Economy and Society 1

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2005/2006

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:**

2. **Evolutionary theorizing versus rational choice theory**

**Readings:**

3. **The party-state economy and its social mechanisms**

**Readings:**
Federowicz, Poland’s Economic Order, Friedrich Ebert Foundation, Warsaw, pp. 7-37,

4. **The party-state and socialist enterprise**

**Readings:**
M.Federowicz, Poland’s…, pp.38-76,
L.Neumann, Decentralization and Privatization in Hungary: Towards Supplier Networks?,(mimeo)
W.Pańków, Work Institutions in Transformation, Chapter 2, pp. 30-47.

5. **Sociology of market economies-political economy approach**

**Readings:**
P.Hall:Political economy of Europe in anEra of Interdependence, (mimeo)
6. Understanding “shock” between real socialism and market economy

Readings:

Recommended readings:
J.Sachs, Understanding “Shock Therapy”, (mimeo)

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
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:

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
J.M.Kovacs: Introduction in: as above, pp. XI-XXIII
10. Consumers, citizens and employees: social actors in the economy

Readings:
A. Rychard: Social actors and institutions: strategies of adaptation (mimeo) pp. 1-25

11. The limits of economic rationality

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

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).

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