

Economy and Society I

**Michał Federowicz and Andrzej Rychard
2018/2019**

The main purpose of the course is to demonstrate how the social pre-conditions may both limit and stimulate economic change from non-market to various types of market economy, and how some economic choices induce social costs and gains while some other choices induce other costs and gains. The course aims at analysing the social factors in play during Central and East European transformation in the light of more universal theories and concepts.

The course focuses on interdependence between economic system and social systems at the time of deep and often radical change in the region. The theoretical approaches of economic sociology including those dealing with group interests, path-dependency, corporatism, rational choice and the institutional approach, will be discussed together with empirical evidence from transforming economies of Central and Eastern Europe. This will help to explain the interplay between the factors promoting the changes and the factors constraining them.

Two levels of analyses will be considered: macro-level of economic and social system, and micro-level of economic and social actors like: households, firms and trade unions. The interplay between the two levels and specific role of the state will be displayed.

It is expected that at the end of the course the students will be grunted with, and be able to demonstrate, a detailed understanding of major terms of economic sociology, like vested interests, social institutions, market regulation, economic relations and their social embeddedness, rational choice and its limitations, shadow economy, non-market economic relations, etc. The expected outcome is also the understanding of general co-existence and co-determination of the economic and social spheres of any economic process, in particular, at the time of deep transformation. Students are expected to follow the set of common readings from the syllabus, to give oral presentations, write reaction papers and prepare term essay (ca. 3000 words).

1. The sociological perspective on the economy

Readings:

N.J. Smelser & R. Swedberg, *Introducing Economic Sociology*, in: N.J. Smelser & R. Swedberg (eds.), *The Handbook of Economic Sociology*, Princeton University Press, Princeton NJ, 2005, pp. 3-25.

P. Bourdieu, *Principles of an Economic Anthropology*, in: Smelser & Swedberg (eds.) *The Handbook...*, pp. 75-89.

P. DiMaggio, *Culture and economy*, in: N.J. Smelser & R. Swedberg (eds.), *The Handbook of Economic Sociology*, Princeton University Press, Princeton NJ, 1994, pp. 27-57.

2. Evolutionary theorizing versus rational choice theory

Readings:

R. Swedberg, *Markets in Society*, in: *The Handbook ... 2005*, pp. 233-253.

R.R. Nelson, *Evolutionary Theorizing about Economic Change*, in: Smelser & Swedberg (eds.) *The Handbook...*, 1994, pp. 108-136,

J.S. Coleman, *A rational choice perspective on economic sociology*, in: Smelser & Swedberg (eds.) *The Handbook...* 1994, pp. 166-180.

M. Friedman, *The Methodology of Positive Economics*, in: Milton Friedman, *Essays in Positive Economics*. Chicago, University of Chicago press: 3-43.

3. Understanding social institutions and their role in a systemic change

R. Swedberg, M. Granoveter, *Introduction*, in M. Granoveter, R. Swedberg (eds.), *The Sociology of Economic Life*, Westview Press, Boulder, San Francisco, Oxford, 1992.

M. Federowicz, *Anticipated Institutions: The power of path-finding expectations*, in: M. Dobry, *Democreatic and Capitalist Transitions in Eastern Europe*, Kluwer Academic Publishers, pp. 91-106.

J. Beckert: *Fictional Expectation*, in: J. Beckert: *Imagined Futures*, Harvard University Press, 2016

4. Bureaucracy a rebour. The party-state economy and its social mechanisms

Readings:

J. Szelenyi, K. Beckett and L.P. King, *The socialist economic system*, in: Smelser & Swedberg (eds.) *The Handbook...*, 1994, pp. 234-254.

L.P. King and I. Szelenyi, *Post-Communist Economic Systems*, in: Smelser & Swedberg (eds.) *The Handbook...*, 2005, pp. 205-229.

L. Balcerowicz, *Socialism, Capitalism Transformation*, CEU Press, Budapest, London, New York, 1995, pp. 1-58,

5. Social Market Economy: the concept and reality

Readings:

A. J. Nicholls. *Freedom with Responsibility: The Social Market Economy in Germany, 1918–1963*. New York: Clarendon Press of Oxford University Press. 1994, Introduction and Prologue, pp. 1-9.

R.Sally, The Social Market and Liberal Order: Theory and Policy Implications, in: *Government and Opposition*, Vol. 29, No. 4 (AUTUMN 1994), pp. 461-476.
M.Wohlgemuth, The Present *Relevance of Ordnungstheorie* for the Politics and the Economics of the Social Order, in: A. Labrousse, J-D. Weisz, in: *Institutional Economics in France and Germany, Studies in Economic Ethics and Philosophy*, Springer, 2013.

