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Embedding Markets in Temporal Structures: A Challenge to Economic Sociology and History

Christiane Eisenberg *

Abstract: »Die Einbettung von Märkten in temporalen Strukturen: Eine Herausforderung für Wirtschaftssoziologie und Geschichte«. The essay examines from a historian's point of view the approaches to the analysis of market exchange in new economic sociology and explores in which way sociology and history can cooperate in embedding markets in temporal structures. In a first step the author sharply criticises the favourable reception given to Karl Polanyi's work "The Great Transformation" in the field of new economic sociology. In particular she discusses the narrowing of research perspectives and its negative side effects on the sociology of markets. There then follows a second step: in order to find a linking point for interdisciplinary cooperation, beginning with the current state of historical research, the author makes several considerations on the significance of temporal structures and the time factor in general in analysing markets and market societies.

Keywords: market, market society, England, Great Britain, Continental Europe, Karl Polanyi, economic sociology, time structures, *longue durée*.

Observing Market Exchange

Sociologists and historians have only recently discovered the market as a research topic. Therefore there is a lack of workable definitions in textbooks and literature.¹ This neglect is not only an expression of ignorance, there are also inherent reasons. First, scholars find it extraordinarily difficult to observe market exchange because transactions take place spontaneously and in many cases remain episodic. These features are the side effects of competition as the operating principle of markets, which always demands a willingness and ability to adapt, and gives rise to new patterns.² Furthermore market exchange is mediated by money and, as paradoxical as it might seem at first sight, this intro-

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¹ Cf. Viviana A. Zelizer, "Beyond the Polemics of the Market: Establishing a Theoretical and Empirical Agenda," *Sociological Forum* 3/4 (1988), 614ff.; Douglass C. North, *Theorie des institutionellen Wandels* (Tübingen: Mohr, 1988), 35; Victor Vanberg, "Markets and the Law," in *International Encyclopedia of the Social and Behavioral Sciences*, vol. 14, ed. Neil J. Smelser and Paul B. Baltes (Amsterdam: Elsevier, 2001), 9223.

² Friedrich August von Hayek, "Der Wettbewerb als Entdeckungsverfahren," in idem, *Freiburger Studien. Gesammelte Aufsätze* (Tübingen: Mohr, 1942), 249-265.

duces another huge and unpredictable element into the game. On the one hand, money generates chains of transactions, thereby creating preconditions for continuity. On the other hand, the actors who take the money have more than one option: they can either spend it in the near future or save it. Even when the relationship between supply and demand is not mediated through third parties like manufacturers or traders, market transactions are therefore “not bilateral interactions, but an interplay of sensitive trilateral communications” (Birger Priddat), and the resulting network of communications is given its dynamic by permanent processes of dissolution and rebuilding.³ Finally, observing markets is made difficult because the competitors mostly administer their exit option tacitly, and see no need to document their motives.⁴

These pitfalls mean that markets are continually able to evade political regulations, and scholars resort to *ceteris paribus* assumptions and indirect methods of observation. At the end of the eighteenth century Adam Smith put forward the idea of utility-maximising action in order to be able to pin down qualified statements about the way the market operates. Neoclassical economists developed this convention and radicalised it by declaring utility-maximising action as being rational action. In addition they refined the methods of indirectly observing competitive markets via price development, and constructed a general equilibrium theory. The upshot was that their science lost its footing in the social world, a virtue of economic research which had still existed at the time of Smith and other representatives of classical political economy.

This negative side-effect is precisely the starting point for the formation of new economic sociology, a sub-discipline of sociology that started to develop in the 1980s.⁵ Under the impression of increasing market-oriented economic policies in the west, the failure of controlled economies in the east and a huge number of new competitors on the world market sociologists began to focus on the “embeddedness” of social action in concrete social structures in order to explain and observe market exchange by analysing their environmental features. Since then the legal and political framework conditions of economies, the

³ Cf. Birger Priddat, “Das Dritte der Ökonomie. Transaktion als multipler triadischer kommunikativer Prozess,” in *Die Figur des Dritten. Ein kulturwissenschaftliches Paradigma*, ed. Eva Eßlinger et al. (Frankfurt/M.: Suhrkamp, 2010), 110-124, quotation 123 (transl. CE).

⁴ Cf. Albert O. Hirschman, “Exit and Voice: An Expanding Sphere of Influence,” in idem, *Rival Views of Market Society and Other Recent Essays* (Cambridge/Mass.: Harvard University Press, 1986), 77-101, here 78.

⁵ Cf. Andrea Maurer, “Perspektiven der Wirtschaftssoziologie. Von versunkenen Schätzen, Entdecken und neuen Kontinenten,” in *Handbuch der Wirtschaftssoziologie*, ed. eadem (Wiesbaden: VS Verlag für Sozialwissenschaften, 2008), 11-18. For an overview on the tradition of this new discipline cf. Franz-Xaver Kaufmann, “Wirtschaftssoziologie,” in *Handwörterbuch der Wirtschaftswissenschaft, zugleich Neuauflage des Handwörterbuchs der Sozialwissenschaften*, ed. Willi Albers et al. (Stuttgart/New York: Fischer, 1982), 239-267.

actors' networks, their ways of perception and the institutional preconditions for building up trust, not forgetting feedback mechanisms between these variables, have all been integrated into market analysis. The object of interest is not the price mechanism, but the question: "How are rational persons able to act intentionally when they do not know which alternative to use in order to maximise their benefits?"⁶

The increase in knowledge thrown up by economic sociology is impressive. In the last few years scholars have produced a whole range of empirically grounded case studies which have more than merely sharpened up our understanding of the "embeddedness" of markets, but also – and this is a feature which is emphasised in the articles in this issue – the way in which they function. This is all the more remarkable because one of the main focuses of research has been on financial markets which do not contain any stable buyer/seller roles and seemingly regulate themselves in a self-referential manner because of the particular features of money as a commodity.⁷ Notwithstanding this, new economic sociology has been exposed to criticism, not least from its own protagonists who refer to its weaknesses.

The first objection is directed at its conventional and one-sided focus on social structures in the environment of the market whereas the specific features of the market itself, particularly its capacity to systematically create uncertainty has either been neglected, or reduced to the underlying conflict revolving around scarce goods and resources. In principle it might be possible to embed bureaucracies and any other random institutions according to the same rules of the game, "and it would not take one iota away from your analysis", as one critic has said.⁸ In particular economic sociology cannot satisfactorily deal with special institutions like the modern family, for example, which is situated at the crossroads of political, social and economic structures, because the "shift of emphasis in the analysis of markets from the act of exchange to ... [the] struc-

⁶ Jens Beckert, "Was ist soziologisch an der Wirtschaftssoziologie? Ungewissheit und die Einbettung wirtschaftlichen Handelns," *Zeitschrift für Soziologie* 25, no. 2 (1996): 125-146, quotation 125 (transl. CE). For the historical context, see Bernard Convert and Johan Heilbron, "Where Did the New Economic Sociology Come From?," *Theory & Society* 36 (2007): 31-54. A bibliography is compiled by Jens Beckert et al. for the economic sociology section of the Deutsche Gesellschaft für Soziologie: <http://wirtsoz-dgs.mpifg.de/dokumente/literatur_sektionwirtsoz_juli2009.pdf> (accessed March 9, 2011).

