

The Market as a Social Space

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Abstract

Prominent economic sociologist Richard Swedberg has argued that economists have failed to develop a theory of the market that recognizes it as a “social phenomenon in its own right.” While this may be true of mainstream economics, the Austrian school’s theory of the market is much richer than the standard view. For Austrians, the market has always been a central concern. And, Austrians have always argued that the market is a social structure where both exchange and competition occurs. Still, Austrians give little more than scant attention to the non-economic sociality that occurs in markets. The market, however, is both a conversation and an arena where meaningful conversations can occur. This paper is an effort to focus attention on the market as a social space where social activity (beyond competition and exchange) takes place and where non-economic relationships as well as economic relationships develop.

Keywords: the market. social space. Swedberg. Lefebvre. Gudeman. Granovetter

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Introduction

The market is a central category of economics. ... It is then curious that the market receives virtually no extended discussion in most works of economic theory or history. ... The market, it turns out, is the hollow core at the heart of economics.

John Lie (1997: 342)

The market occupies a peculiar position in mainstream economic thought. It is in one sense ever present. The market is the site where buyers and sellers meet, prices emerge and resources change hands. As such, it is the scene where all the action in contemporary economics occurs. On the other hand, the market is more often in the background of economic analysis than in the fore. If the entrepreneur is the forgotten man in mainstream economic theory, then the market is certainly the forgotten place. Its existence is often assumed. The usually unspecified cultural, political and social institutions that are necessary for it to function correctly are similarly assumed to be present. And the narrow "theory of exchange" is assumed to capture all of the meaningful events which occur in the market. The market as a system of social rules/norms and a stable pattern of relationships embedded within a broader social context rarely enters into the calculus. Moreover, the market is seldom if ever discussed as a space where meaningful social action and interaction occurs.

Swedberg (1994) has argued a similar point. He sees the market as a "specific type of social structure" that is not just an "abstract price-making mechanism" but is also a "social phenomenon in its own right" (ibid.: 255). By calling the market a "specific type of social structure," he simply means that the market is the result of "recurrent and patterned interactions between agents that are maintained through sanctions" (ibid.). He sees the market as a network of buyers and sellers engaged in competition as well as exchange. Sellers are hawking their wares and competing with one another for costumers. Buyers are trying to get the largest bangs for their bucks while competing with one another for bargains.

According to Swedberg, these two elements, "exchange in combination with competition," should be of primary interest to analysts of the market; everything else should be secondary

(*ibid.*, 271). Drawing his inspiration from Weber, Swedberg insists that this view of the market as “competition for exchange” will lead to a richer understanding of the market by economists as well as sociologists; both, in his view, tend “to analyze the market as if they were little but mechanisms for exchange” (*ibid.*). “By connecting the element of competition to that of exchange,” Swedberg (*ibid.*: 272) writes, “a much fuller theory of markets than the current one emerges.”

Swedberg is right of course. But, he is diagnosing a problem with mainstream economic theory that modern Austrians have consistently recognized and prescribing a treatment that neo-Austrians have long since taken to heart. The Austrians have articulated a theory of the market which seems very much in line with the “fuller theory” that Swedberg endorses.

For Austrians, the market has always been a central concern. And, Austrians have always argued that the market is a social structure. “The market,” Mises (1949: 312) has stated, “is a social body; it is the foremost social body. The market phenomena are social phenomena. They are the resultant of each individual’s active contribution.” Additionally, he (*ibid.*: 258) has explained that,

The market is not a place, a thing, or a collective entity. The market is a process, actuated by the interplay of the actions of the various individuals cooperating under the division of labor.

For Austrians, then, the market is a social structure or a spontaneous order which emerges as the result of the interplay of actions of various individuals who are both competing against each other for resources and cooperating with one another in the provision and distribution of goods and services (Ikeda 1994: 29).

Austrians have fruitfully analogized the interplay of actions that occurs in markets to a conversation. Hayek (1948: 86), for instance, has suggested that “we must look at the price system as ... a mechanism for communicating information if we want to understand its real function.” Market participants use the price system to communicate with each other. In functioning markets, price changes are meaningful utterances that communicate to individuals that the world has changed in some way and signals to them that they should adjust their activities accordingly. As Horwitz (1995) points out there are several connections between

money and language. Both money and language, he writes, “mediate social processes ... money is the ‘medium of exchange’ ... while language is the ‘medium of experience’” (ibid.: 164). Austrians believe that we can and do use prices to “speak” to one another in markets and that the market is a particular kind of extended social discourse.

The market, however, is more than a social structure or a particular kind of extended discourse. The market is also a social space. Although Austrian economists are quite right to focus on the conversation of the market, I believe that something is lost when we fail to appreciate that the market is also a space where meaningful extra-economic conversations take place. Mises’ assertion that the market is not a place was, in my view, a bit overstated (even though his claim that the market was primarily a process was certainly correct). Certainly, as Austrians have consistently demonstrated, the market is not just a place.¹ But, it is not just a process either. It is also a space where social relations (beyond commercial relations) develop. The market is both a conversation and an arena where meaningful conversations can occur. It is a scene where non-commercial as well as commercial relationships develop.

