WHAT IS THIS COURSE ABOUT?

This course introduces theoretical approaches to studying economic life and conducts enquiries into economic phenomena. It gives students a grounding in both the classical and contemporary traditions in economic sociology and provides a sample of work from the social studies of finance.

Economic sociology has undergone a revival since the 1980s. Whether questioning assumptions of actor rationality in economics, bringing history and social structure to our understanding of the economy, or simply providing an alternative to mathematical formalism, economic sociologists see their work as sometimes contesting, and sometimes complementing the analyses of mainstream economics.

The first five weeks of the course concentrate on conceptual and theoretical issues in the field. After providing a general introduction to the relationship between economics and sociology, we ask questions such as: What is a capitalist economy? How are markets embedded in society? Does culture shape the economy? Is economics performative? The latter half of the course then makes use of these theoretical explorations to assist a series of enquiries: Does the diversity of monies matter? Do carbon markets work? What is financialisation? What caused the financial crisis? Are regulators effective?

COURSE CONVENORS

Dr. Nathan Coombs holds office hours in Chrystal Macmillan Building 5.12 on Wednesdays 3-5pm (excluding weeks 7-9). He can be contacted by phone on +44 (0)131 650 8259 and email at nathan.coombs@ed.ac.uk

Dr. Taylor Spears holds office hours in 18 Buccleuch Place, Room 3.22 on Tuesdays 2-4pm. He can be contacted by 'phone on +44 (0)131 651 3866 and email at taylor.spears@ed.ac.uk
COURSE FORMAT

The class is split into several components:

- A lecture, which meets each week on Tuesdays from 09:00 to 09:50 in Lecture Theatre 183, Old College. The purpose of the lectures is to give a presentation of the week’s topic and readings.
- A tutorial, which meets from week 2 at 10:00-10:50 in LG10 of David Hume Tower on either Tuesday or Thursday, depending on the student’s assigned tutorial group. In the tutorials, from week 3 onwards groups of 1-2 honours students will present their take on the week’s topic and pose discussion questions to the class. Participation marks will be assigned to honours students on the basis of the quality of group presentations and tutorial attendance and participation.
  - Tutorial group sign-up is done through LEARN. More information on how to sign up to a tutorial group can be found below.
- Postgraduate students are also required to attend a supplementary seminar that meets on Thursdays in weeks 2, 4, 6, 8 and 10 only from 14:10 to 15:00 in room G.02, 21 George Square. Postgrads will give one individual presentation, produce a handout and pose discussions to the class during these seminars.

LEARNING OUTCOMES

On completion of this course, students will (be able to):

<table>
<thead>
<tr>
<th></th>
<th>Honours Level</th>
<th>Postgraduate Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Appreciate the relationship between Economic Sociology, Economics and Political Economy. Understand the specific methodological contribution of Economic Sociology.</td>
<td>Critically evaluate the relationship between Economic Sociology, Economics and Political Economy, as well as the specific methodological contribution of Economic Sociology.</td>
</tr>
<tr>
<td>2</td>
<td>Have a grounding in the broad Economic Sociology literature as well as the methodologies employed by economic sociologists to study economic phenomena.</td>
<td>Articulate a critical understanding of the broad Economic Sociology literature as well as in the methodologies employed by economic sociologists to study economic phenomena.</td>
</tr>
<tr>
<td>3</td>
<td>Be acquainted with the ideas of major figures in the field including: Marx, Weber, Zelizer, Granovetter, Carruthers, Callon, and MacKenzie.</td>
<td>Critically assess the ideas of major figures and schools of thought within the field, and be able to make informed judgments about the relevance of these ideas to contemporary debates.</td>
</tr>
<tr>
<td>4</td>
<td>Be familiar with and able to apply the concepts of embeddedness, culture, market devices and performativity to sociological economic analyses.</td>
<td>Synthesise and apply the concepts of embeddedness, culture, market devices and performativity to sociological economic analyses in his/her own research project (where applicable).</td>
</tr>
<tr>
<td>5</td>
<td>Understand major contemporary debates concerning the nature of money, financialization, the recent financial crisis, carbon markets and failures of regulation.</td>
<td>Critically assess major contemporary debates concerning the nature of money, financialization, the recent financial crisis, carbon markets and failures of regulation.</td>
</tr>
</tbody>
</table>
ASSESSMENT

Short Essay (20% for Honours Level)
Honours students are required to submit a short essay of no more than 1,500 words in response to one of the following questions by Thursday, 11 February 2016 at 12:00 pm.