⁷ Cf. Karin Knorr-Cetina and Urs Bruegger, "Global Microstructures: The Virtual Societies of Financial Markets," *American Journal of Sociology* 107 no. 2 (2002): 905-950; Donald MacKenzie and Yuval Millo, "Constructing a Market, Performing Theory: The Historical Sociology of a Financial Derivatives Exchange," *American Journal of Sociology* 109 (2003): 107-145; and the chapters in Michael Lounsbury and Paul M. Hirsch, eds., *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis*, 2 vols. (Bingley: Emerald, 2010).

⁸ Quotation: John Hall in: Greta Krippner et al., "Polanyi Symposium: A Conversation on Embeddedness," *Socio-Economic Review* 2 (2004): 109-135, here 128. See also the statement by Mark Granovetter, *ibid.*, 113.

turing forces” would be too radical.⁹ Furthermore – and this directly affects the theme of this essay – scholars have recognized a disregard of the temporal dimension. For example Jens Beckert, one of the major proponents of economic sociology has noted that “[w]e need an historical perspective if we are to understand the *specific* ways in which economic action is embedded in the institutions and social structures of modern societies”, adding that “[w]e also need to identify the (normative) implications of such changes”.¹⁰ Other scholars demand that economic sociology should adopt the method of “rational realism” in its own right, i.e. that it should bring itself “to borrow freely from what has traditionally been historians’ terrain – through the appropriation of narratives, for example, as a way of representing sequences and processes over time”.¹¹

Such statements make historians sit up and take notice, for they regard themselves as “specialists for embeddedness” (Jürgen Kocka) and, from a professional point of view, narrators of change over time.¹² Furthermore, over the past few years historians have developed an increasing interest in the topic of economic action and market behaviour, and scholars involved in research into Anglo-American countries have started to publish books and articles.¹³ Therefore, historians are convinced that an interdisciplinary cooperation will almost certainly prove useful to economic sociologists because authors equally

⁹ Jens Beckert, “How Do Fields Change? The Interrelations of Institutions, Networks, and Cognitions in the Dynamic of Markets,” *Organization Studies* 31, no. 5 (2010): 605-627, quotation 609. See also Greta R. Krippner, “The Elusive Market: Embeddedness and the Paradigm of Economic Sociology,” *Theory and Society* 30, no. 6 (2001): 775-810, esp. 776-778.

¹⁰ Jens Beckert, “The Great Transformation of Embeddedness: Karl Polanyi and the New Economic Sociology,” in *Market and Society. The Great Transformation Today*, ed. Chris Hann and Keith Hart (Cambridge: Cambridge University Press, 2009), 38-55, 53.

¹¹ Quotation: Margaret R. Somers, “‘We’re No Angels’: Realism, Rational Choice, and Relationality in Social Science,” *American Journal of Sociology* 104, no. 3 (1998): 722-84, here 767. This position is also taken by, amongst others, Marion Fourcade, “Theories of Markets and Theories of Society,” *American Behavioral Scientist* 50, no. 8 (2007): 1015-1034, esp. 1029. See also Klaus Eder, “Rational Action, Communicative Action and the Narrative Structure of Social Life. The Social Embeddedness of Discourse and Markets – A Theoretical Essay,” in *Critical Turns in Critical Theory. New Directions in Social and Political Thought*, ed. Séamus Ó Tuama (London: I.B. Tauris Publishers, 2009), 63-80.

¹² Jürgen Kocka, “History and the Social Sciences Today,” in *The Benefit of Broad Horizons. Intellectual and Institutional Preconditions for a Global Social Science. Festschrift for Björn Wittrock on the Occasion of his 65th Birthday*, ed. Hans Joas and Barbro Klein (Leiden/Boston: Brill, 2010), 53-67, quotation 65.

¹³ Cf., among others, Paul Nolte, “Der Markt und seine Kultur – ein neues Paradigma der amerikanischen Geschichte?” *Historische Zeitschrift* 264 (1997): 329-360; *Markets in Historical Contexts: Ideas and Politics in the Modern World*, ed. Marc Bevir and Frank Trentmann (Cambridge 2004); Christiane Eisenberg, *Englands Weg in die Marktgesellschaft* (Göttingen: Vandenhoeck & Ruprecht, 2009); Paul Johnson, *Making the Market. Victorian Origins of Corporate Capitalism* (Cambridge: Cambridge University Press, 2010); John Lauritz Larson, *The Market Revolution in America. Liberty, Ambition, and the Eclipse of the Common Good* (Cambridge: Cambridge University Press, 2010).

attempt to take account of the structural conditions of market exchange (and, in addition, bring in a specific openness to “cultural turn” ideas).

That said, the relationship between sociologists and historians over the decades has been one of “mutual avoidance, not of cooperation” as noted by M. Rainer Lepsius at the end of his academic career; “[c]ertainly there have been encouraging exceptions! But a historical social science is still one of the desiderata of both historians and sociologists.”¹⁴ In this article I want to examine, from the point of view of a historian, whether and in what way research into market embeddedness can be one such “encouraging exception”. To do this I shall analyse the ideas of both disciplines with regard to the temporal dimensions of social action in market societies. I shall deal with three questions:

- What historical results are economic sociologists looking for in this area? What exactly are they expecting from historians?
- Can historical research into markets meet these requirements?
- How can we research the „embeddedness” of markets in time structures in such a way as to benefit both scholars of economic sociology and history?

In my analysis I shall be taking a particular look at the complex and ambitious approach by Jens Beckert, who works at the Max-Planck Institute for the Study of Societies in Cologne. This approach is notable for analysing social conflicts arising from competition in markets in order to grasp the dynamics of social change; and because of its attempt to connect sociological research into specific markets with comprehensive theories about society.¹⁵ Here Beckert is clearly working in areas which are also highly relevant for historians.

