

## RELATIONS AND RELATIONSHIPS: CLARIFYING THE TERMS OF THE 'NEW' RELATIONAL ECONOMIC SOCIOLOGY

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### ABSTRACT

In economic sociology, relations and relationships have emerged as central yet poorly specified concepts. In this paper, I clarify these terms in a positive critique of the current state of the field. I then consider the ways in which the proposed framework can help analysts to bridge the divide between economics and sociology. Armed with techniques derived from formal network analysis, the new economic sociology offered the first sustained foray into economic territory, but sociological skeptics remain unsatisfied. Two broad rejoinders to this network-analytic approach emerged in the last two decades, but both correctives, nevertheless, leave the divide intact. In the last decade, however, a new paradigm is coalescing under the rubric of “relational economic sociology.” While showing promise, it furthers the confusion surrounding the key concepts of “relations” and “relationships.” The proposed framework provides a foundation for constructive dialogue among the different traditions which constitute this new paradigm.

### INTRODUCTION

Those working at the intersections of sociology and economics often grapple with the legacy of Talcott Parsons' so-called “pact” with Lionel Robbins in the 1930s (Stark 2011:7, 2000; Camic 1987; Velthuis 1999; MacKenzie 2003:350; Ingham 1996:244; Smelser and Swedberg 1994:17), whereby choice among scarce means was deemed the proper “subject matter” of economics, leaving sociology to be “the science of leftovers” (Granovetter 1990:89).<sup>1</sup>

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<sup>1</sup>The actual division of labor is less precise than some may presume. Parsons (1991:163), reviewing Robbins (1932), delineates the disciplines as such: ultimate means are the territory of biology, geography, and psychol-

Following White's (1981, see also 2004) first transgression,<sup>2</sup> in which he supplanted the economists' "price mechanism" with the social constructionist mechanism of "market profiles" to explain choice (Knorr-Cetina 2004), many have labored diligently to dissolve the "great disciplinary divide" (Baker 2000). Despite this effort, failing to merge the "economic" with the "social" to the satisfaction of observers is a perennial risk for economic sociologists. Thus, alongside the label "ahistorical," the label "asocial" sits comfortably at the top of a toolkit of canned criticisms.

In the last decade, diverse approaches in economic sociology have converged on the concept of "relationality" (Fourcade 2007) as an attempt to move beyond this divide. However, these efforts to differentiate the more recent "relational economic sociology" from the older "new economic sociology,"<sup>3</sup> and the approaches mediating these two, have led to a lack of definitional clarity. This is primarily because both claim the terms "relations" and "relationships," and it remains to be seen whether their respective conceptualizations of these terms are fundamentally commensurate or incommensurate. In this brief article, I address this problem by providing a conceptualization of relations and relationships that encompasses both approaches.

I begin by reviewing some common critiques of the concept of structural embeddedness from the early 1990s to the early 2000s. In particular, critics argue that this concept reifies the disciplinary division. I then outline two proposed strategies for removing the divide: elaborating forms and reinvigorating content.<sup>4</sup> Both of these approaches are illuminating, but have their own limitations. Contemporary economic sociology finds itself

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ogy, ultimate ends are the territory of sociology, while "intermediate" means-ends chains are the territory of economics. Stark interprets this as "...you, economists, study value; we, the sociologists, will study values" (Stark 2000:1), and Ingham similarly concludes, economics is "concerned exclusively with the act of calculating the utility of alternative 'means' and 'ends'" and sociology is concerned with "the existence of these 'means' and 'ends'" (1996:244).

<sup>2</sup>To be more precise, Parsons violated his own pact when he put forth the "AGIL" scheme – as he designated the "adaptive system" as the territory of economics. This move explicitly rejected the definition put forth by Robbins. More precisely, Robbins' does not restrict economics to any empirical phenomena or subject matter at all. For instance, he argues that "it is one thing to contend that economic analysis has most interest and utility in an exchange economy [i.e. the market]. It is another to contend that its subject-matter is limited to such phenomena" (1932:19, original emphasis). Thus, Coase (1937) also violates Parsons' Pact by emancipating Robbins' method from analyzing the market to explain the emergence of the firm.

