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CHAPTER III

REVIEW OF LITERATURE

'Market' has been an element of debate since time immemorial; as a result, it has generated intense arguments from different corners of society and disciplines. It is argued both for and against, the way market is structured, its functioning pattern, changing forms, also the different positions upheld by different disciplines. There is plethora of material available on 'market' studies, of course, on different facets of 'market' activities and such other aspects. To have a panoramic view of the market studies an outline of the same is depicted in this chapter. To have an eloquent understanding of the studies, the literature is described lucidly in the chronological manner under the broader heading of disciplines then by different concepts.

While studying the evolution of societies, market, trade, and exchange are seen as elements and factors of economic development. Different terms are used to explain the market activities and diverse aspects of market. Similarly, different social science disciplines have focused on different areas of market.

ECONOMIC HISTORY:

Economic historians have tried to understand market in the historical context both with historical and other perspectives. A brief account of the studies conducted in this direction is explicated chronologically. Economic historian and an anthropologist, Polanyi (1944) in his famous work ‘The Great Transformation’ popularly known as ‘GT’ emphasized the social nature of exchange in precapitalist or traditional societies. There is much truth in the statement by Polanyi: “The outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships”.... “He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, and his social assets. He values material goods only in so far as they serve this
end" (1944:46). However, he argued that the development of capitalism eliminated the social aspects of exchange resulting in impersonal exchange. In other words, he argued that precapitalist exchange was embedded in social relationships, whereas capitalist exchange was disembedded exchange (this argument is challenged by others will be explained later). Later Polanyi with Arensberg and Pearson in an edited volume (1957) highlighted the early activities of market and trade in several empires. Karl Polanyi's (1977, 1992) approach to the study of 'markets' along with his concept of 'embeddedness' broadly identifies several principles of economic action;

1. exchange,
2. redistribution
3. reciprocity,
4. householding (later he removed this and used it as distinct category).

Blackman (1962) has tried to understand the business history of public markets in Britain from the 'marketplace' perspective and the development of the retail grocery trade in the nineteenth century of Britain market (1967) from an institutional perspective the structure and its process.

Britnell (1978) attempts to study the market place activities in relation with the regulation and controlling agency, the Royal administration before 1200 AD. Further, Britnell (1979) has given an account of King John's early grants of markets and fairs and (1981) the proliferation of markets in England, 1200-1349. Biddick (1985) studied Medieval English Peasants and market involvement.

Braudel (1985) begins with the material culture of exchange, from shops, higher levels of commerce; networks of merchants, trade circuits, bills of exchange, supply and demand, trade balances, the relationship between gold and silver currencies, and so forth. He accounts a three-level hierarch in the market: at the base is ordinary economic life, an all-embracing sea of subsistence agriculture, village barter, and production for local consumption; above this is the market, a world of towns and trade, of markets, fairs,
currencies, transport systems, bills of exchange, and workshops; and finally there is
capitalism, with its monopolies, attempts to control complete trade networks or even
entire world-economies, and stress on flexibility above all else. The structure of
Civilisation and Capitalism roughly reflects this hierarchy. He places economic life in the
context of society seen as a ‘set of sets’, connecting it with social hierarchies, the state
and the broad dynamic of cultural change.

Yousef (1999) while briefly outlining the evolution of Egyptian commodity
markets 1800-1939 mentions that organised commodity markets have operated here for a
very long time, mainly in the form in the form of weekly gatherings for local trade in
consumer goods. The importance and structure of these markets has undergone rapid
change since the early 19th century in response to the needs and policies of the state and
the openness of Egyptian markets to international trade.

Judith A Miller studied the grain trade in Northern France between 1700-1860
AD (Bossenga 2000) and Hoffman has analysed the political economy of credit in Paris
between 1660-1870 AD (Carruthers 2001).

ANTHROPOLOGY:

Anthropologists of the western countries have tried to understand the trade,
market and exchange activities of the ‘other’ world (non European and developing
countries) and societies from the ‘primitive’ notion. Malinowski (1992) makes a
pioneering study of the exchange system, market of the Kula ring near New Guinea and
was concerned with the social context of economic activity. Knight (1933) analyses the
economic organisations of the different societies and Bunzel (1938) gives an account of
the economic life of primitive people. Berdan (1989) gives a different understanding and
outlook of economic activity and unveils the trade and market in precapitalist states. He
mentions that many thinkers including anthropologists thought specialized production,
markets, money, taxes, foreign trade; and professional merchants, etc were only the
economic institutions (1989:78).
Plattner (1989) while reviewing various other studies points out that Malinowski’s study of kula ring among the Trobriand Islanders of the western Pacific near New Guinea represented one of the first systematic attempts, and certainly the first searching attempt, to examine economic activity. Smith (1989) tries to explore various aspects of economic concern from the anthropological perspective. Carolyn Eastwood (1995) gives a historical account of the growth of marketplace and also its demise.