1. What are the consequences of assumptions of actor rationality and perfect information in neoclassical economics?
2. To what extent is Polanyi’s notion of embeddedness a useful way to think about historical changes in the relationship between markets and society?
3. Evaluate the following statement: “The ‘economy’ and ‘society’ are distinctive realms of human activity, which are subject to distinct rules, logics, and norms.”
4. Explain the limits of Granovetter’s concept of embeddedness, either from the perspective of ‘culture’ or that of ‘performativity’.

These questions are theoretical and designed to test your knowledge of concepts learnt in the first half of the course.

Long Essay (70% for Honours Level, 90% for Postgraduate Level)
Students are required to submit an essay of no more than 4,000 words by Thursday, 7 April 2015 at 12:00 pm. In writing this essay, Honours students are required to respond to one of the following questions:

1. What are the most important changes in global capitalism since the 1970s?
2. To what extent does economics ‘perform’ contemporary markets?
3. How effective are alternative currencies for contesting the status quo?
4. Do carbon markets provide an answer to the problem of greenhouse gas abatement?
5. To what extent has finance become more integral to the ‘real’ economy, and the lives of everyday people?
6. Which factors (political, technological, social, etc.) were necessary for the subprime housing crisis to occur?
7. Why did financial regulators fail to see the sub-prime crisis coming?

These questions require you to combine your theoretical knowledge with your own choice of empirical examples. In answering them, also make sure that you justify your theoretical approach and show awareness of relevant literature.

Postgraduate students should instead consult with one of the instructors to develop an essay topic in line with their own research interests.

Tutorial Participation (10% for both Honours and Postgraduate Level)
Either individually or in groups of two, students will give a presentation, produce a handout, and pose discussion questions to their respective tutorial group on their chosen topic.

Tutorial participation marks will be assigned on the basis of the quality of presentations, tutorial attendance and participation in group discussions.

Word Count Penalties:
Your short essay should be between 1400 and 1600 words, while the long essay should be between 3,900 and 4,100 words. Essays more than 100 words over the word limit (i.e. more than 1,600 words for the short essay; more than 4,100 words for the long essay) will be penalized using the Ordinary level criterion of 1 mark for every 20 words over length. For example, in the case of the short essay, a word length between 1,601 and 1,620 words will lose one point, between 1,621 and 1,640 two points, and so on. Please note that the lower figure for each essay is a guideline for students, and you will not be penalized for submitting an essay with a word count below this figure. However, you should note that shorter essays are unlikely to achieve the required depth and that this will be reflected in your mark.

THE OPERATION OF LATENESS PENALTIES

Unlike in Years 1 and 2, NO EXTENSIONS ARE GRANTED WITH RESPECT TO THE SUBMISSION DEADLINES FOR ANY ASSESSED WORK AT HONOURS LEVEL.

Managing deadlines is a basic life-skill that you are expected to have acquired by the time you reach Honours. Timely submission of all assessed items (coursework, essays, project reports, etc.) is a vitally important responsibility at this stage in your university career. Unexcused lateness can put at risk your prospects of proceeding to Senior Honours and can damage your final degree grade.

If you miss the submission deadline for any piece of assessed work, 5 marks will be deducted for each calendar day that work is late, up to a maximum of five calendar days (25 marks). Thereafter, a mark of zero will be recorded. There is no grace period for lateness and penalties begin to apply immediately following the deadline. For example, if the deadline is Tuesday at 12 noon, work submitted on Tuesday at 12.01pm will be marked as one day late, work submitted at 12.01pm on Wednesday will be marked as two days late, and so on.