<sup>3</sup>Referring to work emerging in the mid-1980s as the "new economic sociology" is largely associated with Richard Swedberg. He first used the term in a review (1984:371) of books on economic sociology by Smelser and Stinchcombe, and an edited volume by Makler, Marinelli, and Smelser, and later expanded the circle considerably in eleven essays he authored for a special issue of *Current Sociology* in 1987. The phrase was originally coined, however, by Roger Penn, again in a review (1982:698). Several years later, Penn stated: "The 'New Economic Sociology' was a term coined to encompass the works of radical economic sociologists like Braverman, Edwards, and Gordon and Riech" (1990:167). Today, it is nearly synonymous with the work of Harrison White and his students at Harvard in the 60s and 70s, especially Mark Granovetter and Ronald Burt.

<sup>4</sup>An alternative approach in economic sociology, which I do not review, and which largely cuts across all of these three traditions, is Jens Beckert's focus on "uncertainty" (1996, 2003) and more recently, his related work on the role of "imagination" in economic life (2013, 2016).

at the edge of a theoretical penumbra, gazing into the shadows, and the recent “relational economic sociology” appears as a guiding light. Before moving forward, however, we must clarify our terms. Despite the centrality of the concept of relations and relationships, (and related terms, such as relationships, networks, or social structure<sup>5</sup>) they lack precision. Following this rough sketch of the field in the last forty years, I engage in modest “orthological theory-work” (Martin 2014:10) and propose a set of simple distinctions which clarify the terms of the contemporary relational economic sociology: (1) between relations and relationships as typified and specific interconnections, respectively, (2) and between an emic and etic perspective of both (see Table 1).

As a particularly appropriate application of these distinctions, I focus on recent arguments that Zelizer’s “relational work” (2010, 2012) is challenging the incumbency of Granovetter’s “structural embeddedness” as a central approach in economic sociology. Although observers might be tempted to assume that the former focuses on “relationships” or the “content” of economic activity, and the latter on “relations” or the “form” of economic activity, I contend that this is not a productive interpretation of their respective contributions. Applying my proposed distinction, I show that the relational work approach investigates both relations and relationships but predominantly from an emic perspective, while the structural embeddedness approach investigates the same, but predominantly from an etic perspective. Finally, I conclude by applying this framework to the sociology of markets, where the core theoretical tensions come forth in full relief.

## THE GREAT DIVIDE

Although many economic sociologists have attempted to overcome the great divide between economics and sociology in the last half century (Beckert 1996; Callon 1998; Knorr-Cetina 2003; Granovetter 1973, 1985; MacKenzie 2003; Podolny and Morton 1999; Spillman 1999, 2012; Stark 2011; Swedberg, Himmelstrand, and Brulin 1987; White 1981; Zafirovski 2013, 2016; Zelizer 1988), it remains an often referenced problem. Although not the first attempt to cross the divide, Granovetter’s (1985) article on the structural embeddedness of economic activity is considered path-breaking, and continues to be central for contemporary projects in economic sociology.

Granovetter completed his dissertation on labor markets, during the rise of network analysis at Harvard in the 1960s, under the tutelage of Harrison White. The latter originally completed a doctorate in theoretical physics at MIT, with a focus on solid-state matter, and then immediately joined the new doctoral program in sociology at Princeton. There he turned his attention to the study of small groups, and for his dissertation, imported techniques (lattices and matrix algebra) used to study the structures of crystals (White 1958) to tackle how the structure between different actors in an industrial firm shaped the success

<sup>5</sup> Throughout, I refer to “social structure” or just “structure” in a very specific sense, as more or less durable connections between particular people, and the aggregated networks of these connections.

of a new research and development department (White 1961). Thinking of structure at this “meso” level inspired an entire generation of economic sociologists.

In Granovetter’s 1985 article, a key theoretical move involved pointing out that the overly “atomized” starting point of most neoclassical economists, and the overly “moralized” position of most sociologists and institutional economists, were formally similar in that, rather than presuming that social structures “penetrate irregularly and in differing degrees in different sectors” (1985:491), they presumed that everyone was connected in an equivalent manner (effectively making social structure irrelevant for explanations). In short, he argued that both the under- and over-socialized models of individual actors omit the meso-level, and therefore miss the fact that information, opportunities, and resources flow unevenly from person to person by virtue of how they are (or are not) interconnected.