6.The Outcomes of a systemic change

Readings:

A.H.Amsden, J.Kochanowicz, L.Taylor, *The Market Meets Its Match*, Harvard University Press, Cambridge, London, 1994, : Chapter 1 and 2, pp. 1-49,
J.L.Campbell, O.K.Pedersen, *The Evolutionary Nature of Revolutionary Change in Postcommunist Europe*, in: J.L.Campbell, O.K.Pedersen (eds.), *Legacies of Change: Transformation of Postcommunist European Economies*, Aldine de Gruyter, New York, 1996, pp.207-249,
B.Chavance and E.Magnin, *National Trajectories of Post-socialist Transformation: Is there a Convergence Towards Western Capitalism?* In: M. Dobry, *Democreatic and Capitalist Transitions in Eastern Europe*, Kluwer Academic Publishers, pp. 221-234.
D.Bohle, *Internationalisation: An Issue Neglected in the Path-Dependency Approach to Post-Communist Transformation*, in: M. Dobry, *Democreatic and Capitalist Transitions in Eastern Europe*, Kluwer Academic Publishers, pp.235-261.

7.Economy and social interests

Readings:

M.Granovether: *The nature of economic relationships*, in:R.Swedberg (ed.): *Explorations in Economic Sociology*, Russel Sage Foundation, New York, pp.3-39
O.K.Pedersen, K.Ronit, I.Suchij: *The State and organized interests in the labor market: Experiences from Postcommunist Europe*, in: J.L.Campbell, O.K.Pedersen (eds.): *Transformations of Postcommunist European Economies*, Aldine de Gruyter, New York, 1996, pp.109-137.
W.Adamski:*The Dynamics of Group Interests in the Privatisation Process*, in:EMERGO, journal, vol.4 No. 1, pp.51-60

8.Economy and social structure

Readings:

S.E.Shanahian, N.B.Tuma: *The sociology of distribution and redistribution*, in: N.J.Smelser, R.Swedberg (eds.), *The handbook...*,(pp.733-766)
H.Domański: *Two transformations and social mobility*, in: *On the verge of Convergence*, CEU Press 2000
J.Alber, U.Kohler: *The Inequality of Electoral Participation in Europe and America and the Politically Integrative Functions of the Welfare State*, in: J.Alber, N.Gilbert (eds.): *United in Diversity? Comparing Social Models in Europe and America*, Oxford University Press 2010, Oxford-New York

9.The informal economy

Readings:

A.Portes: The informal economy and its paradoxes, in: N.J.Smelser, R.Swedberg (eds.)

The handbook..., pp.426-453

I.R.Gabor: Modernity or a New Kind of Duality? in:J.M.Kovacs (ed.):Transition to Capitalism, Transaction Publishers, 1994, pp.3-21

J.M.Kovacs: Introduction in: as above, pp. XI-XXIII

10.Consumers, citizens and employees: social actors in the economy

Readings:

J.Frenzen, P.M.Hirsch. P.C.Zerillo: Consumption, Preferences and Changing lifestyles, in: N.J.Smelser, R.Swedberg (eds.): The handbook..., (pp.403-426)

A.Rychard: Entrepreneurs, Consumers, and Civility: The Case of Poland, in: V.Perez-Diaz (ed.): Markets and Civil Society. The European Experience in Comparative Perspective, Berghahn Books, New York-Oxford, 2009

11.The limits of economic rationality

Readings:

J.Beckert: Fictional Expectation, in: J.Beckert: Imagined Futures, Harvard University Press, 2016

S.Macouley: Non-contractual relations in business: a preliminary study, in:H.Granovetter, R.Swedberg: The sociology of economic life, Westview Press, Boulder, 1992

B.Misztal: Trust in modern societies, Policy Press, 1996, Chapter 1 (pp.12-33)

G.J.Miller: Managerial Dilemmas: Political leadership in hierarchies (plus comment), in:K.Schweers Cook, M.Levi (eds.):The limits of rationality, The University of Chicago Press, 1990, pp.324-358

12.Politics, the economy and society: how they interrelate?

Readings:

F.Block: The role of state in the economy, in:N.J.Smelser, R.Swedberg (eds.): The handbook..., (pp.691-711).

G.Esping-Andersen: Welfare states and the economy, in:N.J.Smelser, R.Swedberg, (eds.): The handbook..., (pp.711-732).

B.Greskovits: The Political Economy of Protest and Patience, Central European University Press, 1998, Chapter 10, pp.177-189

Recommended: A.K.Koźmiński: How It All Happened, Ch. 2, Difin Publishers, 2008, Warszawa

Office hours:

M. Federowicz: Mondays 15:00 – 17:00, room 258, and by appointment

A. Rychard: Thursdays 15:00-17:00, room 150, and by appointment