Failure to submit an item of assessed work will result in a mark of zero, with potentially very serious consequences for your overall degree class, or no degree at all. It is therefore always in your interest to submit work, even if very late.

Please be aware that all work submitted is returned to students with a provisional mark and without applicable penalties in the first instance. The mark you receive on ELMA is therefore subject to change following the consideration of the Lateness Penalty Waiver Panel (please see below for further information) and the Board of Examiners.

HOW TO SUBMIT A LATENESS PENALTY WAIVER FORM

If there are extenuating circumstances beyond your control that make it necessary for you to submit work after the deadline, then you must fill in a ‘Lateness Penalty Waiver’ (LPW) form to state the reason for your lateness. This form serves as a request for any applicable penalties to be removed and will be considered by the Lateness Penalty Waiver Panel.

Before submitting an LPW, please consider carefully whether your circumstances are (or were) significant enough to justify the late submission of your work. Such circumstances should be serious and exceptional (e.g. not a common cold or a heavy workload). Computer failures are not regarded as justifiable reason for late submission. As a precaution, you should regularly back-up your work (using, e.g., a service such as Dropbox) and allow sufficient time for uploading it to ELMA.
You should submit the LPW form and supply an expected date of submission as soon as you are able to do so, and preferably before the deadline. Depending on the circumstances, supporting documentation may be required, so please be prepared to provide this where possible.

LPW forms can be found in a folder outside your SSO’s office, or on online at: http://www.sps.ed.ac.uk/undergrad/on_course_students/assessment_and_regulations/coursework_requirements/coursework_requirements_honours

Forms should be returned by email or, if possible, in person to your SSO. They will sign the form to indicate receipt and will be able to advise you if you would like further guidance or support.

Please Note: Signing the LPW form by either your SSO or Personal Tutor only indicates acknowledgment of the request, not the waiving of lateness penalties. Final decisions on all marks rest with Examination Boards.

There is a dedicated SSO for students in each subject area in SPS. To find out who your SSO is, and how to contact them, please find your home subject area on the table below:

<table>
<thead>
<tr>
<th>Subject Area</th>
<th>Name of SSO</th>
<th>Email</th>
<th>Phone</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politics</td>
<td>Irena Coubrough</td>
<td><a href="mailto:Irena.Coubrough@ed.ac.uk">Irena.Coubrough@ed.ac.uk</a></td>
<td>0131 650 4253</td>
<td>Room 1.05, Chrystal MacMillan Building</td>
</tr>
<tr>
<td>International Relations</td>
<td>Rebecca Shade</td>
<td><a href="mailto:rebecca.shade@ed.ac.uk">rebecca.shade@ed.ac.uk</a></td>
<td>0131 651 3896</td>
<td>Room 1.05, Chrystal MacMillan Building</td>
</tr>
<tr>
<td>Social Anthropology</td>
<td>Vanessa Feldberg</td>
<td><a href="mailto:vanessa.feldberg@ed.ac.uk">vanessa.feldberg@ed.ac.uk</a></td>
<td>0131 650 3933</td>
<td>Room 1.04, Chrystal MacMillan Building</td>
</tr>
<tr>
<td>Social Policy</td>
<td>Louise Angus</td>
<td><a href="mailto:L.Angus@ed.ac.uk">L.Angus@ed.ac.uk</a></td>
<td>0131 650 3923</td>
<td>Room 1.08, Chrystal MacMillan Building</td>
</tr>
<tr>
<td>Social Work</td>
<td>Jane Marshall</td>
<td><a href="mailto:jane.marshall@ed.ac.uk">jane.marshall@ed.ac.uk</a></td>
<td>0131 650 3912</td>
<td>Room 1.07, Chrystal MacMillan Building</td>
</tr>
<tr>
<td>Sociology</td>
<td>Karen Dargo</td>
<td><a href="mailto:Karen.Dargo@ed.ac.uk">Karen.Dargo@ed.ac.uk</a></td>
<td>0131 651 1306</td>
<td>Room 1.03, Chrystal MacMillan Building</td>
</tr>
</tbody>
</table>
If you are a student from another School, you should submit your LPW to the SSO for the subject area of the course, Karen Dargo.