Despite the importance of this “bridge” across the divide, Krippner points out that, a “problem with this strategy is that ‘social’ factors enter into the analysis only as one moves away from the market end of the continuum, preserving intact the asocial market construct” (2002:784). Similarly, Zelizer argues that “by dividing the world into embedded and arms-length ties, for example, the field perpetuates the illusion of an asocial market sphere” (Zelizer 2012:148). To put it another way, the worry is the use of “structural embeddedness” as a “variable,” as opposed to a “meta-theoretical assumption” (Portes 2010).

This use of embeddedness as variable emerged largely because Granovetter leaves the possibility open that some economic activity might be “dis-embedded.” And, in the technical sense of the term within social network analysis,<sup>6</sup> this is a plausible proposition. This leads us to the prospect that there may be a site of economic activity where actors enter having no prior specific connections to any other particular actor within that site, and do not develop durable connections lasting beyond the encounter, and thus are not structurally embedded within that site. In such a site, if economic exchange is the foci of interaction, we could further presume that everyone is equally likely to observe everyone else’s exchanges and no one has any predisposition to favor another actor. Such a scenario is often expected to produce an “equilibrium,” where every substitutable object has one exchange ratio, and these exchange ratios are transitive within the site.<sup>7</sup> Martin (2009:79-80), following White (1992:173), refers to such a setting as a “forum.”

While some may refer to such a postulate as “asocial,” it is more accurate to refer to it as “anti-structural,” and as long as scope conditions are specified, this is not altogether a reification of the divide between the social and the economic. If we presume, however,

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<sup>6</sup>Moody and White (2003), aligning with Portes (2010), suggest that the concept of embeddedness is an “orienting statement” that often refers “generally to the importance of social networks for actors.” They offer the more precise concept of “nestedness” to measure one technical dimension of embeddedness. As I use the term “disembedded” here, I refer simply to the possibility that, given a criteria for defining a connection within a particular social arena, an actor lacks specific connections with other actors in that arena.

<sup>7</sup>There are other assumptions that lead to the formal model of a perfectly competitive market, for reference, McLean and Padgett (1997:216–217) provide a concise overview of the requirements for such a perfect market as described by George Stigler (1983)

that this anti-structural tendency of certain sites applies to all “economic aspects” of behavior, this would be suspicious (especially by making an analytical assumption out of what can and should be verified empirically). Allowing for the possibility that certain social spaces could approximate a forum, however, it is still hard to imagine that it could emerge without some other form(s) of “embeddedness,” to which I now turn.

### *Overcoming the Divide: Elaborating Forms*

Few would argue that the actors in the forum are entirely atomized, which would mean they have no durable connections to any actors outside of the forum, but this only further supports the notion that social structure influences markets “from the outside.” A common attempt to overcome this limitation of structural embeddedness, then, is to introduce different interpretations of what constitutes “the social” by elaborating other forms of embeddedness – what Block refers to as a “thicker” concept of embeddedness” (Krippner et al., 2004:117). For instance, Granovetter remarks: “even when markets are impersonal—and they are not mixed up with personal relationships—they are still embedded in a larger institutional framework, and a culture, and a set of rules and situations that have somehow been put there by a social process” (Krippner et al., 2004:115). This remains Granovetter’s present stance as, in his long-awaited synthesizing statement, he purports to “use the term [embeddedness] more broadly...to mean the intersection of economic with noneconomic aspects of society, including not only social networks and their consequences but also cultural, political, religious, and broadly institutional influences” (2017:15).

For ease and clarity, let us take the categories elaborated by Zukin and Dimaggio (1990): cognitive, political, and cultural. The first form has received little attention, and most equate “cognitive embeddedness” with “bounded rationality” (as did Zukin and Dimaggio) and therefore I will not discuss it here (for a notable exception see Dequech 2003). The second, however, has been much more successful, largely because it was already the natural territory for those studying institutions and political phenomena. It is also the case that Granovetter’s use of the term “embeddedness” was serendipitously approximate to Polanyi’s own use of the term – leading to a number of Polanyian inspired rejoinders to Granovetter which emphasize the “political embeddedness” of the economy within institutions (e.g. Bandelj 2002; Gemici 2007). Lastly, cultural embeddedness (e.g. Portes Sensenbrenner 1993; Wherry 2006; Zelizer 2010) inherits much of the diversity from cultural sociology, but leads to similar considerations as structural and political embeddedness: how does “culture” constrain economic activity? Rather than attempting to explain how social processes could produce a forum, and in turn how such a social setting might impact behavior, these explanations attempt to make the forum unimaginable.