This paper is an effort to focus attention on the meaningful conversations that happen in markets; conversations that express more than bid-ask; conversations that aren’t just bartering and negotiations; conversations between socially bonded market participants concerned with more than simply making a deal.² A variety of meaningful social relationships are buttressed by markets and would not exist if markets did not exist. Think of the co-workers on the factory floor that also bowl and barbeque together, the father and son working in the family hardware store and the office romance that developed at the water cooler.

¹ Recall that Mises (1949: 257) insisted that the market is “not a place, a thing, or a collective entity” but that instead it is “a process.”

² I describe these “conversations that express more than bid-ask” which often occur in markets as “extra-economic” or “non-catalactic” interactions. Admittedly, the line between economic and extra-economic phenomena is somewhat fuzzy and constantly shifting. Still, following Weber (1949), I believe that it is useful to distinguish between economic phenomena and what he termed “economically conditioned” phenomena, and contend that this distinction reflects the views of both economists and others about what the focus of our discipline is and, in fact, should be.

My rationale is three-fold. First, I believe that highlighting the market as a social space will lead to a better understanding of what actually occurs in markets. Certainly, focusing on the market as a process should be our chief concern as Austrian economists. But also paying attention to the rich nexus of extra-economic interactions that take place within the market and that facilitate and are facilitated by the market process, might very well yield a fuller theory of the market of the sort that sociologists, anthropologists and others have recommended. Second, viewing the market as a social space, enables us to engage the debate taking place in sociology and anthropology about the relationship between the market and the community (e.g. Is the market a product of the community? Is the relationship between the market and the community mutually reinforcing or antagonistic?).

In my view, conceiving of the market as a social space is quite compatible with the Austrian view of the market. Indeed, a third reason to pursue this course is to defend and extend Rothbard's plausible but unsupported assertion that it is much more likely that markets make feelings of friendship possible than it is that friendship is a necessary context for functioning markets. As Rothbard (1993, 85) asserts, "in explaining the origins of society, there is no need to conjure up any mystic communion or 'sense of belonging' among individuals ... In fact, it is far more likely that feelings of friendship and communion are the effects of a regime of (contractual) social co-operation rather than the cause."

Unfortunately, economists do not pay much attention to the extra-catalytic relationships that can occur in markets. And, economic anthropologists and economic sociologists, the social scientists most likely to be concerned with the intersection of sociality and markets, only begrudgingly accept the notion that meaningful social relationships (beyond exchange and competition) can develop within the market.

Can social relationships develop in the market?

Economic anthropologists and sociologists tend to understate the potential of the market to incubate meaningful extra-economic relationships. Many are also concerned about the adverse effects that a seemingly ever expanding market has on the community. As we rely on the market to supply more and more of our needs and wants, they worry that families, friendships and other

social relationships are either being weakened and distorted. Rather than seeing the market and community as being mutually reinforcing, many see market forces and social forces as opposing one another. These tendencies, however, have a lot more to do with their wanting to privilege society/community over markets or their suspicions about economic forces than any critical flaw in their analysis. And they offer insights into social practice in the communal sphere that can be extended to our discussion of markets. Although they might object, their discussions of the relationship between sociality and markets can aid us in articulating a view of markets as a social space where meaningful extra-economic social relationships can be developed. As such, I believe that there are gains from trade to be exploited by engaging these thinkers, particularly Gudeman and Granovetter.

Economic anthropologist Stephen Gudeman is concerned about the expansion of the space of the market into non-market spaces. Gudeman “is one of the leading economic anthropologists of our time” (Löfving 2005: 8). His contribution to our understanding of local and universal models and the embeddedness of daily life and anthropological practice cannot be exaggerated. Consequently, his concerns are not easily brushed aside. “As the market develops and the drive for profit expands,” Gudeman (1992: 144) writes, “the corporation takes over the space of the house, pushing it to the periphery physically, in everyday functions, and in competitive production.” For him, this ever increasing expansion of the sphere of the market into the communal sphere is both alienating and destructive (Gudeman 2005: 140, 144). Still, he is not wholly pessimistic about the potential of the communal sphere to survive capitalist expansion. As Gudeman (2001: 22) notes, “when capital expands, we often find the debasement of community as its values evaporate in support of the market; but the creation, maintenance, and expansion of [the communal sphere] also may transform market life.”

In *The Anthropology of Economy* (2001), Gudeman argues that the economy is made up of two transactional realms: the market and community. The market is characterized by anonymous exchange and rational calculation and is peopled by individuals and corporations (comprised of individuals) pursuing profits and attempting to accumulate wealth. In the market realm, Gudeman (ibid.: 10) explains, “self-interest of the unit – whether an individual, a family, or a corporation – is a primary motive and value.” The communal realm, on the other hand, is

characterized by sociality, reciprocity and mutuality. The communal realm places us “within a matrix of social relationships” (ibid.: 9).

