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Author(s): William L. Smith

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TEACHING ECONOMY AND SOCIETY: A COURSE IN INDUSTRIAL SOCIOLOGY*

WILLIAM L. SMITH

Loras College

A rationale is given for the necessity of including industrial sociology courses in departmental curriculum offerings. A specific macro political economy approach is outlined.

According to John Torpey (1989), sociology is faltering because we have lost sight of traditional disciplinary concerns such as social conflict, inequality, power, and justice, as well as the ability to use our sociological imagination to relate these concerns to a broader audience above and beyond sociological insiders. Herbert Gans (1989) and the article "Debating the Direction of a Discipline" discuss similar concerns, specifically our discipline's failure to relate overall macro institutional issues to one another and to make this analysis understandable to the general public. Deirdre Boden, Anthony Giddens, and Harvey Molotch (1990) state that the role of sociology in addressing society's problems is undervalued and misunderstood in academe. These are valid reasons to offer a course or a set of courses that take a macro historical political economy approach which should raise the question, "What is happening to society under advanced industrial conditions?"

Such an approach can help our departments to become more relevant in an era of changing curricula. Students, both majors and nonmajors, need and ask to be provided with an overall picture and analysis of the political economy and how corporate America operates.

We have the opportunity to discuss social structure and human relations from a perspective that students are unlikely to encounter elsewhere in academe: we are obliged to present a comparison of the major perspectives and descriptions of advanced capitalism. These perspectives can be used to analyze critically the macro-level links within American society and in the world. The process of critical analysis beyond useful description and comparison enhances students' skills in solving problems and "explaining connections." Acquiring facts is important, but when students examine

different ideological frameworks that expose the basic problems of the economy and the characteristics of the social class system, they can challenge the definitions and positions taken by persons operating within these frameworks. Are these positions realistic and/or plausible? Why or why not? This deeper analysis allows changes to occur in a student's intellectual approach to explaining issues.

Our students need to know how to operate effectively within existing social structures. They must be able to identify and address weak links in the system and to work to repair and improve them. As a discipline, we need to change our image from that of number crunchers who seldom tie data to larger social issues to that of empathetic professionals concerned with highlighting the connections among various social processes.

A COURSE IN ECONOMY AND SOCIETY

My approach to teaching Economy and Society differs from the usual emphasis in mainstream industrial sociology texts and courses. These texts and courses focus primarily upon the social organization of the workplace, the individual in the work world, and the construction of a theory of industrial society (Berg 1979; Harvey 1975; Miller and Form 1980). Although they devote some attention to the historical developments of industrialization and modernization, they often exclude complex organizations, occupational sociology, and political economy (Form 1979, p. 1). I tend to focus less on roles in the workplace than on the impact of industrialization, modernization, the changing structure of the economy, and the influence of par-

* I wish to express my gratitude to the reviewers for their critical comments and helpful suggestions.

ticular epochs and milieux on these structures and processes.

Vern Baxter (1988) and Ramona Ford (1988) take a similar macro political economy perspective, but I differ from these writers in my handling of the material. Baxter is concerned with macro historical processes and structures and uses case studies to examine the evolution of the division of labor. His application of Marxian and Weberian theory to explain how people have come to perform different jobs enlightens the case studies and their competing explanations of industrial development. I attempt to accomplish similar ends, but by different means, which I will discuss below.

Ford's textbook (reviewed in the April 1989 issue of *Teaching Sociology*) is the latest and most comprehensive work in industrial sociology and the one that reflects my approach most closely. Ford recognizes the necessity of discussing issues of political economy both at home and abroad. Although her coverage of these issues is brief (see Ford 1988, Chapter 12) she presents an important framework of four ideological views: 1) conservative neoclassical economics, 2) postindustrial old-line liberal, 3) later capitalism and the democratic left, and 4) neo-orthodox Marxism. Ford's coverage is brief in this area because of the need to present the discipline in breadth; my course expands upon these views.

Ford's textbook is very useful for an introductory course in industrial sociology, whereas the selection of monographs I use exposes students to more specific subject matter. Although the breadth of coverage is restricted, I believe that it is a valuable experience for students to read and reflect upon original texts. The authors of these books, as well as the authors quoted in class lectures, have differing views of how society operates. The course investigates the cultural ideas, conventional wisdom, and social relationships that are organized to accomplish the institutionalized goals of business and economics. These areas are studied from a sociology of knowledge perspective; an underlying goal of the course is to understand the processes by which knowledge is developed, transmitted, and maintained. According to Giddens (1987, p. 13), we can understand industrial societies only by exploring their historical, anthropological, and critical sensitivities.

