Owners. Princeton: Princeton University Press.

Juliet Schor. 1999. The Overspent American: Upscaling, Downshifting, and the New Consumer. New York: Basic Books.

Joseph Stiglitz. 2003. The Roaring Nineties: A New History of the World's Most Prosperous Decade. New York: Norton.

Josh Whitford. 2005. The New Old Economy. New York: Oxford University Press.

There are also a few book chapters, noted in the syllabus below, that are posted as pdf files on the Blackboard site for this course.

General Course Requirements: All students are expected to attend lectures, do the reading, participate in class discussions, write two take-home exams, write a 10 page research report, and contribute to a group

presentation to the class.

Examinations: There are two take-home essay exams. They are open book. However, you may not discuss them with anyone else. The exam dates are listed below in the course outline. **Exams must be typed, double-spaced, stapled in the upper left hand corner, and turned in as *hard copy*.**

Research Report and Group Presentation: Each student is required to write a 10 page research paper on some aspect of the current economic crisis in the United States. These will be graded. Students will then be arranged into groups according to the topics of their papers. Each group will make an oral presentation to the class on those parts of the crisis for which group members have written research reports. These presentations will be based on what group members learned from writing their individual reports. No additional research is expected. Group presentations will not be graded. However, there will likely be an essay question on the second exam based on the group presentations. A more detailed description of all of this process is posted on the Blackboard site for this course. **Individual research reports are due in class on Friday, February 27. Group presentations are due March 4, 6, and 9.**

Due Date Policy: Exams and research papers turned in after the due date will be graded down automatically according to how late they arrive. Due dates are specified in the syllabus below. In extraordinary circumstances late exams and papers may be accepted without being graded down if (1) you know in advance that you will be unable for extraordinary reasons to turn the assignment in on time and you make arrangements with the instructor at least one week before the scheduled due date, or (2) you are suddenly hospitalized or become seriously ill, have documentation to that effect from a doctor or dean, and consult with the instructor as soon as possible. Away games, job interviews, etc. are generally not acceptable reasons for turning assignments in late. Computer crashes are not an acceptable reason for turning assignments in late because you should routinely back up everything on your computer to a flash drive or other memory device.

Grading: Your grade will be based on the total number of points earned on the exams, research report, and class participation. (Note that recent student evaluations often remark that I am a hard grader. It would not be unusual for students to need 92% of the total points possible in the course to receive grades in the A range; 82-91% of points possible to receive grades in the B range; 72-81% of points possible to receive grades in the C range; and 62-71% of points possible to receive a D.)

Exam #1	60 points
Exam #2	60 points
Research report	60 points
Class discussion	20 points

Honor Principle: All assignments will be conducted in accord with the principles of academic honor detailed in Dartmouth's Organization, Regulations and Courses and the Student Handbook.

Students with Disabilities: I encourage students with disabilities, including "invisible" disabilities like chronic diseases, learning disabilities, and psychiatric disabilities to discuss with me after class or during my office hours by the end of the second week of the term appropriate academic adjustments or accommodations that might be helpful to you. All discussions will remain confidential, although the Academic Skills Center may be consulted to verify the documentation of the disability.

Reading Assignments: The reading assignments for the course are listed below in the course outline. It is expected that you will have done the reading by the time class meets on the date for which the assignment is listed in the syllabus. There is a lot of reading so you should keep up with it as we go along. Otherwise you will be faced with an extraordinary amount of reading before the exams.

Course Outline:

Jan 5 Introduction to the Course: What is Economic Sociology?

Part I: Classical Views and the Varieties of Capitalism

Capitalism was created through struggle and conflict. It is embedded in political and cultural institutions. Its development was tightly linked to the development of states. It requires entrepreneurial energies that can be both creative and destructive. As a result, capitalism takes many different forms and changes over time.

Jan 7 Are all capitalist economies the same? Are all capitalist economies homogeneous?
Leon Lindberg, John Campbell and Rogers Hollingsworth. 1991. "Economic Governance and the Analysis of Structural Change in the American Economy." Pp. 3-34 in Governance of the American Economy, edited by J. Campbell, R. Hollingsworth and L. Lindberg. New York: Cambridge University Press.

Jan 9 Is there one best way to organize a capitalist economy?
Bob Hancke, Martin Rhodes and Mark Thatcher. 2007. "Introduction: Beyond Varieties of Capitalism." Pp. 3-39 in Beyond Varieties of Capitalism, edited by B. Hancke, M. Rhodes and M. Thatcher. New York: Oxford University Press.

Part II: The Social Construction of Markets

Markets do not operate in a social vacuum. They are embedded in networks of social relations, rules and regulations, values and attitudes—all of which affect how markets are organized and operate.

Jan 12 What is a market?
Juliet Schor. The Overspent American. (Begin reading.)

Jan 13 **X-HOUR** How do labor markets work?
Juliet Schor. The Overspent American. (Continue reading.)