To summarize, including more forms in which economic activity is embedded adds richness to explanations, but creates two conceptual problems. First, all of these forms are conceived as being of the same “substance” which constrains or influences economic ac-

tion by embedding (Beckert 2003). The metaphorical entailments of embeddedness (Beckert 2006), therefore, implies that culture, structure, politics, and cognition are all cast at the same conceptual level, and are thus (somehow) functionally similar. Which leads to the second problem: if the inclusion of each form is evidence of the “social,” the uncomfortable division remains, because the “economic” is treated as an analytically unique concept. In fact, it is a substance so distinct that the possibility of these other forms being embedded in the “economic” is often dismissed outright (Polanyi’s famous statement to this effect notwithstanding [1944:57]).

### *Overcoming the Divide: Context to Content*

If “the economic” is embedded in “the social,” than the latter logically serves as “context” for economic activity. The alternative to this approach is often to bring in the “content” of social life: analysts should move away from abstract substances to the concreteness of actual lived experience. For instance, Krippner contends that “network theorists explicitly study the market, but social content is distilled away from social structure... sociologists have only been able to study markets by stripping them of the features that most make them social” (2002:797–798). Zelizer similarly argues that “the objective” of her critique of structural embeddedness, “is to move beyond an approach that centers on ‘embedding relations’” (2012:149). Instead, she advocates an approach that “goes beyond structure and format to content.” This sets the stage for pitting Granovetter’s “embeddedness” against Zelizer’s “relational work,” framed as a battle between “form” and “content.” Setting aside the question of what content qualifies as “social,” there remains the question: what content is properly “economic”?

Although Swedberg has rightly argued that “there exists next to no discussion” in economic sociology of “what an economy is” (2015:47) this does not prevent many analysts from deploying various implicit strategies for identifying the economy. Here, I identify three general strategies for identifying economic content. The first, and likely the best, approach is to simply ascertain the subjective orientations of the actors toward certain elements of life: the economic is more or less what actors say it is. The second can be characterized as the intuitive (from the perspective of the analyst) locations, which feel economic—and here, criteria remain implicit. The third involves the analyst beginning with explicit criteria of inclusion and exclusion which define what is to be counted as economic—this is sometimes more intuitive and at other times more rigorous. Each could be reasonable starting points, but should nevertheless be considered provisional.

In all three cases, however, once the economic is identified, there is a strong tendency to presume that this economic content has an all-too-familiar internal organizing logic. That is, there is a baseline assumption – or the null hypotheses – against which analysts test the impact of “social” content and, for the most part, this is a simplified model of an efficient market. When the content deviates from this model, sociologists are quick to

point out the “social” reasons as to why a deviation occurred. This is theoretically untidy for several reasons. First, as Robbins argued (1932; see also Camic 1987:426), formalist economic theory is not a theory of economic content, it is a broad theoretical framework of choice. This means that our three strategies of identifying economic content, do not avoid the situation in which “social” content becomes a novel explanation insofar as it leads to a deviation from the standard predictions of the formalist model.

This inclination is concerning to economic sociologists for two reasons. On one hand, the baseline assumption that equates “economic content” with sweeping characterization of “what economists think” leaves us with what Zuckerman calls our “disturbing tendencies” in the subfield where “sociologists tend to be self-congratulatory rather than self-critical and to attack economic research without seriously engaging it” (2004:463). On the other hand, it is concerning as this (implicitly) reinforces the notion that a well-functioning economic process would involve “asocial” actors, free of the social content that leads to deviations, and thus novel explanations.

A recent article comes to the same conclusion regarding both the above strategies: embedding markets into different forms of “the social” or including content considered “the social” tends to lead to an interpretation of “the social” as a “disequilibrating force” on an otherwise perfect market (Calnitsky 2014:566). While Calnitsky’s diagnosis is correct, his solution is problematic. He argues that it is not that economic sociology needs to elaborate more forms of social embeddedness, or needs to include more content, but rather that the field has focused on inappropriate content altogether. The author traces this problem “to economic sociology’s under-theorized (but often employed) concept of social relations, where social relations in fact often refer to social relationships” (2014:567).