Giddens (1987, p. 157) encourages us to not take the social world as a given but to ask what types of social change are feasible and desirable for our current industrial societies and to consider what processes are needed to achieve these changes. Critiques of existing forms of society are facilitated through the exercise of our sociological imagination. Critical analysis forces us to examine why our attitudes and ideas so often are grounded in the past and why powerful segments of our population have chosen to adhere to the ideas of an earlier time. By uncovering each author's premises and assumptions regarding how society operates, we can understand more clearly how knowledge is generated.

CULTURAL VALUES AND IDEAS

Part 1 of the course focuses on the cultural values and ideas that presently inform and guide our capitalistic (based on inequality) and democratic (based on equality) society, as well as on those values and ideas which are the legacy of early classical thinkers. In order to understand why we act as we do, it is prudent to examine the cultural and philosophical groundings of society and how knowledge is generated. In the following sections I will highlight some of the material I use for class lectures and discussions.

The themes of redistribution of income or wealth, inequality, social justice, jobs, and productivity are threads that link the course together. We discuss, compare, and contrast these ideas as they appear in the books, articles, lectures, and films that are used in class. John Kenneth Galbraith's *The Affluent Society* is the first book that students read; it provides the class with the essential foundation and introduction for the course. Galbraith is identified with the late capitalism view and the democratic left. Galbraith addresses this question: how can we reap the rewards of affluence while we are still living in a world structured around scarcity? He persuades us to reexamine the foundations of our economic system and to realize that our economic tradition is grounded in poverty, inequality, insecurity, and the economic peril of the past. One class session is devoted solely to discussing five preassigned questions that I use to aid the students in understanding this book. (I provide discussion

questions for each of the three required books.) The questions help to facilitate class discussion and to provide the students with a convenient study sheet for each examination.

The film *The Prophets and Promise of Capitalism*, narrated by Galbraith, is a useful teaching tool that outlines the ideas of the early classical economists. For a contemporary presentation a recent PBS program, "Resolved: Free Market Competitiveness Is Best For America," captures the various conservative, moderate, and liberal positions. Two other useful sources for this section of the course are Galbraith (1987) and Okroi (1988). Galbraith (1987) presents a critical history of the field of economics; Okroi (1988) discusses the philosophies of three important contemporary social commentators: John Kenneth Galbraith, Michael Harrington, and Robert Heilbroner.

Robert Kuttner's (1984) *The Economic Illusion* provides a sound link in the argument that Galbraith establishes. Like Galbraith, Kuttner is identified with the late capitalism view and the democratic left. Kuttner states that the "economic illusion" is the belief that social justice is bad for economic growth. He thinks that this belief is a myth and attempts to dispel it. The source of conflict between efficiency and equality is not economic but social, according to Kuttner. He contends that conflict is a result of the ways in which we distribute the proceeds of the economic gains made by leaps in technology. The lack of a mechanism to redistribute these proceeds disrupts our entire economy, especially the norms governing economic behavior.

Daniel Bell's (1976) *The Cultural Contradictions of Capitalism* echoes Galbraith's ideas. Bell, who is identified with the postindustrial old-line liberal view, argues that the ascetic lifestyle, self-control, and delayed gratification are no longer dominant concerns because of modernity and hedonism. The cultural components that fused together to facilitate the development of early capitalism no longer guide the current phase of capitalistic development.

Peter Berger's (1986) *The Capitalist Revolution* discusses seven values held by the majority of people in the world. Berger is identified with the conservative neoclassical economy view and states that the following values are supported by a capitalistic system: 1) the material well-being of people, especially the poor, 2) equality, 3) political liberties and democracy, 4) protection of human rights, 5)

individual autonomy, 6) preservation of tradition, and 7) community. In "The Moral Crisis of Capitalism" Berger states that there are three reasons for being pro-capitalist: 1) the power of capitalism to deal with human misery, 2) the correlation of capitalism with political liberty and human rights, and 3) the relationship of capitalism to a plurality of values. These essential reasons are derived from 50 propositions that Berger (1986) has constructed. The propositions provide grounds for debate concerning Berger's conservative thoughts, and this material provides the stimulus for class discussion.