Though distinct, these two spaces are interwoven. “The two realms of market and community,” Gudeman (ibid.: 11) writes,

... complement one another, conjoin, and are separated in acts, institutions, and sectors. No trade or market system exists without the support of communal agreements, such as shared languages, mutual ways of interacting, and implicit understandings. Communities also are inside markets, as households, corporations, unions, guilds, and oligopolies, and contain them as nation-states that provide a legal structure for contracts and material infrastructure.

Gudeman believes that the relationship between the market and community is dialectical (ibid.: 12). We simultaneously “make and live” both spaces; market life is socially constituted, social life can be conditioned by market phenomena (ibid.: 15). Furthermore, activities and entities can appear under both guises. The corporation is both a market entity “embedded in exchange” (Gudeman and Rivera 1990: 184) and “a community that is nestled in larger communities” (Gudeman 2001: 22). Although the house is “not built around the need to exchange,” it does engage in trade, house members do produce goods for sale and consume goods purchased in the market (Gudeman and Rivera 1990: 185).

While Gudeman does insist that the market has a critical role to play in maintaining the communal sphere, he nonetheless has a very limited view of that role. According to Gudeman (ibid.), individuals sometimes engage in market activities to create, maintain and extend the base. The base is whatever the individuals in a community possess that links them to each other. The base, Gudeman (ibid.:27) explains, “is the patrimony or legacy of a community and refers to anything that contributes to the material and social sustenance of a people with a shared identity: land, buildings, seed stock, knowledge of practices, a transportation network, an educational system, or rituals.” The community, he notes, often depends on trade to attain its prized possessions, its religious and cultural symbols, and the materials it needs to build its community centers, churches and schools. Additionally, for the members of some communities, engaging in a certain market activity is a way of expressing their community identity (e.g. ethnic Chinese traders and middlemen in Indonesia). But, in Gudeman’s view, the market sphere taints rather

than supports social relationships; “real community may enter the market today as a successful producer of goods, but find itself transformed by the experience” (ibid.: 160). Communities have no choice but to engage in market activities but they risk their selves and their souls in the process. In Gudeman’s schema, the space of the market is, thus, not the realm of “real” sociality. It is not the realm where meaningful social relationships develop.

Economic sociologist Mark Granovetter’s work on the problem of embeddedness has similarly given short shrift to the potential of the market to grow and maintain extra-commercial relationships. This is understandable given that his seminal work on the problem of embeddedness, which has been described as a “recognized ... trendsetter” and a key text in the “new sociology of economic life,” was principally concerned with how economic life was impacted by social structures and relations (Swedberg 1991: 268). Individuals, Granovetter (2004: 250) reminds us, do not act as social robots nor are they asocial beings. As Boettke and I argue elsewhere, “Granovetter overcomes the pitfalls of positing either an *over-* or *undersocialized* view of the individual by maintaining that his or her behavior is *affected* by, *influenced* by, even *directed* by social structures and relations but not *determined* by them” (Boettke and Storr 2002: 166).

Like Gudeman, Granovetter recognizes that economic action is often affected by social factors and that the market could not survive without the communal realm. As Granovetter notes, fraud and force can poison economic life. Since “institutional arrangements alone could not entirely stem force or fraud,” we must assume that some (perhaps minimal) level of trust is operating in markets (ibid.: 252). In Granovetter’s opinion, the trust that we observe in markets has less to do with the existence of some “generalized morality” and more to do with concrete relationships. As Granovetter (ibid.: 253) notes, “concrete personal relations and structures (or ‘networks’) of such relations” play a key role “in generating trust and discouraging malfeasance.”³

Although our ability to engage in anonymous exchange when necessary is clearly an advantage of functioning markets, ordinarily we try to find out more about the people and companies that we exchange with before we trade with them. Often, we are not satisfied with general

³ See Ikeda (2002, 2006) and Lewis (2006) discussions of the key role played by trust in the market.

information about a merchant's reputation. We rely on statements from our friends who have dealt with some company more than general sentiments that this or that company is reliable or makes an excellent product. And, we place more confidence in our personal experiences more than even statements from friends and associates.⁴ As Granovetter (2004: 253) notes, our "own past dealings" are preferable source of information because,

(1) it is cheap; (2) one trust one's own information best – it is richer, more detailed, and known to be accurate; (3) individuals with whom one has a continuing relation have an economic motivation to be trustworthy, so as not to discourage future transactions; and (4) departing from pure economic motives, continuing economic relations often become overlaid with social content that carries strong expectations of trust and abstention from opportunism.

This last point about economic relations becoming overlaid with social content is intriguing. Unfortunately, Granovetter does not explore this point any further. Instead, he stresses that because of "the strength of personal relations" business dealings are often quite predictable.