**SUBMITTING WORK ELECTRONICALLY**

Coursework should be submitted online using our electronic submission system, ELMA. You will not be required to submit a paper copy of your work.

Marked coursework, grades and feedback will be returned to you via ELMA. You will not receive a paper copy of your marked course work or feedback.

For information, help and advice on submitting coursework and accessing feedback, please see the ELMA wiki at https://www.wiki.ed.ac.uk/display/SPSITWiki/ELMA. Further detailed guidance on the essay deadline and a link to the wiki and submission page will be available on the course Learn page. The wiki is the primary source of information on how to submit your work correctly and provides advice on approved file formats, uploading cover sheets and how to name your files correctly.

When you submit your work electronically, you will be asked to tick a box confirming that your work complies with university regulations on plagiarism. This confirms that the work you have submitted is your own.

Occasionally, there can be technical problems with a submission. We request that you monitor your university student email account in the 24 hours following the deadline for submitting your work. If there are any problems with your submission the course secretary will email you at this stage.

We undertake to return all coursework within 15 working days of submission. Our aim is to have feedback returned to students online via ELMA by Monday 7 March 2016 for the first essay, and by 28 April 2016 for the final essay. This time is needed for marking, moderation, second marking and input of results. If there are any unanticipated delays, it is the course organiser’s responsibility to inform you of the reasons.

**PLAGIARISM GUIDANCE FOR STUDENTS**

**Avoiding Plagiarism:**

Material you submit for assessment, such as your essays, must be your own work. You can, and should, draw upon published work, ideas from lectures and class discussions, and (if appropriate) even upon discussions with other students, but you must always make clear that you are doing so. **Passing off anyone else’s work** (including another student’s work or material from the Web or a published author) as **your own is plagiarism** and will be
punished severely. When you upload your work to ELMA you will be asked to check a box to confirm the work is your own. ELMA automatically runs all submissions through ‘Turnitin’, our plagiarism detection software, and compares every essay against a constantly-updated database, which highlights all plagiarised work. Assessed work that contains plagiarised material will be awarded a mark of zero, and serious cases of plagiarism will also be reported to the College Academic Misconduct officer. In either case, the actions taken will be noted permanently on the student’s record. For further details on plagiarism see the following websites:

- Honours Level: [http://www.ed.ac.uk/schools-departments/academicservices/students/undergraduate/discipline/plagiarism](http://www.ed.ac.uk/schools-departments/academicservices/students/undergraduate/discipline/plagiarism)
- Postgraduate Level: [http://www.sps.ed.ac.uk/gradschool/on_course/for_taught_masters/avoiding_plagiarism](http://www.sps.ed.ac.uk/gradschool/on_course/for_taught_masters/avoiding_plagiarism)

DATA PROTECTION GUIDANCE FOR STUDENTS

In most circumstances, students are responsible for ensuring that their work with information about living, identifiable individuals complies with the requirements of the Data Protection Act. The document, Personal Data Processed by Students, provides an explanation of why this is the case. It can be found, with advice on data protection compliance and ethical best practice in the handling of information about living, identifiable individuals, on the Records Management section of the University website at:


FEEDBACK AND EVALUATION

The course will be evaluated by Sociology-organized questionnaires given to students at the end of the course. All courses in Sociology are evaluated in this way, and the results are reviewed in staff meetings. Comments made by students, staff and external examiners will be fed back into course revision.

EXTERNAL EXAMINERS

The External Examiners for this course for session 2015-16 are:

- Professor Bernadette Hayes, University of Aberdeen
- Dr Michael Halewood, University of Essex

GUIDE TO USING LEARN FOR ONLINE TUTORIAL SIGN-UP

The following is a guide to using LEARN to sign up for your tutorial. If you have any problems using the LEARN sign up, please contact the course secretary by email (Edwin.Cruden@ed.ac.uk)

Tutorial group sign up will open at 12 noon on Tuesday 12 January 2016, after the first lecture and tutorial have taken place, and will close at 12 noon on the Friday of Week
1 (15 January 2016).

