

ECONOMIC AND FINANCIAL SOCIOLOGY

Degree(s)	: Economics; Management; Finance; Mathematics Applied to Economics and Management
Type	: Optional course unit
Curricular year/semester	: 3rd year / 1st Semester
ECTS / hours per week	: 4 ECTS / 3.0 Hours
Workload per Week	: 2Theoretical/Practical x 1.5 Hours
Teacher responsible	: Professor Rafael Jorge Soares Duarte Marques

OBJECTIVES

- To study the theories and the concepts of economic sociology.
- To understand the social and cultural dynamics of markets.
- To discuss the sociological approaches to value construction and to the definition of the tradable.
- To explain the models and the forms of development in the context of globalization.
- To study the trends of contemporary finance sociology.
- To understand the actions and the inner logics of the main players of the financial world.
- To discuss sociological approaches to capital and financial markets.
- To explain the social and cultural constraints of money and financial markets in the context of globalization.

PROGRAM

- 1 – **What is Economic Sociology?** Boundaries and Limits. Economic Sociology vs. Economics. What do Economists have to Say? What Sociologists have to Say? Beyond the Homo Oeconomicus. Beyond the Homo Sociologicus. The Homo Reciprocans and the equity paradigm. The impossible triangulation theorem.

- 2 – **A Brief History of Economic Sociology:** Important Landmarks or the time of the Founding Fathers (1840-1920) - Marx, Weber, Durkheim, Simiand, Simmel, Sombart, Veblen, Pareto, Tarde. A rich agenda.
- 3 – **The Great Divide** - From Schumpeter and Polanyi to the Parsonian Project. The Gresham Law of Sociology. Imperialism and Isolationism. The Emergence of a New Paradigm – the eighties and the New Economic Sociology. The different strands of the Economic Sociology project. The European Scene and the American dominance.
- 4 – **The Vocabulary of the New Economic Sociology:** Embeddedness, Social Capital, Trust, Social Networks, Performativity. Building a Trust Theory. The Social Capital debate. Enter the Management gurus. Paying attention to the critical factors: a comparison between giri, blat, and guanxi. The methodological approach: Dirty Hands vs. Clean Models?
- 5 – **The Social Construction of Value.** The Economic Sociology of Giving, Reciprocity and Altruism. Gifts vs. Commodities. The deadweight loss of Christmas revisited. Special Markets and special commodities. The market for blood and organs. Auctions or the language of value(s).
- 6 – **Economic Action and Social Relations:** Integrating interest and rationality. The dilemmas of rationality. Buridan's paradox. Perverse Effects and the Propensity to withhold effort. Bounded rationality and the fast and frugal heuristics of decision. Framing Models and Rules of thumb. Threshold Models and Bandwagon effects. Towards a Complex Theory of Action.
- 7 – **Institutions and Organizations.** Isomorphism and Legitimacy. The Ecological Hypothesis. How variety does not configure choice. Hirschman's approach. The political side of organizations. Who Controls the Modern Organizations. The shareholder value consensus. The Business Groups Issue. Comparing the US, Japan, and China.
- 8 – **The Social Construction of Markets.** Where do Markets come from. The Market as a Metaphor. Ideological Constructions. Defining Exchange and its varieties. What is traded and what is tradable. The Social Construction of Competition. Socio-Economic Models of Production.
- 9 – **Discussing Markets:** Bourdieu and The Housing Sector, Granovetter and The Electricity Industry, Vatin and the Milk World, Aspers and The Fashion Industry. The Strawberry market in Sologne. Extending the Analysis to the Credit Industry: the comparative study of the credit card market. Pawn Shops: a simple case of credit to the poor? Once Again ... trust, networks and social capital.

10 – **The Economic Sociology of Capitalism and Globalization.** Beyond Market and Culture: the neo weberian approach to the development theme. Sociological Readings of the capitalistic development. Economic Backwardness or why some are left behind. Industry Creating Mechanisms in Advanced Societies. The Eastern Transitions. The Impact of Globalization on the Welfare State.

Transnationalism and the Nation State. Risk and Uncertainty in a runaway world. The demographic transitions.

11 – **The Sociology of Financial Markets.** Information and Arbitrage. The centrality of the Traders. Between Opportunism and Contention. The Performativity Hypothesis. The Big Bang and the Globalization of the Financial Markets. The Rhetoric of the Market: a closer look at the vocabulary of M&A. A far from Perfect Market. The Social Meanings of Money. Money's Fiduciary and Moral Dimensions. The 2008 Crisis.

12 – **The Economic Sociology of Public Finance.** Finanz Soziologie or Fiscal Sociology? Bringing the State Back In? The three axis of the fiscal studies – The Austrians (Schumpeter and Goldscheid), The Italians (Pareto, Sensini, Griziotti), The recalcitrant Americans. Fiscal Illusion and Fiscal Culture. The Antidosis example.

13 – **Culture and Economics.** Culture Industries. Creating needs and forging desires. Between homogeneity and heterogeneity. Consumption and Life Styles. The Art World. The Myth of Authorship as a cornerstone of the Western Civilization. The definition of Property Rights. The civilization dynamics and its impact on the economic sphere. The invention of traditions and the “turistification” of the modern world. The post materialist values debate.

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