Economic Sociology and the Problem of Temporality

Economic sociologists are interested in historical research because they wish to fill out the set of structures and relations in which market activities are embedded. The temporal dimension of relationships and their (connected) spatial orientation extend the many different functional, social and cognitive “embeddings” to which historians have devoted themselves over the past few decades. Beckert considers analyses of “concrete historical situation[s]” to be necessary in order to enable us to grasp “processes of reproduction and change”.¹⁶ On the one hand they help him to get a view on how “market struggles” emerge as motors of social change “from existing social structures and power relation-

¹⁴ M. Rainer Lepsius, *Soziologie als Profession*, ed. Adalbert Hepp and Martina Löw (Frankfurt/Main: Campus, 2008), 213f. (translation CE). See also, from the historians' perspective, the special issue of *InterDisciplines* 1, no. 1 (2010).

¹⁵ Jens Beckert, “Wirtschaftssoziologie und Gesellschaftstheorie,” *Zeitschrift für Soziologie* 38, no. 3 (2009): 182-197, esp. 190-194, 193 (on “market struggles”).

¹⁶ *Idem*, *How Do Fields Change*, 620.

ships”.¹⁷ On the other hand such analyses are necessary in order to be able to differentiate “market struggles” from the dynamics of institutional development in their environment. Experience shows that “change is often endogenous and in some cases is produced by the very behavior an institution itself generates”.¹⁸ Here Beckert refers to an essay by Wolfgang Streeck and Kathleen Thelen, which was written whilst Streeck was researching his latest book “Re-Forming Capitalism. Institutional Change in the German Political Economy” (2009). The book is a contribution to a debate on regional varieties of capitalism since the end of the Second World War – a debate that is based on empirical analyses which refer to the period from the 1960s onwards.¹⁹

This example is representative for economic sociology since it documents the anchoring of their interest in short-term historical relationships in contemporary history. As far as situations further back in time are concerned (like relations “in preindustrial market exchange”), historical analyses are allegedly equally welcome.²⁰ However, in Beckert’s writings at least, it is clear that he regards research into these periods as somewhat less pressing, to put it mildly. Characteristically, Beckert does not take into account the chance offered by historians to use such situation analyses for comparative aims (like, say, as material to examine crisis scenarios, or – given the failure of quantitative standard forecasts – to create some form of orientation).²¹ He expresses equally little concrete interest in long-term analyses of individual market types and the general process of the commercialisation of the economy and society. In the final analysis the obligatory nod in direction of the historically orientated studies made by Max Weber and other classics of comparative research into the history of capitalism found in Beckert’s works have no consequences. In this respect his approach is also representative of economic sociology as a whole. How can we explain this (self)-limitation? Why are the historical horizons of new economic sociology so restricted?

We can get an initial answer to this question by looking at how the sub-discipline came into being in the 1980s. The impulse was given by network analysis, a method set co-developed with mathematicians to enable a better

¹⁷ Beckert, “Wirtschaftssoziologie und Gesellschaftstheorie,” 193 (translation CE).

¹⁸ Wolfgang Streeck and Kathleen Thelen, “Introduction: Institutional Change in Advanced Political Economies,” in *Beyond Continuity. Institutional Change in Advanced Political Economies*, ed. eadem (Oxford: Oxford University Press, 2005), 1-39, here 19, quoted from Beckert, “How Do Fields Change,” 615.

¹⁹ Wolfgang Streeck, *Re-Forming Capitalism. Institutional Change in the German Political Economy* (Oxford: Oxford University Press, 2009).

²⁰ Beckert, “The Great Transformation of Embeddedness,” 44.

²¹ Thus the argument put forward from the historians’ side. Cf. Werner Abelshausen, “Aus Wirtschaftskrisen lernen – aber wie? Krisenszenarien im Vergleich,” *Vierteljahrshäfte für Zeitgeschichte* 57, no. 4 (2009): 467-483, esp. 481, as well as a large number of works with a wealth of examples by Charles P. Kindleberger, esp. his book *Manias, Panics and Crashes: A History of Financial Crises* (New York: Basic Books, 1989).

understanding of social order processes.²² For sociologists this research direction will forever be linked with the name Mark Granovetter (born 1943), whose pioneering essay “Economic Action and Social Structure: The Problem of Embeddedness” appeared in the *American Journal of Sociology* in 1985.²³ The essay is generally regarded as the most quoted interdisciplinary sociological text in the last few decades after the ISI Web of Knowledge. Granovetter’s influence on economic sociology can, among others, be put down to the fact that he was able to illustrate the functioning of networks by using job seeking on the labour market as his example; and also because he continued to work in this area for many years.²⁴ Thus “Economic Action and Social Structure” was for decades generally acknowledged as the foundation document for economic sociology; and even today it is a “central reference and discussion point” for this line of research.²⁵ Granovetter restricted the temporal dimension of his studies to the effect

that the level of causal analysis adopted in the embeddedness argument is a rather proximate one. I have little to say about what broad historical or macrostructural circumstances have led systems to display the social-structural characteristics they have, so I make no claims for this analysis to answer large-scale questions about the nature of modern society or the sources of economic and political change. But the focus on proximate causes is intentional, for these broader questions cannot be satisfactorily addressed without more detailed understanding of the mechanisms by which sweeping change has its effects.²⁶

Looking at Granovetter from the perspective of historical research I should add here that his negative appraisal in 1985 was too pessimistic, in so far as network analysis has since been adopted by historians too, not least for successful studies on the pre-industrial era. Dynamic changes in the embeddedness of economic action in network structures can also be recorded over time, and indeed be visualised with the aid of computer graphics, and there are many examples of markets arising out of social networks (of merchants, for example) and vice versa.²⁷ However these studies are not able to compensate for the basic

²² Cf. Boris Holzer, *Netzwerke* (Bielefeld: transcript, 2006), 29-34.

²³ Mark Granovetter, “Economic Action and Social Structure. The Problem of Embeddedness,” *American Journal of Sociology* 91 (1985): 481-510.

²⁴ Idem, *Getting a Job: A Study of Contacts and Careers* (Chicago: University of Chicago Press, 1995).

²⁵ Sophie Mützel, “Netzwerkperspektiven der Wirtschaftssoziologie,” in *Handbuch der Wirtschaftssoziologie*, ed. Andrea Maurer, 185-206, quotation 188. See also Jens Beckert, “Soziologische Netzwerkanalyse,” in *Aktuelle Theorien der Soziologie*, ed. Dirk Kaesler (München: Beck, 2005), 286-312.

²⁶ Mark Granovetter, “Economic Action,” 506f., quotation 506.

²⁷ Examples of more recent research: Andreas Gestrich and Margrit Schulte-Beerbühl, eds., *Cosmopolitan Networks in Commerce and Society 1660-1914* (= German Historical Institute London Bulletin, Supplement No. 2) (London: German Historical Institute, 2001). On the new techniques of visualisation cf. Morton Reitmayer and Christian Marx, “Netzwerkansätze in der Geschichtswissenschaft,” in *Handbuch Netzwerkforschung*, ed. Christian

weakness of network analysis à la Granovetter, namely the lack of any mediation between social action and social systems. For this reason it is promising to conceive of sociologists and historians joining forces to study the quoted “mechanisms by which sweeping change has its effects” and to relate the results to both fields of research on single markets and market society.