Again, Granovetter's concern is with markets embedded in networks of personal relations. He does not discuss (beyond that brief statement above and a few similar comments) how social relations can be embedded in market contexts. This is in fact a general failing of Granovetter's approach. As Boettke and I (2002: 166) complained, Granovetter does not

... go far enough in recognizing the multiple levels of embeddedness. Noting that 'business relations spill over into sociability,' for instance, is a weak acknowledgement of that fact that some social relations are *economically conditioned*. And, although Granovetter's work emphasizes that economic institutions are 'constructed by individuals,' he insists on placing that construction in an ever-expanding, all-encompassing web of social networks.

That market relations often become overlaid with social content, that social activity (beyond exchange and competition) also takes place within markets is an important consideration. Our understanding of the market will be incomplete absent a focus on the potential of the market to

⁴ Ikeda's (2006) discussion of the key distinction between confidence and trust is relevant here.

foster and develop social relationships that are possibly deeper and are certainly different than pure economic relationships.⁵

The Space of the Market

In economics, we often portray markets as sterile spaces lacking either souls or sounds. We talk about transactions and prices and profits but seldom mention people (except when we refer to the faceless profit maximizing suppliers and hedonistic utility maximizing demanders). Markets, however, are vibrant, colorful social spaces where real relationships and meaningful contacts are developed and nurtured.⁶

Although the conception of the market that emerges from Austrian circles is in many ways much richer than the standard view, Austrians give little more than scant attention to the extra-catalactic sociality that occurs in markets. And, as stated above, economic anthropologists and economic sociologists only begrudgingly point to the role that the market plays in supporting the community. We must, therefore, look elsewhere for fodder. Urban geographers are, in my view, our most likely aides in this effort. As we will see, they share many of the suspicions about economic forces that trouble Gudeman and others. But, like Gudeman and Granovetter, they can teach us a great deal about social practice.

⁵ Note that the concern here is not just about theoretical aesthetics. Instead, as stated earlier, the goal is to expand our theoretical framework so that we will be able to evaluate the claims made by Gudeman and others about the social harms wrought by an expanding market sphere. Focusing on the extra-economic relationships that can occur in markets is also an important first step in evaluating Rothbard's provocative claim that markets are more essential for friendships than friendships are for markets.

⁶ I do not mean to suggest that economic relationships are not real or that business contacts are not meaningful. On the contrary, I believe that they often can be. They are not, however, the only real relationships and meaningful contacts that occur in markets. Indeed, real relationships that are not merely commercial relationships and meaningful contacts that cannot be reduced to mere business contacts are also developed and nurtured in markets.

The concept of social space is a notion that comes out of urban geography. Henri Lefebvre, if not the most influential figure in this field, is arguably the most intriguing thinker on this subject.⁷ Gottdiener (1993: 129), for instance, has described Lefebvre as “perhaps the greatest Marxian thinker since Marx, and certainly one of the greatest philosophers of our time.” Similarly, Kelly (2000: 82) has observed that Lefebvre played a critical role in the early development of Marxian philosophy. And, Soja (1989), himself a leading thinker on the concept of space, has pointed to Lefebvre’s significance in the development of a postmodern geography and urban sociology. Lefebvre outlines his theory of space in *The Production of Space* (1991), a seminal work in the field.

For Lefebvre, space is simultaneously the result of *spatial practice* (produced and reproduced by social activity) and the site of social life (inhabited by interacting individuals). As he writes, “(social) space is a (social) product” (ibid.: 26). And, “social space ... remains the space of society, of social life ... all ‘subjects’ are situated in a space in which they must either recognize themselves or lose themselves, a space which they may both enjoy and modify” (ibid.: 35). Cities, streets, churches, malls, parks and apartments are not places given to us by nature but instead are imagined and constructed by individuals working in concert with each other.⁸ At the same time, these particular spaces, themselves the product of social activity, make social action possible. We can live in cities, walk down streets, worship in churches, shop in malls, jog in parks and sleep in apartments. As Lefebvre (ibid.: 73) notes “itself the outcome of past actions, social space is what permits fresh actions to occur.” Also, “social space ‘incorporates’ social actions ...from the point of view of [the] subjects, the behaviour of their space is at once vital and mortal: within it they develop, give expression to themselves, and encounter prohibitions; then they perish, and that same space contains their graves” (ibid., 34).⁹

⁷ Bourdieu (1985 and 1989) has developed a notion of social space that is quite distinct from Lefebvre’s.

⁸ By constructed, Lefebvre does not mean that they are physically produced; although, obviously, they typically are materially-made places. Instead, he means that they are conceptually and socially constructed and designated as social sites of this or that type. As such, beaches, lakes, and mountains can similarly be thought of as social spaces. These spaces serve as sites where we go to relax and play, as spaces to which we escape.