In this passage, Calnitsky correctly identifies a conceptual problem in economic sociology: despite the proliferation of both terms, relations and relationships are confused as labels, and under-theorized as concepts. His solution is to first define relationships as dyadic, personal ties, and relations as how actors are related vis-à-vis the means of production. Second, he argues that the proper content of economic sociology is not the former (personal relationships), but rather the latter (production relations): land, labor, and capital, instead of love, collusion, and friendship. Therefore, he engages in the third strategy of identifying economic content through pre-defined rules of inclusion and exclusion, and presumes that if the field focuses the analysis on this content alone, we can overcome the divide. This, unfortunately, leads to more problems.

Interestingly, Calnitsky’s characterization of the field as “disequilibrium economics” is remarkably analogous to a well-known critique of “hostile worlds theories” by Zelizer (2000). Such theories declare, she argues, “that contamination and disorder result from close contact between the spheres [of the rational and the sentimental]: “Economic rationality corrupts intimacy, and intimate relations hinder efficiency.” (2007a:1059). However, what is simultaneously implied in Calnitsky’s proposed solution, is what Zelizer refers

to as the “twin doctrine” of hostile worlds approach above: separate spheres theories. “With separate spheres, we have the assumption that there are distinct arenas for rational economic activity and for personal relations, one a sphere of calculation and efficiency, the other a sphere of sentiment and solidarity” (2007a:1059). I agree with Zelizer, who argues that this “boundary perpetuates damaging divisions between ostensibly ‘real,’ consequential market activity and peripheral, trivial, economies” (2007a:1059). Which brings us full circle to the impasse that continues to divide the social from the economic. The real test of the new relational economic sociology, therefore, is whether it can offer a satisfying solution to this perennial problem.

### THE (NEW) RELATIONAL ECONOMIC SOCIOLOGY

In tracing out the dominant “camps” in the contemporary sociology of the market (networks, fields, institutions, and performativity), Fourcade notes that regardless of the conceptual approach all converge on the “common emphasis” of social relations. In fact, it is difficult to overlook the centrality of “relations” for contemporary sociological explanation more broadly – which leads Fourcade to conclude “After all, isn’t the term relational sociology nothing but a redundancy?” (2007:1029 original emphasis). Relational economic sociology offers a common ground for many otherwise disparate approaches – including the standard structural embeddedness literature (Bandelj 2015). Indeed, even the two approaches previously discussed can be subsumed under this enterprise: regarding economic activity, context theories emphasize the social relations in which economic activity is embedded, content theories emphasize that economic activity is constituted by social relations. But what exactly are relations? Are they essentially interchangeable with relationships? And, more importantly, can clarifying these terms provide a way to bridge the great divide?

My main contention is that some of the debate and confusion results from the conflation of “form” with the etic (outsider’s perspective), while “content” is reduced to the emic (insider’s perspective). For instance, in Calnitsky’s framework (2014), relations to the means of production are formal definitions derived from the analyst, while relationships are supposedly the specific content from the actor’s perspective. The alternative I propose involves pulling these apart. To elaborate on such an approach, I push forward a distinction between relations and relationships, followed by a discussion of how each can be viewed from either an etic or emic perspective.

#### *Relations are Typified, Relationships are Specific*

To put the argument succinctly: relationships are specific interconnections, relations are typified interconnections. Overall, this distinction fits neatly with Weber’s discussions of social relationships for which “. . . it is essential that there should be at least a minimum of



mutual orientation of the action of each to that of the others.” He then argues that such a specific relationship can include typified relations “of the most varied nature: conflict, hostility, sexual attraction, friendship, loyalty, or economic exchange.” (1978:17)

The relations/relationship distinction, as I describe it, can also be traced to the solution for the problem of the atomized/moralized actor proposed in Granovetter’s canonical article (1985). To reiterate, he demonstrated that neoclassical economics as well as institutional economics and functionalist sociology theorize actors as essentially homogeneous and therefore interchangeable. One way to overcome this problem, according to Granovetter, is to introduce individuals’ connections to other individuals, which builds on two very reasonable assumptions: no actor is without such connections, and no connection is without a unique history of its own. As there are no empirical marketplaces without such interconnections, this interjects a tremendous source of variability into economic action: after all, “networks of social relations penetrate irregularly and in differing degrees in different sectors” (1985:491).