However, such a cooperation is somewhat unlikely because the economic sociology caravan is in the process of moving on. The latest development shows that Beckert and some of his colleagues, among them Wolfgang Streeck as a major representative of the “varieties of capitalism” research tradition, have no longer been primarily concentrating on network analysis to contextualise market exchange but are rather putting all their efforts into dispensing with this tradition. As is customary for the professional culture of sociology, this is happening with the aid of a change in its figurehead. The research tradition set up by Mark Granovetter has been declared to be deficient. At the same time he has been substituted by the Hungarian economist Karl Polanyi (1886-1964) as the new progenitor. Polanyi is the elder of the two authors and was the first of the two to use the concept of “embeddedness”. Interestingly Granovetter claims that he developed his concept primarily without reference to Polanyi.²⁸ Exactly this has been chalked down to Granovetter as a failure – not least with reference to the limited usefulness of his approach to historical “embeddedness”. All this has resulted in the current “Great Transformation of Embeddedness” of economic sociology.²⁹ This was the title of an article by Jens Beckert that appeared in a volume of essays in 2009 published in honour of Polanyi referring to his opus magnum “The Great Transformation” (1944). Polanyi’s book has been the subject of a renaissance in the last few years and turned the author into a sort of insider’s tip amongst Anglo-American sociologists.³⁰

Stegbauer and Roger Häußling (Wiesbaden: VS Verlag, 2010), 869-880; Marten Düring and Linda v. Keyerlinck, “Netzwerkanalyse in den Geschichtswissenschaften. Historische Netzwerkanalyse als Methode für die Erforschung historischer Prozesse,” in *Prozesse: Formen, Dynamiken, Erklärungen*, ed. Rainer Schützeichel et al. (Wiesbaden: VS Verlag, forthcoming); I am grateful to the authors to send me the manuscript. See also the “Historical Network Research” website: <<http://sites.google.com/site/historicalnetworkresearch/>> (accessed March 8, 2011).

²⁸ Granovetter in Krippner et al., “Polanyi Symposium,” 113.

²⁹ Cf. Beckert, “Great Transformation of Embeddedness”; idem, “Wirtschaftssoziologie und Gesellschaftstheorie,” 193; idem, “How Do Fields Change”, 620, furthermore his criticism of Granovetter in an earlier essay: “Soziologische Netzwerkanalyse”, 301-304, esp. 303 f. See also Krippner, “Elusive Market”; eadem and Anthony S. Alvarez, “Embeddedness and the intellectual Projects of Economic Sociology,” *Annual Review of Sociology* 33 (2007): 219-240.

³⁰ Cf. Jean-Michel Servet, Jérôme Maucourant, and André Tiran, eds., *La modernité de Karl Polanyi* (Paris: L’Harmattan, 1998); Ayşe Buğra and Kaan Ağartan, eds., *Reading Karl Polanyi for the Twenty-First Century: Market Economy as Political Project* (New York: Macmillan, 2007); Chris Hann and Keith Hart, eds., *Market and Society. The Great Trans-*

One of the main reasons why economic sociologists are so fascinated by “The Great Transformation” is that – although the book was written more as a contemporary diagnosis of the experiences of fascism in Europe – it can be interpreted as a contribution to historical sociology. Tellingly the subtitle to the original edition, “Origins of our Time”, was translated in the German edition (1977) as “Politische und ökonomische Ursprünge von Gesellschaften und Wirtschaftssystemen” (or “The Political and Economic Origins of Societies and Economic Systems”). Such an all-encompassing sub-title was also adapted for a new English edition published in 2001 which was equipped with an introduction by the sociologist Fred Block, and a foreword by the winner of the Nobel Prize for Economics, Joseph E. Stiglitz.³¹ These shifts of stress result from Polanyi’s ability to connect his contemporary diagnosis with concrete ideas about the *longue durée* of market society. Economic sociologists therefore deem that they already know all about the history of market society, so that they can dispense with further research in this area.³² Thus, with regard to a possible co-operation between economic sociology and history, it is necessary to give a brief outline of the arguments Polanyi developed in his main work “The Great Transformation”.

Polanyi’s Historical Analysis of Market Society

According to Polanyi, labour, land and money markets are mediating instances between economic and social action. Because of the insoluble physical link between manpower and workers, and real estate and the soil, and furthermore because of the purely symbolic character of money these markets only deal in “fictitious commodities”. The “commodities fiction” supplies, he says, “a vital organizing principle in regard to the whole of society affecting almost all its institutions in the most varied way”.³³ At the same time it creates systematic contradictions. On the one hand, if the market society is to remain stable, “arrangements or behavior should not be allowed to exist that might prevent the actual functioning of the market mechanism on the lines of the commodity fiction”.³⁴ On the other hand the subjection of “fictitious commodities” to mar-

formation Today (Cambridge: Cambridge University Press, 2009); Gareth Dale, *Karl Polanyi: the Limits of the Market* (Oxford: Polity Press, 2010).

³¹ *The Great Transformation: The Political and Economic Origins of Our Time*, 2nd ed. (Boston: Beacon Press, 2001). The German language edition was published by Europaverlag, Wien.

³² Fred Block refers to the benevolent reactions to Polanyi in the “varieties of capitalism” debate in “Karl Polanyi and the Writing of The Great Transformation” (paper presented at the Eighth International Karl Polanyi Conference “Economy and Democracy”, Mexico City, November 2001), 20 <<http://artsandscience.concordia.ca/polanyi/conf/pdf/Block.pdf>>, (accessed 21 May, 2011). See also Streeck, Re-Forming Capitalism, 247-253.

³³ Polanyi, *Great Transformation*, American edition 2001, 76.

³⁴ *Ibid.*

ket mechanisms has negative effects in the form of a crisis-proven economic scenario and, viewed in the long run, the destruction of the natural environment and human society. Polanyi claims that this is the inevitable consequence of the implementation of market society and the parallel dissolution of social relationships from their “embeddedness” in the social order.³⁵

The resulting “market society” is, according to the argument developed in “The Great Transformation”, notable for the complete absence of political or legal regulations of prices and quantities offered, i.e. for relationships “which make the market *the only* organizing power in the economic sphere”.³⁶ Such self-regulating markets, Polanyi asserts, are a very late development in human history. They initially began to develop in England in the first decades of the nineteenth century at the same time as the start of industrialisation, when the British Parliament joined forces with economic interests to push through the commodification of labour, land and money. Other European countries gradually followed suit. The effect was the same everywhere. It resulted in a “disembedding” in the forms of exchange of pre-modern communities, and gave rise to social unrest. Polanyi illustrates these forms of resistance by using examples from Great Britain, like the protest against enclosures, the utopian cooperative projects introduced by Robert Owen, and the Chartist movement. In his book these initiatives stand as examples of social movements which fought for a “re-embedding” of the “fictitious commodities” of labour, land and in order to find a way out of the market society.