⁹ As Lefebvre (1991, 191) writes, “Social space can never escape its basic duality ... Is not social space always, and simultaneously, both a *field of action* (offering its extension to the deployment

Particular social spaces, according to Lefebvre, encourage certain social practices and proscribe others. We imbue particular spaces with certain meanings (that are also socially produced). As such, we use particular spaces in certain ways. We reserve and set apart particular spaces for particular activities. And certain social relations and kinds of social relations are sustained and are sustainable in particular spaces. As Lefebvre (*ibid.*: 35) remarks, for instance, “all holy or cursed places, places characterized by the presence or absence of gods, associated with the death of gods, or with hidden powers and their exorcism – all such places qualify as special preserves.” Similarly, our dwellings or residences are private spaces where we sleep, eat, talk, argue with our parents, enjoy our marriages and raise our families. A peasant dwelling, he (*ibid.*: 83) writes, “embodies and implies particular social relations; it shelters a family – a particular family belonging to a particular country, a particular region, a particular soil; and it is a component part of a particular site and a particular countryside.”

The market is likewise a particular social space. Viewing the market in this way pushes several questions to the fore: What is the exact nature of this space? How is it produced? What kind of socio-spatial practices produce the space of the market? Which types of actions are possible and difficult, which are promoted and proscribed in the market? What kinds of associations can and do occur in this arena? What is the relationship between the market and other social spaces? Arguably, the Austrian response to these questions (if we were to recognize them as questions deserving a response) would understandably stress *commercial activities* and *commercial relations*. Recall, Austrians view the market as an economic process and the order that arises out of that process. Non-commercial activities and non-commercial relations are seen as epiphenomena.

Lefebvre, similarly, stresses economic activities and relations when he discusses the space of the market (for him, capitalist space, the space of exchange, the space of work and the space of consumption). “In capitalist society,” he (*ibid.*: 191) writes,

... the space of work consists of production units: businesses, farms, offices. The various networks which link these units are also part of the space of work ... The

of projects and practical intentions) and a *basis of action* (a set of places whence energies derive and whither energies are directed)?”

space of work is ... the result, in the first place, of the (repetitive) gestures and (serial) actions of productive labour, but also – and increasingly – of the (technical and social) division of labour; the result therefore, too, of the operation of markets (local, national and worldwide) and, lastly, of property relationships (the ownership and management of the means of production).

The space of consumption, for Lefebvre, is likewise a commercial space. “The *space of consumption*,” he (ibid.: 352) asserts, “coincides with the historical locations of capital accumulation, with the space of production, and with the space that is produced; this is the space of the market.”

According to Lefebvre, however, (in order to grow) capitalism created and inhabited a particular institutional space, one that is both global and fragmented (ibid.: 282). Global in that “it abolishes distinctions and differences” (ibid.: 355) and “its circulatory systems and networks may occupy space worldwide” (ibid.: 341). Fragmented and fractured because it “locates specificities, places or localities, both in order to control them and in order to make them negotiable” (ibid.: 282). On the surface, these may seem to be opposites but they are not. As Lefebvre (ibid., 355) explains, “it is not ... as though one had global (or conceived) space to one side and fragmented (or directly experienced) space to the other – rather as one might have an intact glass here and a broken glass or mirror over there. For [capitalist] space ‘is’ whole and broken, global and fractured, at one and the same time.”

Lefebvre, like Gudeman, worries about the expansion of capitalist space, the encroachment of the space of the market into other social spaces. According to Lefebvre, capitalism’s survival depends on the extension of capitalist space to “space in its entirety” (ibid.: 325). Households, towns, nature and even outer space, in short, all pre-existing space has been gobbled up and transformed by the extension of the economic sphere. Additionally, capitalism creates new global and fractured spaces through processes like urbanization and globalization. This production of new space and the occupation of all pre-existing space which accompanies the growth of the market are not benign processes. Rather, “the mobilization of space for the purposes of its production makes harsh demands” (ibid.: 336). Most significantly, it requires “the entirety of space [to] be endowed with *exchange value*” (ibid.) which is increasingly alienating (through the fetishism of commodities) and exploitative (particularly as more and more activities

become subject to the demands of the division of labor). While Lefebvre's discussion of social space as socially produced forces us to consider the various uses of space, his understanding of market space is deeply unsatisfactory because it is marred by his biases against market forces. To be sure, market forces are not benign (in the best scenario there are still definite winners and losers, some businesses fail, some workers lose their jobs). But market forces are not necessarily (and I'd argue are not usually) pernicious. Still, his discussion of social space reminds us that various kinds of spatial practices constitute and occur within market space.