As the “embeddedness argument stresses... the role of [1] concrete personal relations and [2] structures (or “networks”) of such relations” (1985:490; see also Granovetter 2017:17-18), this suggests two potential modes of exploration. The first involves unearthing empirical and historically specific relationships (i.e. “concrete personal relations”) – for instance, the institutionalization of centralized electricity in the United States (e.g. Granovetter 1992). The second involves understanding how relationships ultimately congeal into typified relations (i.e. “structures (or ‘networks’) of such relations”). Granovetter later makes the distinction between “relational” and “structural” embeddedness (1990, 2017:17-18), which can be subsumed under my broader umbrella of relationships as specific and relations as typified, respectively (see Chan 2009). The key divergence with Granovetter, is that, in my treatment, relations and relationships need not be restricted to network metaphors or network analysis alone. For instance, typified relations necessarily includes institutional relations, for instance buyer-seller as deployed in Aspers’ typology of markets (Aspers 2011), while specific relationships needn’t be “personal” or “intimate,” as in the case of contracts between a retail store and supplier.

However, there is a potentially problematic interpretation of this distinction that equates relationships with the “insider’s view,” while considering relations as only constituting an “outsider’s view.” To put it another way, while it is appropriate to consider relations as the form of a connection between people, and a relationship as the content of a particular connection, we should avoid presuming that relationships are inherently “emic,” and relations inherently “etic.” In the following section, I argue that both relations and relationships can and should be studied from both an emic and an etic perspective.

### *Etic and Emic Perspectives*

[TABLE 1 ABOUT HERE]

In order to understand the problems that result from equating the above distinction between relations and relationships (as form and content, respectively) with the distinction between etic and emic perspectives, the latter need to be elaborated.

First, emic and etic are analogically derived from a previous classification in linguistics between phonemic and phonetic. This is enlightening for our purposes as phonemes are a set of sounds produced in a particular language that are distinguishable from other sets of sounds in that same language by native speakers of that language. They are typified sounds that are meaningfully distinct from the perspective of the actor, and are used to build specific conversational content. Whereas phonetics is the attempt to typify all possible speech sounds humans can produce (by reference to how they are produced bodily), and represent them lexicographically such that analysts can understand them. Both are typified sounds, but the latter is without regard for their meaningfulness to any specific language or set of actors. Following the conceptualization by Marvin Harris (rather than the original work by Kenneth Pike [e.g. 1967]), we can determine whether a relation or relationship is etic or emic based on the method of verifiability. “An emic statement can be falsified if it can be shown that it contradicts the cognitive calculus by which relevant actors judge that entities are... ‘appropriate’ or ‘acceptable’” (Harris 2001:571). On the other hand, “etic statements are verified when independent observers [i.e. analysts] using similar operations agree [with one another]...” (Harris 2001:575).

Bringing the analogy back to our discussion, to conflate “relationships” with the emic perspective is to imply that actors do not rely on typified forms to make sense of their social life, which they most certainly do. However, it is also erroneous to presume that the actors’ forms must equal the analysts’ forms (and vice versa) in order for the concrete relationships to be patterned as they are.<sup>8</sup>

For our purposes, etic relationships refer to empirical connections (or predictable interaction [Weber 1922:13]), however measured, while etic relations refer to the analysts’ formal or analytic models of a typical interaction or form. Thus, the absence of an empirical relationship (e.g. mutual ignorance, structural holes, vacancies) could be considered an etic relation. Much, but not all, of the explanations in the embeddedness tradition of Granovetter, Burt, and Uzzi takes the etic perspective as it relates to typified network configurations.

In order to collect data on such empirical interconnections, however, an analyst must first select criteria for inclusion. That is, to derive a formal relation from empirical relationships, the analyst must begin by selecting a category of “relation,” which ultimately limits the universe of relevant observations. This could be a purely etic relation, for instance, sent emails or shared membership on a board of directors. It is also possible that

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<sup>8</sup>This error is similar to the distinction between *langue* (grammar) and *parole* (speech), where the former is conflated with emic content, while the latter is considered etic form. Actors certainly develop meaningful grammars and even be aware of these typified grammars, which often do not align with the expert grammars of linguists.

the subjective orientations of actors (i.e. emic relations) provide data for specific interconnections, for instance, all ego network data derived from “name generators,” where the respondent lists “friends” or people with which they discuss important matters.