Since all these movements failed it is not clear from reading “The Great Transformation” how we should imagine a successful re-embedding of “fictitious commodities” in concrete terms. Polanyi undertook further studies in the community forms of so-called “primitive” and “archaic societies” – and these are occasionally referred to in the literature – only later, in the 1950s and early 60s, when he joined the discourse of social anthropology led by Bronislaw Malinowski and Alfred Radcliffe-Brown.³⁷ Not least because of this lack of clarity it has been possible to link “The Great Transformation” with many different scholarly interests and political hopes, from the struggle against fascism to the correction of neoliberal tendencies in politics and economics.

Historians’ Criticism of “The Great Transformation”

Historians are acquainted with Polanyi’s work. However, it is extremely unpopular in their discipline. When “The Great Transformation” is quoted at all, it is in relation to the weighty formulations on the “fictitious commodities” of

³⁵ Cf. *ibid.*, 71-80.

³⁶ *Ibid.*, 72 (my emphasis, CE).

³⁷ Cf. S. C. Humphreys, “History, Economics, and Anthropology: The Work of Karl Polanyi,” *History and Theory* 8 (1969): 165-212, here 173; Fred Block, “Karl Polanyi and the Writing of The Great Transformation,” *Theory and Society* 32 (2003): 275-306; Dale, 90-95.

work, land and money, themes which can anyway be found in the works of Adam Smith, Karl Marx and others. Beyond that historians have been unimpressed by Polanyi's analyses.

As far as his diagnosis of the 1930s/40s is concerned, their criticism of "The Great Transformation" is based on the observation that it is unable to explain the failure of fascism precisely in Great Britain and the USA, those countries which had the most highly developed – and at the same time "freest" – market economies between 1918 and 1939. This deficit is at the same time regarded as one of the reasons why the first edition of the book was such a failure in Great Britain. Another observation in the same direction points out that the book appeared only one year after the publication of the Beveridge Report (December 1942), a measure introduced by the British government to "re-embed" the market society and motivate the British people to increase their struggle against fascism. The near coincidence of the two publications must surely have made Polanyi's arguments less convincing to the British in 1944.

Historians are even more sceptical about Polanyi's long-term perspective on the British market economy, for it is patently clear that the Hungarian lawyer and economist who had hitherto failed to earn any reputation as a historian, scarcely knew a thing about the economy and society of the country in which he took exile. It is telling that two friends, the historians Richard Tawney and G. D. H. Cole, whom Polanyi had asked to read the manuscript in advance, told him in plain terms that his periodisation of the market economy was unacceptable and his diagnosis of a sharp dichotomy between a market and a nonmarket society was utterly unrealistic. They remarked that his claim that there had been no labour and land markets in England before the early nineteenth century revealed his complete ignorance of the subject,³⁸ a criticism which has been repeated by subsequent generations of historians.³⁹ Furthermore, more recent studies have destroyed the basis of Polanyi's historical analyses of money because, instead of philosophising on the symbolic dimensions of coins and the gold standard, they have analysed the specific ways in which money has been used – as book money, currency and credit – in the context of the English (and British) market society.⁴⁰ Thus nowadays it is not difficult to dismiss his arguments in "The Great Transformation" as a gloriously false diagnosis, or some-

³⁸ Cf. *ibid.*, 84f.

³⁹ See, for example, Charles P. Kindleberger, "The Great Transformation," *Daedalus* 103, no. 1 (1974): 45-52; Douglass C. North, "Markets and Other Allocation Systems in History: The Challenge of Karl Polanyi," *Journal of European Economic History* 6, no. 3 (1977): 703-716; Santhi Hejeebu and Deirdre McCloskey, "The Reproving of Karl Polanyi," *Critical Review* 13 (1999): 285-314; eadem, "Polanyi and the History of Capitalism: Rejoinder to Blyth," *Critical Review* 16, no. 1 (2004): 135-142.

⁴⁰ Cf. Geoffrey Ingham, *The Nature of Money* (Cambridge: Polity, 2004), 214f.; Eisenberg, *Marktesellschaft*, 31f., 68-75, 81-83.

what less subtly in the words of a senior British economic historian: “Polanyi is boloney”.⁴¹

One of the chief reasons for the generally damning verdicts on Polanyi’s work is that his description of British economic history has to be more or less turned on its head in order to take any account of the current state of research: If a free, unregulated market economy existed in England at all, it developed over the course of several centuries in a thoroughly evolutionary process long *before* the breakthrough to a modern industrial society, i.e. during the Middle Ages at the latest.⁴² By way of contrast it was the 1830s and the following decades which saw a comprehensive “embedding” of the market mechanism not only in legal and political structures but also in powerful social movements such as trade unions, consumer cooperatives and finally the Labour Party as the body responsible for fostering social reforms in Parliament.⁴³

Research Gaps

Thus historians are of the opinion that economic sociologists who base their approaches on Polanyi are running up a blind alley. Sociologists could object to this point of view by protesting that their work does not specifically deal with the British case but primarily with developments on the European continent which occurred at a later time. They would probably then point to the “comparatively stationary *ständische* economies in seventeenth and eighteenth-century Europe”, linked with the statement that “the breakthrough of economic uncertainty and the related set of problems” for the Continent did indeed coincide “with Karl Polanyi’s ‘Great Transformation’ at the start of the nineteenth century”, as Christoph Deutschmann has affirmed in a recent article.⁴⁴ This objection would embarrass historians in so far as they have hitherto failed to come up with any long-term studies on market development on the European continent. Nonetheless they could respond with two provisional arguments.

First, they would attempt to explain to sociologists that the concept “stationary *ständische* economies” is inapplicable to the European continent, because there had also been markets there in the Middle Ages and early modern period, and these had been linked to periods of economic boom and crisis, and uncer-

⁴¹ A. J. H. Latham, “Karl Polanyi: Some Observations” (paper given to the Global History Seminar of the Institute for Historical Research, University of London, 1996), <<http://www.history.ac.uk/resources/e-seminars/latham-paper>> (accessed March 28, 2011).

⁴² For a summary of the relevant literature, see Eisenberg, *Marktgeseellschaft*.

⁴³ Cf. Philip Harling and Peter Mandler, “From ‘Fiscal-Military’ State to Laissez-faire State, 1760-1850,” *Journal of British Studies* 32 (1993): 44-70; Johnson, *Making the Market*. On the labour movement see the overview by E. H. Hunt, *British Labour History 1815-1914* (London: Weidenfeld & Nicolson, 1981).