**Step 1 – Accessing LEARN course pages**

Access to LEARN is through the MyEd Portal. You will be given a log-in and password during Freshers' Week. Once you are logged into MyEd, you should see a tab called ‘Courses’ which will list the active LEARN pages for your courses under ‘myLEARN’.

**Step 2 – Welcome to LEARN**

Once you have clicked on the relevant course from the list, you will see the Course Content page. There will be icons for the different resources available, including one called ‘Tutorial Sign Up’. Please take note of any instructions there.

**Step 3 – Signing up for your tutorial**

Clicking on Tutorial Sign Up will take you to the sign up page where all the available tutorial groups are listed along with the running time and location.

Once you have selected the group you would like to attend, click on the ‘Sign up’ button. A confirmation screen will display.

IMPORTANT: If you change your mind after having chosen a tutorial you cannot go back and change it and you will need to email the course secretary. Reassignments once tutorials are full or after the sign-up period has closed will only be made in exceptional circumstances.

Tutorials have restricted numbers and it is important to sign up as soon as possible. **The tutorial sign up will only be available until 12 noon on the Friday of Week 1 (15 January 2016) so that everyone is registered to a group ahead of the tutorials beginning in Week 2. If you have not yet signed up for a tutorial by this time you will be automatically assigned to a group, which you will be expected to attend.**

**LEARNING RESOURCES FOR UNDERGRADUATES**

The Study Development Team at the Institute for Academic Development (IAD) provides resources and workshops aimed at helping all students to enhance their learning skills and develop effective study techniques. Resources and workshops cover a range of topics, such as managing your own learning, reading, note making, essay and report writing, exam preparation and exam techniques.

The study development resources are housed on 'LearnBetter' (undergraduate), part of Learn, the University's virtual learning environment. Follow the link from the IAD Study Development web page to enrol: [www.ed.ac.uk/iad/undergraduates](http://www.ed.ac.uk/iad/undergraduates).

Workshops are interactive: they will give you the chance to take part in activities, have discussions, exchange strategies, share ideas and ask questions. They are 90 minutes long and held on Wednesday afternoons at 1.30pm or 3.30pm. The schedule is available from the IAD Undergraduate web page (see above).

Workshops are open to all undergraduates but you need to book in advance, using the MyEd booking system. Each workshop opens for booking 2 weeks before the date of the workshop itself. If you book and then cannot attend, please cancel in advance through MyEd so that another student can have your place. (To be fair to all students, anyone who
persistently books on workshops and fails to attend may be barred from signing up for future events).

Study Development Advisors are also available for an individual consultation if you have specific questions about your own approach to studying, working more effectively, strategies for improving your learning and your academic work. Please note, however, that Study Development Advisors are not subject specialists so they cannot comment on the content of your work. They also do not check or proof read students' work.

To make an appointment with a Study Development Advisor, email iad.study@ed.ac.uk

(For support with English Language, you should contact the English Language Teaching Centre).

STUDENTS WITH DISABILITIES

The School welcomes disabled students with disabilities (including those with specific learning difficulties such as dyslexia) and is working to make all its courses as accessible as possible. If you have a disability special needs which means that you may require adjustments to be made to ensure access to lectures, tutorials or exams, or any other aspect of your studies, you can discuss these with your Student Support Officer or Personal Tutor who will advise on the appropriate procedures.

You can also contact the Student Disability Service, based on the University of Edinburgh, Third Floor, Main Library, You can find their details as well as information on all of the support they can offer at: http://www.ed.ac.uk/student-disability-service.
READING GUIDE FOR THE COURSE

It is a required that you read the essential readings before attending the tutorials. Economic sociology is a demanding field of sociology, but these readings have been chosen to give as gentle and comprehensive an introduction to the topics as possible.

When planning and writing your presentations to the tutorial group, it is necessary that you also engage some of the recommended readings.

In addition to the recommended readings, the advanced readings are suggested starting points for your coursework research.