In whatever manner data are collected, the analyst can begin to identify regularities among these empirical interconnections, formalized as etic relations. Generally, such etic relations do align with emic meaning-structure (see Table 1) invoked to make sense of ongoing relationships, but actors involved in ongoing relationships may not find all possible etic relations particularly meaningful or useful, even if the analyst discovers that they are influenced by such relations. More importantly, one can imagine that there are no hypothetical limits on the number of potential etic relations (e.g. being in the same room, being in the same club, talking to each other, waving to each other, emails with, calls, shouts at, being in the same political party, reads same book, and on and on).

Theory and common sense focus our efforts in regards to selection. However, the analyst must keep in mind that depending upon which relation is selected for initial data collection, it will generate a different network configuration. Although, the early intuitions of network analysts in the Harvard Department of Social Relations was that, if one could aggregate all of these various distinct relations, and formalize the resulting pattern, “social structure” would present itself as the product of thousands of ephemeral and recursive interactions, “laminated” into something more durable, and indeed, more “structural”—see especially the work on blockmodeling (Boorman and White 1976; White, Boorman, Breiger 1976).

Relationships and relations can also be conceptualized from an emic perspective, in which actors’ understandings are the starting and end points. From this perspective, relationships are the individuals’ orientations to particular others that form part of the continuity of everyday life (cf Weber 1978:13). However, the layperson also typifies from these particular ongoing interactions and orientations to others (Berger and Luckmann 2011; Lizardo et al., 2016:296; Schutz 1967). Martin (2009:337), drawing on Simmel, refers to this process as the “dialectic of institutionalization” by which certain forms emerge out of interactions as “crystallized” expectations which are not dependent on any particular actors.

These emic relations range from idiosyncratic to shared models which are transposable from one situation to the next, and help to make sense of such continuities and shifts in interactional life (Shore 1996). For instance, an actor can both understand the implications of “friendship” as a broad cultural model (Holland and Quinn 1987), and react accordingly to the unique commitment she has within a specific relationship with her “friend,” Chuck. In contrast to many studies of structural embeddedness, explanations in the “relational work” approach (e.g. Bandelj 2012; Rossman 2014; Whitford 2012; Zelizer 2007b), taking such an emic perspective on relations, privileging actors’ understandings as they mix and match cultural and idiosyncratic models, along with the models’ implied rights and obligations, to produce viable “relational packages” within their emerging, dissolving,

and ongoing relationships.

A key distinction between emic and etic relations, is that the former models tend to be prototypical and pragmatically motivated (Taylor 2003), while the latter aim to be categorical and theoretically motivated.<sup>9</sup> Emic models emerge from iterative interactions and repeated exposures which schematize from an already patterned world. Etic models, by contrast, aspire to be classical categories in which clear rules can divide empirically observed phenomena into clean, mutually exclusive groups. We can speak of emic relational models as “meaning-structures” (Fuhse 2009; or “heuristics” in Martin 2009) and these needn’t align with the analytic-structures used by the social scientist, although they might. And, very often, economic sociologists do attempt to align meaning-structures with their own analytic-structures (see for example Chan 2009). It should also be apparent that, despite previous proclamations that social network analysis is founded on the “anti-categorical imperative” (Emirbayer and Goodwin 1994:1414), even etic relations are categories.

### DISCUSSION: WHAT IS A MARKET?

In the same way that analysts often talk past one another in regards to relations and relationships, the same is true for the market. As I already alluded to, a particular type of market imagery stands as an implicit null hypothesis against which we measure a satisfactory sociological account of “economic content.” Therefore, rejecting the possibility of this type of market becomes the (problematic) benchmark of a satisfying sociological account. In the context of the framework outlined above, however, there are different perspectives of the market, all of which are valid, but are not directly collapsible into one distinct concept which wholly defines a market.