⁴⁴ Christoph Deutschmann, “Unsicherheit und soziale Einbettung: Konzeptionelle Probleme der Wirtschaftssoziologie,” in *Märkte als soziale Strukturen*, ed. Jens Beckert et al. (Frankfurt/M: Campus, 2007), 79-94, quotations 88f. (translation CE).

tainties with regard to economic decisions. That said, even in the longer term market exchange was not so generalised and did not have such a marked social effect as it did in England. Historians would base this argument on the highly developed regulation of, and the concentration of power in, these markets, which prevented a large proportion of the population from making the most of any opportunities they might have had. In this connection historians would refer to the following concrete features:

- the distinctive patchwork of small states – especially in Central Europe – with their many different customs barriers, currencies, legal ordinances and the concomitant distortions in competitive relationships in the “*Verkehrswirtschaft*” – the term for “*Marktwirtschaft*” used by representatives of the German historical school of national economics to describe such hindrances.⁴⁵
- the corporatist ‘power games’ used by a huge number of rulers, say in the German Holy Roman Empire, which led to cartel privileges enjoyed by specific guilds of merchants and producers, and gave them powers to intervene and to regulate local markets in their particular interest.⁴⁶
- the many different legal restrictions which banned certain sections of the population like feudally dependent groups, foreigners and Jews from participating in markets either as suppliers or consumers, and thereby made it impossible for them to be active at the most basic everyday practical level. These restrictions included feudal levies and sumptuary law, as well as, for example, bans to inhabitation and citizenship which were often anchored in local laws. They also included the legal rights of husbands to dictate the business activities and consumer behaviour of their wives, and of craft masters to dictate the ways in which apprentices led their lives.⁴⁷

These restrictions on market freedoms were indeed gradually repealed in central Europe from the beginning of the nineteenth century onwards, and later in Eastern Europe. Nonetheless some of them (e.g. restrictions on freedom of

⁴⁵ Oliver Volckart is systematically researching these factors, see “Zur Transformation der mitteleuropäischen Wirtschaftsordnung, 1000-1800,” *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 68 (2001): 277-310; idem, *Wettbewerb und Wettbewerbsbeschränkung im vormodernen Deutschland 1000-1800* (Tübingen: Mohr Siebeck, 2002).

⁴⁶ Cf. Sheilagh Ogilvie, “The State in Germany. A Non-Prussian View,” in *Rethinking Leviathan. The Eighteenth-Century State in Britain and Germany*, ed. John Brewer and Eckhart Hellmuth (Oxford: Oxford University Press for the German Historical Institute, 1999), 167-201; eadem, *Institutions and European Trade. Merchant Guilds, 1000-1800* (Cambridge: Cambridge University Press, 2011); Christiane Eisenberg, *Englische und deutsche Gewerkschaften. Entstehung und Entwicklung bis 1878 im Vergleich* (Göttingen: Vandenhoeck & Ruprecht, 1986).

⁴⁷ Cf. Sheilagh Ogilvie, “Consumption, Social Capital, and the ‘Industrious Revolution’ in Early Modern Germany,” *The Journal of Economic History* 70 no. 2 (2010): 287-325; see also the research by Jürgen Kocka, *Arbeitsverhältnisse und Arbeiterexistenzen. Grundlagen der Klassenbildung im 19. Jahrhundert* (Bonn: Dietz, 1990), 329-334.

movement; a corporate framework of craft organisation), were retained and others were reintroduced (e.g. the ban on child labour, the establishment of state socialism after the Second World War). Even the EU, which has intervened in the field of market regulations time and time again, has failed to do away with these restrictions completely; indeed in many cases it has merely generalized them.⁴⁸ For this reason it is possible to say that, in comparison to Britain, the generalisation of market society on the European continent not only occurred centuries later – during the nineteenth and twentieth centuries – but also took on a fundamentally different pattern. Here the spectrum of possible variations ranges from phases of relative stagnation or even retrogression to the accumulation and interaction of dynamic takeoff movements.

It is a moot point as to whether this response would satisfy sociologists, because historians involved in research into European market development have not yet been able to come up with a way of comparing the circumstances, timing and pace of developments in Continental Europe and Great Britain, or statements on inter-regional and international exchanges and transnational and/or regional entanglements. Neither are they in a position to be able to differentiate the outlined general response to specific types of market. For this reason, with respect to this central theme in economic and social history, we can only register that the state of “mutual avoidance” between sociologists and historians⁴⁹ can also be attributed to research deficits on the part of historians.

Embedding Markets in Temporal Structures

Viewed in such a way, neither of the two disciplines is currently able to make definite statements about the embeddedness of European market society in temporal structures. This is a good starting point for a balanced communication, because both economic sociologists and historians must be prepared to move towards one another if they wish to go deeper into the topic. In concrete terms this means that economic sociologists would have to adapt their current embeddedness concept to the latest state of historical research. For their part, historians are challenged to summarise their individual findings, search for further results and then concentrate them into an equally clear and differentiated overall picture which can fit in with a sociological concept. Both disciplines would then have to set themselves further tasks in which an interdisciplinary exchange would be indispensable.

⁴⁸ For an overview cf. Christopher Kopper, Die Entwicklung des europäischen Binnenmarktes und die Einheitliche Europäische Akte von 1986, Themenportal Europäische Geschichte (2011): URL: <http://www.europa.clio-online.de/site/lang_de/ItemID__497/mid__11428/40208214/default.aspx> (accessed May 6, 2011).

⁴⁹ See Lepsius, *Soziologie*, 213f.

European Diversity

When researching European diversity, one of the most important demands on scholars is to relinquish the assumption that the breakthrough of market society on the European continent took place in a similar manner to those in Great Britain. Scholars should rather be prepared to see that in continental Europe explosive mixtures and development dynamics were systematically created when hierarchical structures and the proliferating competitive relationships met head-on at critical junctures. Think of the coincidence of the enactment of freedom of trade (*Gewerbefreiheit*) and the rise of the industrial revolution in Germany, the breakthrough of the commercial mass press against the background of fascist regimes in the interwar period, or the stimulating alliance of consumerism, commercial mass culture and the democracy movement in the 1960s and after 1989. Historians can therefore unreservedly approve of the position held by Jens Beckert that economic sociology should give up its idea of linear development trends.⁵⁰ That said, his suggestion to replace it by assuming an “oscillation between phases of stronger regulation and phases of stretched-out uncertainty”,⁵¹ is not entirely convincing. For as soon as conflicts come into play, the further course of an historical process is open, an assumption which in this case is more likely as the topic in question goes hand-in-hand with the production of uncertainty. For this reason and given the wide range of European cases, well-grounded statements on patterns of European “market struggles” will only become possible when we have access to results from a larger number of comparable national and regional studies. It would also be necessary to have access to a larger number of studies with regard to the connected question as to whether it is possible to identify path dependent processes and a capacity of societies to remember and to learn.⁵² Current studies on the “varieties of capitalism” are already proving to be pioneering as far as such questions are concerned;⁵³ but in the long run supplementary cases must be added to the currently discussed “Anglo-Saxon” and “Rhenish” models.