Non-Catallactic Relationships in Markets

A complete concept of the market, in my view, requires that we appreciate that the market is a social space where both economic and extra-economic relationships are developed and maintained. Markets are not only embedded in community but can also promote and sustain community. As I stated before, many meaningful conversations beyond negotiations occur within the conversation of the market. Note that I am not referring to communities that engage in market activities (in Gudeman's sense) but instead to communities or relationships that might not exist if not for the market. Note also that unlike the concept of social capital, which focuses on the economic significance of social relations, viewing the market as a social space emphasizes the social significance of economic relationships.¹⁰

¹⁰ The literature on social capital comes close to approaching the more complete picture of the link between social relationships and markets that I'm suggesting here. Unfortunately, because it is principally concerned with how social capital can be profitably employed in the market and other contexts, many of the writings on social capital commit the same sin of omission as Granovetter. Consider, for instance, Coleman's foundational piece, "Social capital in the creation of human capital" (2000). In that article, Coleman uses the example of the wholesale diamond market in New York City to illustrate his point that pre-existing social relations enable actors to achieve ends that would otherwise be unattainable (ibid.: 16). While negotiating a sale, he recounts, diamond traders routinely give other merchants a bag of valuable diamonds to examine in private, at their leisure, without any formal guarantee that the buyers will not replace any of the stones in an effort to get a better deal. This practice, which is essential to the smooth functioning of the diamond wholesale market, is only possible, Coleman (ibid., 17) explains, because merchants belong to "essentially a closed community," sharing ethnic, religious, family and community ties. Being caught stealing a stone would cost a merchant not just a single trading partner but access to the entire trading network as well as "family, religious and community ties" (ibid.). In this way, social capital within this segment of the Jewish community in New York facilitates the wholesale diamond market in that city. Although Coleman is right to stress how social capital within this community serves as an important economic resource, he does not consider how important these repeated and trust-filled economic dealings are in

A review of the spatial practices which constitute and occur within Ghanaian open air markets should demonstrate quite clearly this potential of market space to be the site of extra-economic sociality in addition to extensive economic activity. The importance of these markets to economic life in Ghana cannot be overstated. Robertson (1983: 470) describes the Makola market in the center of Accra as “the centre of trade in Ghana, the chief wholesale and retail market in Accra, and the heart of a market system that evolved over centuries.” Similarly, Clark (1994: 1) has described the Kumasi Central Market, which has a population of almost twenty thousand traders, as one of the largest open-air markets in West Africa, rivaling the impressive Onitsha Market in Nigeria. “Most interregional trade for local consumption in imports, manufactures, and local foodstuffs,” Clark (ibid.) writes, passes through this market. As is the case in many other contexts, women dominate Ghanaian marketplaces and form a dynamic entrepreneurial class. Most women in Accra are traders. During the 20th century, 70% of the women in Accra were market traders (Robertson 1974: 77). Most market traders are also women. The market population in the Kumasi market is 70% female and women trade in each local food group and operate at every level, working as wholesalers, retailers and street hawkers (Clark 1994: 1).

As Clark (1994) and Chamlee-Wright (1997) find, almost familial bonds can develop between market women who work next to each other in these large markets. “Formal groups or informal sets of colleagues defined by commodity and by location,” Clark (1994: 219) writes, “constitute the dominant structure of the marketplace system in Kumasi Central Market and throughout southern Ghana.” And, “most market traders are self-employed, and collegial relations encourage the formation of cohesive groups” (ibid.: 32). Echoing Clark, Chamlee-Wright (1997: 137) reports that in Accra, “most market women, particularly hawkers and mid-level stall traders exhibit a strong sense of camaraderie with the women who trade in their immediate area. The traders form themselves into close-knit groupings, or clusters, sometimes as small as three to five women.”

sustaining that community. It is undoubtedly easier to trust that a potential son-in-law will prove reliable when you already have a fruitful economic relationship with him and his family.

The economic and social importance of the sororal camaraderie exhibited by market women with their immediate neighbors cannot be overstated; especially given the declining significance of tribal and kinship systems in many of Ghana's urban centers (Chamlee-Wight 1997: 136) and the extraordinary degree of social autonomy that Ghanaian women typically enjoy (Clark 1994: 33).

These relationships serve a vital economic function, providing market women with credit, critical business information and other forms of mutual support (Clark 1994: 218; Chamlee Wright 1997: 140). The sororal relationships that develop between immediate market neighbors also serve a vital social function. Immediate market neighbors chat, gossip and often engage in discussions of a personal nature. They assist in raising each other's children and share both food and sympathy with one another. They develop tight bonds and form true friendships (Clark 1994: 220). Although these relationships are certainly a form of social capital that positively impacts economic activity, they are nonetheless deep relationships which also have non-economic significance even though they developed within a market context.

A few more illustrations of the kinds of extra-economic relationships that can develop within market spaces are perhaps in order. Coworkers, for example, often develop strong bonds because of their common experiences and circumstances. Hodson (1997), for instance, has discussed how solidarity can develop in the workplace and how the sense of attachment that results can mitigate feelings of alienation that can arise from work. Likewise, describing Chicana cannery workers in the Santa Clara Valley, San Francisco, Zavella (1985, 554) informs that "friendships initiated on-the-job function to 'humanize' the workplace, and the camaraderie women develop in this process becomes an important positive feature of their jobs." Also, "work-related networks not only bring meaning to the workplace but they also become a focal point of their private lives ... these women bring work home as work relationships infuse their home and social activities" (ibid.).