From the etic perspective, we might define a market around a particular social form. This is most clearly articulated in the ideal-typical forms of governance that are common to transaction cost economics. In this literature, the market joins hierarchy (or bureaucracy) and networks (Powell 2003; Williamson 1975), and occasionally “clans” or “fiefs” (Boisot and Child 1988; Ouchi 1980). In this typology, the market is defined in terms of a particular type of etic relation. Actors within the arena do not know each other, and do not develop relationships, i.e. it is a forum.

Much early work in economic sociology discovered that in situations in which one would expect to find a forum, “we find relatively high rates of repeated, reciprocal ties” (Rivera, Soderstrom, and Uzzi 2010:99) – either informally or through formal contracting. For instance, between large corporations and investment banks (Baker 1990) or between investment banks (Podolny 1994). This suggests that exchanging goods and services does

<sup>9</sup>In the final analysis, etic models could be studied as if they were special types of emic models, peculiar to particular scientific disciplines (or epistemic communities), which attempt to explain phenomena both propositionally and from a third-person position.

not necessarily gravitate toward a forum. Indeed, even Adam Smith argued that, left alone such exchange would lead to a network – a collusive network, specifically.<sup>10</sup> Therefore, we would anticipate other relations of governance emerging to maintain this type of structure – which is perhaps why White refers to the forum as an “inside-out organization.” In this framework, even in a forum with only fleeting relationships (from an emic perspective), flickering in and out, sociologists can measure the durable relationships (from an etic perspective) that reproduce such a forum – which may or may not be the buyers and sellers, but rather “administrators” or “functionaries.”

From the emic perspective, markets must be located by actors, or at least the criteria used must be meaningful to actors. From this point of view, the typified relations that are important are likely not going to be structural in the above sense, but rather practical. Actors can identify a market relation by what they can do with that particular type of relation. Drawing on common sense, the analyst could provisionally define relations in which a person anticipates buying and or selling to be the defining feature of a market. Furthermore, depending on the background of the actor, a market may very well be a more abstract cultural model or a more concrete location, i.e. a marketplace (Sik and Wallace 1999). As the etic and emic perspectives are different points of departure, analysts should not be surprised when they do not align. Actors may buy and sell from those with whom they have durable and intimate relationships, which is not by itself a critique of the etic approach. In the end, we see that the divide between that which is sociological and that which is economic is simply no longer a useful heuristic, even when actors might claim they have no relationship with other market actors. In so far as sociology is the study of “relations” between actors, and we extend our understanding of relations, even the most “anti-structural” model of economic life is inescapably relational and therefore cannot evade sociological analysis.

## CONCLUSION

In this paper, I briefly review the disciplinary divide between economics and sociology, beginning with the early work by Parsons to demarcate the study of social life. The purported birth of the new economic sociology with Granovetter’s “structural embeddedness” was able to move the field closer to overcoming, but could not close, this gap. Critics argued that the network analytic approach still presumed that some economic activity could still be “dis-embedded,” and therefore an “asocial” account which reified the divided. Two alternatives, which I refer to as elaborating forms and reinvigorating content, are similarly important theoretical moves, but do not overcome the divide. I argue that there is hope in the new relational economic sociology, which has consolidated in the last decade

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<sup>10</sup> “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices” (Smith 1838:137)

as a distinct paradigm. However, key terms used in the diverse theoretical and empirical programs that constitute it are often disorganized.

As a corrective, I proposed a distinction between relationship as specific interconnections, and relations as typified interconnections. I further argue that how an analyst approaches relationships and relations can be further distinguished by an emic or etic perspective. This difference in perspective could be crudely summarized as follows: generally, in the emic perspective, typified relations are used (pragmatically) to make sense of specific ongoing relationships, while in the etic perspective, specific ongoing relationships are used (analytically) to build typified relations. However, any combination of the four categories, and movements along each direction between them, has been deployed fruitfully in sociology.

Economic sociology's greatest burden, is also its greatest strength: it is a multi-perspective, multi-method field. Analysts have tried for decades to produce accounts that do not reify the divide between economics and sociology, and this scholarship has revealed that there is not one, but many partial strategies, each of which depend on one's preferred perspectives of relations and relationships, and preferred points of departure. The real impasse, is when analytical distinctions are presumed from the start to hold empirical validity, and once reified in this way, become unverifiable. Rather, economic sociology should continue to embrace the inherent dialectic of social scientific research: from specific to typical, emic to etic.

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