⁵⁰ “Wirtschaftssoziologie und Gesellschaftstheorie”, 193.

⁵¹ *Ibid.*, 193.

⁵² Cf. Paul A. David, “Clio and the Economics of QWERTY,” *American Economic Review* 75 (1985), 332-337; Charles P. Kindleberger, “The Aging Economy,” in *idem, Comparative Political Economy. A Retrospective* (Cambridge/Mass.: The MIT Press, 2000), 171-186.

⁵³ Cf. Peter A. Hall and David Soskice, eds., *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage* (Oxford: Oxford University Press, 2001); Volker R. Berghahn and Sigurt Vitols, eds., *Gibt es einen deutschen Kapitalismus? Tradition und globale Perspektiven der sozialen Marktwirtschaft* (Frankfurt/M.: Campus, 2006); Werner Abelshäuser, *The Dynamics of German Industry. Germany's Path toward the New Economy and the American Challenge* (Oxford: Berghahn, 2005); David Gilgen et al., *Deutschland als Modell? Rheinischer Kapitalismus und Globalisierung seit dem 19. Jahrhundert* (Bonn: Dietz, 2010).

Finally scholars must ensure that they take European diversity into account when extending their comparative perspectives to include a global perspective. Hitherto studies in both disciplines have in many cases presumed that Europe represents a unified model with respect to the implementation of market societies. At the moment there is only a difference in emphasis: some scholars take the British case as their comparative unit, whilst others, mostly implicitly, orientate themselves on an assumed general state of knowledge about the European continent.⁵⁴ Seen in such a way, the central methodical problem of current globalisation studies lies less in their much bemoaned eurocentrism as in the unverified assumption that something like a European model does indeed exist.

The Embedding of Markets in Market Society

Periodisation and identifying development dynamics are not the only difficulties faced by sociologists and historians who aim to take into account the temporal dimension of market society. Once Polanyi's categorical separation between a market and a nonmarket society has been consigned to the grave, a much larger challenge rears up, which must also be considered when dealing with the rise of new markets: the fact that – and above all – how they are embedded in existing market relationships.⁵⁵ Scholars from both disciplines are somewhat irritated by the idea that they must think this topic through to the end, because the basis of conventional classification of societies into “modern” and “traditional” will be removed. Whereas historians might still regard it as an interesting experiment to play with time and discover the Modern in the Middle Ages, economic sociologists who adopt such an attitude are shaking the very foundations of their chosen discipline. True, from the very start sociologists have always regarded their subject as being exclusively rooted in “modern society”, but they cannot simply wash their hands of the matter by shifting the standpoint of their observations into the past. Binary codes like “community versus society” (Ferdinand Tönnies), “status versus contract” (Sir Henry Maine) or “organic versus mechanical solidarity” (Emile Durkheim) are an

⁵⁴ Cf. Kenneth Pomeranz, *The Great Divergence. China, Europe, and the Making of the Modern World Economy* (Princeton and Oxford: Princeton University Press, 2000); Peer Vries, *Via Peking back to Manchester: Britain, the Industrial Revolution, and China* (Leiden: CNWS Publications, 2003); Christopher Alan Bayly, *The Birth of the Modern World 1780-1914* (Oxford: Blackwell, 2004); Ulrich Beck and Edgar Grande, “Jenseits des methodischen Nationalismus,” *Soziale Welt* 61 (2010): 187-216, esp. 197f. (on “the European individualization model”). One example of a balanced way to consider these differences is given by Jürgen Osterhammel, *Die Verwandlung der Welt. Eine Geschichte des 19. Jahrhunderts* (München: Beck, 2009).

⁵⁵ To date this question has simply been ignored by economic sociologists. Beckert is typical here, in that he states categorically that “The embeddedness of market exchange does not result from markets themselves”, *idem*, “The Great Transformation of Embeddedness”, 51.

integral part of their elementary tools. As soon as economic sociology seriously begins to study the embeddedness of markets in temporal structures, scholars will have to sharpen up their tools once more and possibly add to them. In addition they will have to abandon the dubious assumption that – for example – something like a “traditional *habitus* of the peasant” clashing with the “rational *habitus* demanded by capitalist societies”⁵⁶ ever existed, and replace it by the question of how peasants responded to market impulses “in the interstices of a highly constraining institutional framework”.⁵⁷ In doing so it remains to be seen whether research designs discussed by historians can be helpful. These include such concepts as the “Economy of Regard” (which analyses the dynamics of reciprocity in social exchange), and the “Invention of Tradition” (which looks at customs, rituals and communities generated with the means of consumerism and modern mass media). Significantly these concepts can be traced back to British historians whose sights were also, and above all, aimed at their own society in which market exchange was to a certain extent to be routinely embedded in existing market relations and the structures of market society.⁵⁸

Another idea which can be adopted from the British example in order to analyse markets and existing market relationships adequately, is the renunciation of a hasty equation of the market society with capitalism – a concept which, at least as used in current economic sociology, primarily aims at the attendant negative symptoms of commercialisation. From the point of view of historical research in markets such an equation can easily lead to scholars losing sight of the remarkable capacity of market exchange to develop social relationships and social structures – by repetition, institutionalisation or other methods of perpetuation. The creation of a commercial popular culture in early modern England with its sporting competitions, plays, concerts and other forms of entertainment; and the symbiotic existence of newspapers and book publishers as the basis of an enlightened ‘Zeitgeist’ – all these factors provided oppor-

⁵⁶ Beckert, “The Great Transformation of Embeddedness”, 53; see also his arguments 52f.

⁵⁷ Sheilagh Ogilvie, “The Economic World of the Bohemian Serf: Economic Concepts, Preferences, and Constraints on the Estate of Friedland, 1583-1692,” *Economic History Review* 54, no. 3 (2001): 432-433, here 451. See also Ilana Krausman Ben-Amos, *The Culture of Giving. Informal Support and Gift-Exchange in Early Modern England* (Cambridge: Cambridge University Press, 2008), who stresses the importance in the culture of giving of money and products purchased on markets.