Similarly, office romance is a common phenomenon. As Williams, et al. (1999), discuss, love, flirting, dating and sexual interactions that have nothing to do with harassment are prevalent in the contemporary workplace. Similarly, Pierce, et al. (1996) have argued that "the increase of women in the labor force" and "changes in the nature of work, such as increased working hours that inhibit romantic social activities outside the workplace" have led to an increase in workplace

romances. Although some participants may have ulterior motives, many workplace romances are mutual relationships motivated by love not unlike extra-workplace romances. Additionally, workplace romances can have a positive effect on productivity, morale, job involvement and work motivation when participants are love motivated (ibid.). And, as Pierce and his colleagues note, since firms tend to select people who fit within their corporate culture, “organizations ... function as filters resulting in attitudinally similar employees which may, in turn, increase the potential for romantic initiations” (ibid., 12).

Likewise, principal-client, seller-buyer relationships can be more than mere business relationships. Often deep friendships can grow out relationships that were originally economic. Price and Arnould (1999) in their study of relationships between hairstylists and their clients found that the commercial friendships that usually develop are often characterized by mutuality and reciprocity, as is the case with non-commercial friendships. As they (ibid., 50) suggest, “participants agree that commercial friendships, similar to other friendships, involve affection, intimacy, social support, loyalty, and reciprocal gift giving.” Although “the tension between instrumental and expressive goals lead [some] to consider it inappropriate to form friendships with their commercial partners,” Price and Arnould report that commercial settings like the salon promote sociability and that the majority of those they studied were not friendship-adverse (ibid.).

The common link in each of the cases described above is that all three types of relationships develop in market contexts and might not occur, and certainly would not develop along precisely the same course, if not for the market. There are other kinds of extra-economic relationships that occur in and because of markets. Family businesses, for instance, can serve the income, fulfillment and identity needs of family members. Master-apprentice and mentor-protégé relationships can sometimes grow into friendships or father-son, mother-daughter type relationships. Shopping and consuming can be social activities that provide an opportunity for friends to deepen their bonds. Additionally, some communities might not exist without the communication and transportation services available because of the market (e.g. cell phones, email, text messaging, discussion boards, social networking sites like MySpace, automobiles and airplanes have become important tools in building communities and cementing relationships across sometimes great distances). The market allows for greater and more selective connectivity

within the population by making communication easier and bringing more people in contact with one another.¹¹

Again, the point is that each of the relationships described above are both distinct from market relations and might not be possible if not for markets. Of course the argument might be made that most commercial relationships are not what we would characterize as deep friendships. That many are primarily instrumental (e.g. friendliness as a way of building or gaining access to social capital). That most are to some degree fake (e.g. servers aren't always happy to be of service), arbitrary (e.g. it is in many respects random who sits in the cubicle next to you), or forced (e.g. company picnics and retreats). And that none of these relations are on par with relationships built and fostered outside of a market context.

I might tend to agree but would offer three caveats. First, social relationships that arise in non-market spaces are not *ipso facto* more meaningful than social relationships that develop in the market. Any claim about the inferiority of social relations hatched in the space of the market is necessarily an empirical question not a theoretical one. Second, even if I were to concede that social relations birthed in the market were inferior that is quite different from conceding that they are not meaningful. Workplace friendships and romances, as noted above, can become a focal point of our home lives and market space can be a critical site for extending the base (to borrow Gudeman's turn of phrase). Third, our social relationships that are not necessarily linked to the market are often enriched by the proliferation of new and diverse market spaces that has accompanied capitalist expansion and our increasing mobility within and between those spaces. Stated another way, not only are economic relationships socially significant, but our social interactions writ large are enhanced because of the opportunities available to us because of the market.¹² Conceiving of the market as a social space and, so, paying attention to the meaningful

¹¹ Greater connectivity in the sense that you have more media available for communication. More selective in the sense that you are better able to connect with precisely the kinds of people that you wish to build relationships with. Note also that the market also facilitates communication links that connect and promote exchanges between disparate and diverse communities. The internet, for instance, allows for discussion across borders and across populations. I am grateful to Chris Coyne for helping me to focus on this point.

¹² I am grateful to T. Clark Durant for helping me to appreciate this point. The Londoner who has American and Japanese colleagues and customers evolves certain social skills and habits as a

conversations that can take place in the market will, in my view, enrich our conception of the market.