George Gilder (1981), author of *Wealth and Poverty*, presents the most conservative response to Galbraith's liberal/socialist view concerning the troubles of our economy and society. Gilder, who is identified with the conservative neoclassical economic view, believes firmly that it is a redistributionist war against wealth which makes everyone poorer and eventually even promotes inequality. (*Wealth and Poverty* is the second book that students are required to read.) Gilder states that the emergence of a sociology of despair has denied freedom to certain segments of our population, especially the needy and the poor. He states that the social safety net is costly for the economy, especially for the poor. Removing the uncertainties of life, according to Gilder (1981, p. 296), violates not only the spirit of capitalism but also the nature of man. The social welfare programs remove the threats of starvation, uncertainty, and failure and make recipients dependent instead of independent. Gilder contends that an orderly and predictable economy is not healthy and that waste and irrationality are the secrets of economic growth. His position has taken root in many conservative circles and among a growing contingent of college students. I find it very useful to compare and contrast Galbraith and Gilder. (Many students believe that Gilder is sexist and criticize him on that issue.) In this connection it is useful to bring up the issue of the Hobbesian problem of order. We try to discover how Hobbes's idea of order meshes with Galbraith's and Gilder's positions.

I introduce this and other material to students to broaden their understanding and appreciation of the historical dimension of our reality and to show how we are bound or at least influenced by the past. Mills's (1959)

views about the importance of historical factors in personal outcomes summarize the first part of the course.

THE STRUCTURE OF THE ECONOMY

In Part 2 of the course we examine the current global state of the United States economy. Economist Lester Thurow (March 1989), who is identified with the postindustrial old-line liberal view, made a presentation on C-SPAN titled "The World Economy."

This 60-minute presentation discusses what is happening in the economy today and why. I use material from several of Thurow's books—*The Zero-Sum Society*, *Dangerous Currents*, and *The Zero-Sum Solution*—to enhance my lectures on the current status of the economy. In *Dangerous Currents* the themes of inequality, jobs, and productivity are re-introduced. Galbraith and Gilder, among others, have commented on these issues. Galbraith states that we live for jobs because through jobs we redistribute income. When productivity is down, however, there are fewer jobs, especially full-time positions; thus redistribution of income through jobs does not fulfill its intended function. Thurow (1984, p. 236) argues that economics is in a state of turmoil, much of which is due to the effects of Reaganomics.

I inform the students about the large number of working poor people (more than 5 million) and use the cogent analysis presented in *The Economics of Poverty and Discrimination* (Schiller 1984) to explain why certain powerful elements in our country allow this situation to continue. Piven and Cloward's (1971) *Regulating the Poor: The Functions of Public Welfare* is also useful. These authors state that capitalism makes labor conditional on market demand; thus a significant proportion of our population (Galbraith [1984] estimates the figure at close to 15%) lives permanently in abject poverty. These people are relegated to the bottom of the income pyramid and are commonly known as the underclass.

Martin Weitzman's (1984) *The Share Economy* proposes that we adopt a flexible plan, so young workers at the bottom of seniority lists will not bear the full brunt of a downshifting economy. Usually these workers are the first to be laid off or terminated. Weitzman calls for all workers to share the

burden, possibly by working fewer hours so that younger workers are not released and by pressuring employers for a change in the way of compensating workers. He proposes that compensation should be based on the firm's profitability. At this point I ask students to identify the pros and cons of this recommendation. Why would certain individuals in the society be for it or against it? What cultural ideas and values, such as survival of the fittest, would inform one's perspective?

Another important current issue is whether the United States needs an industrial policy. "Who Pays for Economic Change? Debating the Need for an Industrial Policy" (Friedman 1985) addresses the question of who determines when unprofitable goods and services such as education, public parks, and medical services are useful. This issue was mentioned in *The Affluent Society* and reappears in *The Deindustrialization of America* (Bluestone and Harrison 1982), the third book I require students to read. We identify the links that bring the books and the topics together.

Economist Samuel Bowles and his colleagues (1984) propose an economic bill of rights, which emphasizes wage-led rather than profit-led growth and needs-based rather than market-based allocation. Bowles is identified with the late capitalism view and the democratic left. The class discusses the 24 components of the bill and compares and contrasts Bowles's suggestions with conditions in today's economy.