GENERAL READINGS AND TEXTBOOKS

Introductions to the field


Readers


Advanced texts


Introductions to the Sociology of Finance


**WEEK 1**

**Lecture: Visions of the Economy in Economics and Sociology (Nathan Coombs)**

What is economic sociology and what distinguishes it from economics? The first lecture introduces the course and presents the alternative visions of the economy in economics and sociology. We begin with the story of the marginal utility revolution in economics in the late-19th century. The resultant neoclassical paradigm in economics mathematised the discipline, eliminated notions of value, and resulted in a conception of market interactions populated by rational *homo economicus* – a way of understanding the economy that persists to this day. However, we see that unrealistic assumptions of actor rationality and perfect information have inspired sociologists to propose an alternative vision of economic life.

**Essential Readings**


**Recommended Readings**


**Advanced Readings**


WEEK 2

Lecture: What is Capitalism? (Nathan Coombs)

From mainstream politicians to radical activist groups, everyone agrees that we live in a capitalist economy. Yet the question of what capitalism is, what distinguishes it from pre-modern economic forms, and what varieties it comes in remains controversial. This lecture presents the views of classical economic sociologists on the subject. From Karl Marx’s association of capitalism with the exploitation of workers to Max Weber’s stress on capital accounting techniques, we see that different interpretations of what capitalism is have divergent political implications. We also ask what if anything has changed in recent decades – is it still the same capitalism that Marx and Weber were talking about in the nineteenth and early-twentieth century?

Essential Readings


Recommended Readings


Advanced Readings


Economic sociologists contend that markets are embedded in social structures and social relationships. This means that relations between buyers and sellers go beyond the exchange of goods and services by rational *homo economicus*. Rather, markets and economic action are shaped by social norms and by the institutions in which they take place. From expectations of reciprocity and gift-giving to the role of human capital in immigrant communities, there are as many forms of economic embeddedness as there are types of social interaction. After surveying the variety of ways in which embeddedness is interpreted, the lecture explores some difficulties with the concept. Most importantly, the lecture asks whether it makes sense to think about markets as being more or less embedded in different societies and at different points in history?

**Essential Readings**


**Recommended Readings**


**Advanced Readings**


WEEK 4

Lecture: Bringing Culture Back In (Taylor Spears)

One criticism raised against the new economic sociology coalescing around the concept of ‘embeddedness’ during the 1980s, is that it fails to take seriously how culture shapes and constitutes market interactions. Indeed, while economic sociology initially had much to say about the importance of social relations in constituting economic activity, it had little to say about the content of those relations. After examining classical work on culture and markets, we study two broad approaches that researchers within economic sociology have developed for integrating culture into studies of markets and the economy. The first of these sees markets and economic exchange as being fundamentally constituted by cultural elements; the second examines the impact of culture on markets.

Essential Readings


Recommended Readings


Advanced Readings


WEEK 5

Lecture: Calculation and Performativity (Taylor Spears)

One central feature of Weber’s economic sociology that is absent from the theoretical perspectives examined in the last two weeks is a focus on calculation. Weber believed that modern society’s ability to “master all things by calculation” was an important cause of the emergence of modern economic and political institutions and the bureaucratization of social order. This week’s lecture examines an approach to economic sociology that focuses on calculation. The approach, which is known as the ‘performativity’ perspective, sees economics and accounting as not merely describing a naturally existing economy or a set of economic actors with predefined properties, but instead play a role in formatting, shaping, and even constructing these entities. From this perspective, the tools of economics – including its models, formulae, and technical devices – play an important role in constituting markets. This approach fills in important theoretical gaps left by both the original ‘embeddedness’ and ‘cultural’ perspectives in economic sociology.

Essential Readings


Recommended Readings


Advanced Readings


Although we use money on a daily basis, we rarely pause to reflect on what money is, the diversity of its forms, or the different meanings people attach to money. Money seems to do little more than grease the wheels of commerce and act as a unit of account to record our wealth. In this lecture, however, we see that money can be understood as a thoroughly social object. Contrasting Marx’s and Simmel’s views of money with more contemporary sociological approaches, we tease out these perspectives’ social and political implications. Is money merely a force of alienation, or is there a utopian aspect to money which means that it can be used to challenge the prevailing economic order? In showing how national territorial currency is being contested by a range of alternative monetary forms, we see that the question of whether or not the diversity of monies matters depends upon how we theorise the social life of money.