Conclusion

Swedberg's (1994) complaint that economists lack a full theory of the market is well founded. Even in the Austrian school, where our focus on the conversation of the market has significant advantages over standard accounts, we tend to ignore the sociality beyond trade relations that can occur in and because of markets. Swedberg's advice that we develop our theory of the market along Weberian lines is a tempting one, particularly for Austrians. Weber and the Austrians have a special relationship. As Boettke and I (2002: 173) wrote, "Weber and the Austrians have a deep and symbiotic relationship; they share many of the same intellectual forebears and a commitment to the same methodological approach." Weber's insistence that we view man as being simultaneously embedded in society, the polity and the market also seems consistent with a rich conception of the market as a space where interactions occur that cannot be described as mere business dealings and conversations take place that cannot be reduced to negotiations.

One challenge in following Swedberg's recommendation, however, is that Weber wrote very little about the market (as a social structure). His only writing that deals specifically with the subject appears as a fragment in *Economy and Society* (1978). Another difficulty is that Weber, surprisingly, does not represent the market as a space where sociality (beyond dickering) takes place. For Weber (1999: 76),

The market community ... is the most impersonal relationship of practical life into which humans can enter with one another ... participants do not look toward the persons of each other ... there are no obligations of brotherliness or reverence, and none of those spontaneous human relations that are sustained by personal unions.

result. This is also certainly true of the Londoner who has lived and worked in the United States and Japan for some time.

Instead, Weber (ibid.: 75) asserts that, "From a sociological point of view, the market represents a coexistence and sequence of rational consociations, each of which is specifically ephemeral insofar as it ceases to exist with the act of exchanging the goods."

For Weber, then, the market is an ideal type characterized by impersonal, hyper-rational, potentially unchecked, and usually ephemeral exchanges. Yes, market activity is a social occurrence. Dickering is social action as market participants have to orient their actions to their fellows. Also, social norms can constrain market activity. But, the conversation of the market, in Weber's view, has to do with money, prices, goods and services. And, social norms (outside of economic norms) are not the product of market activities. Like the Austrians, Weber does not see the market as a social space where non-market relations can and do develop.

Few real world exchanges, however, are anonymous or even impersonal. Mom and pop stores survive precisely because people are willing to pay a premium for goods and services from sellers they know and trust. Similarly, large discount retail stores recognize that warm and friendly service is as important to their bottom line as cheap products. Even online sellers offer recommendations based on the behavior of people with similar buying histories and try to build communities of shopper-reviewers, realizing that buyers are more inclined to trust fellow buyers than, say, professional critics. The anonymous, impersonal market exchanges described in the textbooks have very few real world counterparts.

Lefebvre's work on social space is, I believe, helpful in developing a richer conception of the market that takes into account market relationships and the extra-catalactic sociality that can and does occur in markets. His emphasis on the production of space is also quite consistent with Austrian-style spontaneous order analysis. Recall, Lefebvre described social space as being both created and inhabited by social practice. Austrians have similarly described the market as the order which results from the interactions of market participants acting severally. What Lefebvre adds, in spite of his suspicions of the homogenizing and so alienating nature of market space, is an emphasis on the disparate practices that can occur in particular social spaces and the multiple meanings that individuals can assign to those spaces.

As noted above, for Lefebvre, not only do particular social spaces, promote certain social practices and proscribe others, but we imbue particular spaces with certain meanings (meanings that are themselves socially produced). As such, when confronted with a particular social space, outlining the various social practices that can occur within it is essential to understanding the nature of that space. In this way, he opens the door to a consideration of market space that need not focus on just competition and exchange.

The sociality that occurs in markets, I argue above, can create and sustain communities, promote identity and cement fraternal and familial bonds. To be sure, the market is a process. Within the market, individuals adjust their plans in order to coordinate their actions with one another and, in so doing, achieve their goals. The market, however, is also a social space where people form friendships, meet their husbands and wives, and connect with their parents, children and siblings. Indeed, many varieties of meaningful conversation occur within the conversation of the market.

Two possible implications of this way of viewing markets are worth noting. First, as stated earlier, this view can stand as alternative to the conception of markets and community as being opposite spheres. Highlighting the positive impact that markets can have on social relationships undermines the argument that the market and the community are necessarily in contention with one another. Second, by focusing on the fact that trade is not just about exchange and competition but also about building extra-economic relationships, it becomes quite clear that erecting trade barriers also locks off potential conversations and access to potential dialogical partners.¹³ Bonds that might otherwise form are not allowed to develop. The social costs of barriers to trade, in the form of lost relationships, might be immense.

¹³ See Coyne's *After War* for a convincing discussion of how a commitment to free trade on the part of Western democracies like the United States is more likely to bring about successful transformations in weak and failed states than is military intervention. As he suggests, since trade in goods across cultures also involves cultural exchanges, then free trade has the potential to sow the seeds of tolerance, understanding and a willingness to agree to disagree that are necessary for global peace. Similarly, Bender (2002: 228) writing about the marketplace in ancient Greece notes that "the agora stimulated citizens to recognize the presence of others, persons with different needs and rights to be respected. It was a place for representation of difference in a way that implied common affiliation in a collective ... The work of such a space is to enhance the capacity for tolerance and recognition in a world of difference."

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