Bluestone and Harrison (1982) contend that the crisis of American capitalism is a crisis of spirit; Daniel Bell (1976) also holds this position. Bluestone and Harrison (1982) identify the major problem of the U. S. economy as the structural diversion of capital from productive investment in basic industries to destructive unproductive speculation, mergers, and acquisitions. (These authors are identified with the late capitalism view and the democratic left.) The solution to this crisis requires a moral as well as an economic dimension. Because this book usually is read during the last five weeks of the semester, students can refer to Galbraith and Gilder to compare and contrast the authors' positions. Bluestone and Harrison speculate on whether capitalism and democracy are compatible. This speculation is relevant to Berger's (1986) 50 propositions supporting capitalism.

The Deindustrialization of America is the most valuable book of the three and the one that students say is assimilated most easily. The

authors should be commended for their attempt at explaining the causes and outcomes of the changing structure and processes of the global economy. Their text provides a positive point of integration for the course; they cite and discuss Gilder and Galbraith, as well as Thurow and other scholars whose material I use throughout the course. Bluestone and Harrison argue that productivity is a social relation; their list of proposed remedies for our ailing economy includes the suggestion that we need more, not less, social security. The economists side with Galbraith, who made a similar recommendation in the early 1950s.

I incorporate three films into the class schedule during this section of the course. They reiterate and bring to fruition many of the concepts that run through the readings, lectures, and class discussions. *Controlling Interest: The World of the Multinational Corporation* focuses on the influence of foreign capital and the power of United States-based companies to dictate policy and even to overthrow political regimes in other countries. *The Business of America* examines the moral obligation of corporate America to the workers and communities where they have located plants and offices. This film also investigates the question of what is a fair profit or return. *Poletown Lives* portrays the destruction of a Detroit neighborhood at the hands of General Motors, the city, and the Roman Catholic archdiocese. The film depicts vividly the anger and desperation of the residents who are trying to save their neighborhood.

CORPORATE AMERICA

This is the last and shortest segment of the course because of the time constraints of the semester; it offers a brief look at the internal structure of corporate America. An excellent book by Michael Useem (1984), *The Inner Circle*, discusses a growing, cohesive nucleus of business leaders in the United States. These leaders apply classwide logic in making managerial decisions and generally have an attitude of corporate liberalism. Mills (1956) wrote of this elite in his acclaimed *The Power Elite*. He recognized that American capitalism was marked increasingly by centralization and concentration and that a new breed of corporate executives was coming forth, committed to industrywide concerns that reached beyond

their own firms' interests. Useem (1984) states that this cadre of leaders is small but is becoming more powerful every day.

In addition to examining inner circles and power elites, I introduce the students to the notion of direct and indirect interlocks and how these mechanisms help to solidify business connections. Edward Herman's (1981) *Corporate Control, Corporate Power* discusses the modern corporation and describes its structure and its relationships with other institutions. I introduce Rosabeth Moss Kanter's (1977) *Men and Women of the Corporation* in the second-to-last lecture of the semester. Kanter's theory of behavior addresses corporate structures of opportunity and power and discusses the proportional distribution of different kinds of people. These are the three most salient variables for explaining how organizational structure forms people's sense of themselves and of their possibilities.

CONCLUSION

I find this class rewarding to teach because I synthesize many different concepts and show my students how they are interrelated. The course allows its participants to realize that the sociological perspective can be applied to different aspects of life and can be quite a rewarding and fulfilling adventure.

Beside reading the three required books, students take three essay examinations, which allow them to illustrate how well they understand the interconnectedness of the material. A 10- to 12-page term paper is also required. I encourage students to pursue library research on a topic discussed in class or on a topic which interests them and which is related to the material covered in class. Mergers, multinational corporations, political action committees, ethical issues in business, and interlocking directorates are some of the topics that students select. I also encourage the class to visit the periodical room at the library and to browse through *The Wall Street Journal*, the business section of *The Sunday New York Times*, *Fortune*, and *Forbes*, *The Harvard Business Review*, and the sociology journals. For instructors who prefer to use readers, Hearn (1988) and Eitzen and Baca Zinn (1989) are useful and balanced readers with representative collections of timely articles. I suggest that each instructor

supplement these readers with additional materials which suit their particular needs.

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William L. Smith is Assistant Professor of Sociology at Loras College. His teaching interests include industrial sociology, family, race and ethnicity, and extraordinary groups. He received his doctorate from the University of Notre Dame. Address correspondence to William L. Smith, Department of Sociology, Loras College, Dubuque, IA 52001.