Jan 14 How do capital markets work?
Juliet Schor. The Overspent American. (Continue reading.)

Jan 16 Discussion: How do consumer markets work?
Juliet Schor. The Overspent American. (Finish reading.)

Part III: Corporations

Corporations have come to dominate capitalist economies. These corporations are organized and operate according to several logics, including the logic of power. Control of the corporations has changed historically. So have their forms, most recently in less hierarchical and more flexible directions. All of this has political and moral as well as economic consequences.

Jan 19 **NO CLASS** Martin Luther King, Jr Holiday

Jan 21 **NO CLASS**

Jan 23 How did corporations develop?

Mark Roe. Strong Managers, Weak Owners. (Begin reading, pp. 1-231 only.)

Jan 26 Who controls the corporations?

Mark Roe. Strong Managers, Weak Owners. (Continue reading, pp. 1-231.)

Jan 28 Corporate restructuring: What is the new “flexible” firm and where did it come from?

Mark Roe. Strong Managers, Weak Owners. (Continue reading, pp. 1-231.)

Jan 30 Corporations in crisis: Are corporate scandals endemic to U.S. capitalism?

Film: “Bigger Than Enron”

Mark Roe. Strong Managers, Weak Owners. (Continue reading, pp. 1-231.)

Feb 2 Discussion: What are the possibilities for corporate social responsibility?

Mark Roe. Strong Managers, Weak Owners. (Finish reading, pp. 1-231.)

EXAM #1 DISTRIBUTED IN CLASS

Part IV: Workers and Unions

Corporate power is sometimes counterbalanced by the power of labor unions. The relationship between corporations and unions has varied widely both historically and across countries. These differences have important impacts on economic performance—some good, some bad.

Feb 4 What do unions do?

Richard Freeman. America Works. (Begin reading)

Feb 6 How have unions changed in the United States?

Richard Freeman. America Works. (Continue reading)

Feb 9 How are labor-management relations organized?

Richard Freeman. America Works. (Continue reading)

EXAM #1 DUE IN CLASS

Feb 10 **X-HOUR** Discussion: Is there a future for unions today? Should there be one?

Film: “Food Fight”

Richard Freeman. America Works. (Finish reading)

Part V: State-Economy Relations

States play key roles in all capitalist economies and are one of the most important reasons why capitalism takes so many different forms. States help organize markets, corporations, unions and the relationships among them. For these reasons and others state's affect economic performance.

Feb 11 Should states help manage economies?

Joseph Stiglitz. The Roaring Nineties. (Begin reading.)

Feb 13 **NO CLASS** Winter Carnival

Feb 16 How do states affect economic organization?

Joseph Stiglitz. The Roaring Nineties. (Continue reading.)

Feb 18 How do states affect economic performance?

Joseph Stiglitz. The Roaring Nineties. (Continue reading.)

Feb 20 Discussion: Is economic deregulation the key to economic prosperity?

Joseph Stiglitz. The Roaring Nineties. (Finish reading.)

Part VI: Business Networks

The network relationships among firms, workers, government, and other economic actors vary across industries and countries. These networks are increasingly important keys to economic success, in part because they tend to facilitate trust and cooperation as well as competition, which when properly balanced can yield substantial benefits—especially in industries where technological and product innovation are important.

Feb 23 How are corporations interlocked?

Josh Whitford. The New Old Economy. (Begin reading chaps. 1, 3-7.)

Feb 25 How do firms cooperate? Industrial districts.

Josh Whitford. The New Old Economy. (Continue reading chaps. 1, 3-7.)

Feb 27 How do firms cooperate? Networks, strategic alliances and commodity chains.

Josh Whitford. The New Old Economy. (Continue reading chaps. 1, 3-7.)

RESEARCH REPORTS DUE IN CLASS

Mar 2 Discussion: Do corporate networks make a difference?

Josh Whitford. The New Old Economy. (Finish reading chaps. 1, 3-7.)

Part VII: The Current Economic Crisis

In late 2008 the U.S. housing market collapsed. In its wake fell a number of American mortgage companies, investment banks, and one very large insurance company. Quickly thereafter the national financial and credit markets seized up and exacerbated a looming economic recession in the United States. The effects of all this around the world have been profound. What went wrong? And what is being done about it?

Mar 4 Underpinnings and triggers of the crisis
Student group presentations

Mar 6 The crisis unfolds and spreads
Student group presentations

Mar 9 Crisis management and crisis effects
Student group presentations

EXAM #2 DISTRIBUTED IN CLASS

Mar 13 **EXAM #2 DUE IN MY OFFICE (123 SILSBY HALL) ABSOLUTELY NO LATER THAN 4:00 PM.** Note that this is an *absolute* deadline. I am likely leaving the country on May 15 and so must turn in my grades on May 14. If I do not receive your exam on time, I cannot grade it and your final grade in the class will reflect that fact!