Essential Readings


Recommended Readings


**Advanced Readings**


WEEK 7

Lecture: Can Markets Save the Environment? Carbon Markets and Their Politics (Taylor Spears)

This lecture examines an important instance of the 'performativity' of economics: the growing use of market-based mechanisms for meeting carbon abatement targets in order to mitigate climate change. In the first part of the lecture for this week, we'll examine the genesis of the intellectual concepts and ideas that have motivated and justified the development of these tradable permit schemes, which are also known as ‘carbon markets’. Central to their development is economists’ concept of ‘externalities’: costs and benefits of market activity that are not reflected in market prices. We'll examine how economic sociology’s concept of ‘performativity’ can be used to understand how economic concepts – including the concept of ‘externality’ – are used to frame certain environmental problems as addressable via market-based solutions. Next, we'll examine the historical development of one of the world’s leading carbon markets: the European Emissions Trading Scheme, as well as a number of political and technological challenges that its creators faced during its development.

Essential Readings


Recommended Readings


Advanced Readings


WEEK 8

Lecture: The Causes and Consequences of 'Financialisation' (Taylor Spears)

The growing importance of the financial markets on the activities of non-financial corporations and the lives of everyday people in recent decades is a phenomenon known as 'financialisation'. We examine the causes of this shift, as well as its effects on the activities of organisations and individuals. We begin by examining the roots of financialisation in the 19th century, which lie in the emergence of the modern large-scale corporation. As corporate ownership came to be consolidated within a relatively small set of institutional investors within the finance sector during the 1970s and 1980s, these agents drew upon theories and concepts from economics as well as the nascent markets for stock options to control managers through financial means. While financialisation has had a tremendous impact on the structure and behaviour of firms, this process has also greatly shaped the lives of individuals. We'll examine two avenues through which individual life has become increasingly financialised: the emergence of secondary financial markets for trading life insurance contracts, and the growing use of statistical techniques for quantifying the credit risk of individual borrowers.

Essential Readings


Recommended Readings


Advanced Readings


WEEK 9

Lecture: Financialisation in Action: ‘Subprime’ Lending and the Financial Crisis
(Taylor Spears)

In the penultimate lecture, we draw on all of the perspectives developed during this course to examine the causes of one of the most important economic events of our time: the growth and subsequent crash of the ‘subprime’ housing market in the U.S. and, to a lesser extent, in Europe. This event preceded the financial crisis and subsequent recession that is affecting the global economy nearly a decade later. Central to the growth of this market was a financial practice known as ‘securitisation’, in which individual mortgages were pooled together into financial securities and sold to investors. We will begin the lecture by examining how economics and economists explain and justify this practice. We will then examine three distinct accounts of the subprime housing crisis that have been developed by economic sociologists, with the aim of evaluating the relative strengths and weaknesses of the perspectives adopted within these accounts.

Essential Reading


Recommended Readings


Advanced Readings


WEEK 10

Lecture: Are Regulators Effective? (Nathan Coombs)

Despite persistent rhetoric about cutting ‘red tape’ and rolling back the state, one of the most salient economic and political developments since the 1980s has been the expansion of regulatory agencies. This has led some commentators to claim that we now live in the era of the ‘regulatory state’. But does the ubiquity of regulation mean that regulators are effective? What are the main challenges facing regulatory design and enforcement? With a focus on financial regulation, this lecture examines two problems. The first is the ‘revolving door’ between the financial sector and regulatory bodies and the possibility of ‘regulatory capture’ whereby regulators end up representing the interests of the industry more than they do the public good. The second is an epistemological problem. Can regulators know financial markets and can they prevent another crisis?

Essential Reading


Recommended Readings


Advanced Readings