⁵⁸ Cf. Avner Offer, “Between the Gift and the Market: The Economy of Regard,” *Economic History Review* 50 (1997): 450-476; see also idem, *The Challenge of Affluence. Self-Control and Well-Being in the United States and Britain since 1950* (Oxford: Oxford University Press, 2006). On the practice of “invention of tradition” in market societies, see Eric Hobsbawm, “Mass-Producing Traditions: Europe 1870-1914,” in *The Invention of Tradition*, ed. Eric Hobsbawm and Terence Ranger (Cambridge: Cambridge University Press, 1983), 263-308. For a discussion of such ideas by a German sociologist see Sighard Neckel, “Die Marktgesellschaft als kultureller Kapitalismus. Zum neuen Synkretismus von Ökonomie und Lebensform,” in *Triumph und Elend des Neoliberalismus*, Kurt Imhof and Thomas S. Eberle, eds. (Zurich: Seismo Verlag, 2005), 198-211.

tunities for people to artificially stimulate and productively exploit the socialisation effects of market exchange.⁵⁹ This in no way occurred solely with the effect to create *trust* and useful social relations or create gainings; it also helped to overcome experiences of arbitrariness and outdated power relationships. We do not need to hide the fact that new forms of rule and social exploitation were thrown up by the early modern English market society, and it is well known that the results of the self-transforming social structure were anything but egalitarian. But it would be unbalanced if scholars were to regard the liberal utopia of “doux commerce” simply as an ideology; for the English market society always formed the basis for the free development of the individual.⁶⁰ Even when there is some evidence in favour of regarding “doux commerce” as a special feature of “Capitalism before its Triumph”, as Albert O. Hirschman put it in “The Passions and the Interests”,⁶¹ the following question remains for those who are interested in the embedding of markets in temporal structures: to which time period can we assign this particular triumph?

The need to question common assumptions is not the only challenge for scholars wishing to examine the embedding of markets in market society. A further area of research is opened up by the observation that different types of markets display specific individual temporal structures, i.e. highly different timings and rhythms. Whereas on commodity markets it sometimes takes years to close the exchange between supply and demand,⁶² information markets ‘tick’ much more rapidly and in computerized trading a single transaction needs less than 0.6 milliseconds from the time it is sent by the client to the time it is confirmed.⁶³ In early modern England we can already find examples showing that interlinked markets of different types, say information and cultural markets, mutually accelerate one another.⁶⁴ Thanks to modern means of transport and improvements in infrastructures, and modern transnational means of communication, such interaction has been and will be considerably intensified. We must also assume that the concomitant acceleration effects which result from the

⁵⁹ Cf. Eisenberg, *Marktgeseellschaft*, esp. ch. III.

⁶⁰ Cf. eadem; Larsen, *Market Revolution*.

⁶¹ Albert O. Hirschman, *The Passions and the Interests. Political Arrangements for Capitalism before its Triumph* (Princeton: Princeton University Press, 1977); see also idem, “Rival Interpretations of Market Society: Civilizing, Destructive, or Feeble?,” *Journal of Economic Literature* 20 (1982), 1463-1484.

⁶² Cf. Walter Eucken, “Der Wirtschaftsprozess im zeitlichen Hergang (1934),” in idem, *Kapitaltheoretische Überlegungen*, 2nd ed. (Tübingen: Mohr, 1954), 223-262.

⁶³ See the article “Maschinen verkaufen an Maschinen,” *Frankfurter Allgemeine Zeitung* 291, December 2, 2010, 24. Cf. also Urs Stäheli, “Der Takt der Börse. Inklusionseffekte von Verbreitungsmedien am Beispiel des Börsen-Tickers,” *Zeitschrift für Soziologie* 33 (2004): 245-263.

⁶⁴ See Eisenberg, *Marktgeseellschaft*, 86-95.

composite and ‘entangled’ character of all markets⁶⁵ will radically affect the ways in which people think, perceive and act. Therefore there is a lot to be said for taking up Jens Beckert’s idea, and embedding markets deliberately into the perceptions and “cognitions” of economic actors.⁶⁶ However, given the present state of affairs, neither historians nor sociologists are in a position to be able to grasp and portray in long-term studies the innate tendency of market society to accelerate its periodicity. Further disciplines such as cognitive and neuroscience should be taken into the interdisciplinary boat in order to analyse more recent developments.

Conclusion: Market Society as a Perpetuum Mobile Machine

My comments to date have made it clear that an extension to the “embeddedness of markets” concept to include the temporal dimension will entail considerable further efforts. And in this paper I have not even begun to discuss the many adjacent aspects of research which also should have to be dealt with in such a research programme. These would include the specific ways in which societies deal with experiences of market failure (the welfare state, public businesses), the systematic removal of social areas from market mechanisms (family models, forms of organising educational services), the attempts by social groups to get a firmer control of the market by means of collective action (trade unions, co-operatives, consumer protection), the creation of game forms of the market in culture (sport, betting and competitive games), and finally the far-reaching consequences of the transfer of models of competition into the political and higher education systems. Furthermore, any results thrown up by research into markets will certainly have repercussions for the neighbouring research into capitalism, where scholars have hitherto used the category of the market in its temporal dimension without much thought, whilst nonetheless using it as a basis for comprehensive historical analysis and forecasts.⁶⁷ Thus, the next few years are likely to provide a good job creation programme for both sociologists and historians.

After all the advanced market society is a generator of prosperity and, as the American economic historian Deirdre McCloskey reminds us, it has had “the direct effect of giving billions of ordinary people the scope with which to pur-

⁶⁵ Karin Knorr-Cetina points to this aspect in her article “The Market,” *Theory, Culture & Society* 23 (2006), 555.

⁶⁶ Cf. “How do Fields Change?”.

⁶⁷ This feature contributes to the general fuzziness of the term capitalism; see Jürgen Kocka, “Writing the History of Capitalism,” *Bulletin of the German Historical Institute Washington* no. 47 (2010): 8-13.

sue something other than subsistence”.⁶⁸ Here she refers to the American economist Frank H. Knight, the author of the classic study “Risk, Uncertainty and Profit” (1921) and his observation, that in a market society economists – and the same is true for sociologists and historians – “[w]e are impelled to look for ends in the economic process itself, [...] and to give thoughtful consideration to the possibilities of participation in economic activity as a sphere of self-expression and creative achievement”.⁶⁹ We can therefore be reasonably certain that there will be one or two people amongst the “billions” who will seize the opportunity to do so.

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⁶⁸ Deirdre Nansen McCloskey, “Life in the Market is Good for You,” in *Accepting the Visible Hand. Market-Based Approaches to Social-Economic Problems*, ed. Mark D. White (New York: Palgrave Macmillan, 2010), 139-168, here 158.

⁶⁹ Frank Hyneman Knight, “The Ethics of Competition,” in idem, *The Ethics of Competition and Other Essays* (New York: Harper & Brothers, 1935), 59.

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