**GEOGRAPHY:**

Geographers have contributed considerably to the understanding of the marketplace, institution, its hierarchical structure, development and the changing role of markets as a whole. Geographers have studied ‘market’ from the ‘space’ (physical) aspect in other words, location, and distance; also in terms of the frequency of markets, patterns, and structures. Bromley (1971) points out the most important trading institution is the market (place) an authorised public gathering of buyers and sellers of commodities meeting at an appointed place at regular intervals. The market-place is based upon large numbers of simultaneous person-to-person transactions.

Garnier and Delobez (1979) laid paramount emphasis on the fact that the three ‘d’s form the foundation for all the approaches to the geography of commerce. They say the bases of all trade or commerce are the three ‘Ds’. A ‘difference’ or an inequality (that is one possesses what another lacks) raises the possibility of exchange. However, between the two extremes must come ‘desires’ or willingness to buy and to sell a particular commodity/service. Also, intervening as a moderator between both these motivating factors in trade is the matter of ‘distance’. The maximum intensity of commercial exchanges will take place if the difference is pronounced, the desire is strong and the distance is short.

market in relation with the topography, the transportation and other geographical dimensions with the presence and influence of Nile river in the region.

PHILOSOPHY:

Philosophers have made certain theoretical and logical analysis of the principles underlying conduct of market and also the thought, knowledge and concepts used in the market context. Reilly and Kyj (1994) have analysed meta-ethical reasoning applied in economics and business principles and Kuttner (1996) on the idea of ‘things’ for sale in the market and their virtues and limits.

Sirico (1998) says the interaction, tension, and ultimate reconciliation of the culture of the market and the culture of life is a subject worthy of deeper reflection. He continues, ‘many who proclaim the culture of life fault the free market for devaluing human life and reducing people to mere economic actors, valued only for their earning potential or their productive capacity. Our times are characterized by a lack of respect for the dignity of the human person, but it is a tragedy to see our allies against the forces that degrade the human person hindered in their efforts because of a misunderstanding of the market economy’. He concludes by saying, ‘there are values higher than profit and market success, among which is the pre-eminent value of life itself’.

Adding to Sirico’s argument Sorenson and others (2001) says, ‘[I]n philosophy, one can distinguish between two typical conceptions of value... (a) the liberal-empiricist conception of value as empirical use value held by Locke and .. this concept reduces value to personal interest, utility, preferences, desire, emotions, feeling, etc. (b) the liberal-idealist conception of value as something ideal, worthy of attention in itself, which was developed out of the concepts of use value held by philosophers like Smith, Kant, and Marx. Stephen (2002) analyses market from the theological perspective and divinity of economy.'
POLITICAL SCIENCE:

To study the political economy of market and its influence many social scientists have tried to analyse the development of market in relation with the state and its governance. Markets as such have grown over a period and the intervention of the state as a regulatory agency is being witnessed in almost all parts of the world in form or the other. State is perceived as the social controlling agency in the history of markets. Regulated marketing is an example of indirect intervention in trading, where the state encourages changes in the structure of exchange and of production by the control of behaviour in the market place (Harriss 1980). The external agency to control, regulated marketing in the market place (Harriss 1980), governability in society (Nielsen and Hviid 1986) and the intervention of state as a controlling, regulating agency (Nayak 1996; Gordon 1997) were analysed. Andersen (2000) highlights the involvement of politics as market grows. Similarly, certain studies are also carried out in relation with market and governance (regional, national and global) (Peng 2001; Podolny 2001).

Nielsen (1986) examines the issues of self-government and versatility of individuals, the decisive characteristics of the ideal man of renaissance humanism, of Thomas Hobbes’ modern state theory, and of Adam Smith’s political economy theory.

The fear of up growing and up coming market (non tax paying) was posing a major threat the well ‘established’ and ‘legal’ (tax paying) market economy witnessed the use of state’s power and political intervention in case of street vendors in Mexico (Gordon 1997).

Labiano (2000) says ‘Thomas Hobbes is the first author to present the ideology of the businessman (homo Oeconomicus), with its most distinctive characteristic, individualism. Every constituent element of the capitalist system is found in Hobbes’ Writings. His mentality is bourgeois and he uses a model that can only correspond to a mercantile society of capitalist character, in which political rights are less important than
security in the market. The economic liberalism of Adam Smith inherits from Hobbes its individualistic basis and its chrematistic platform.

Andersen (2000) points out firm and politics as systems of communication; Social system as communication; Politics and economy as social systems. Politics and economy belong to what Luhmann calls ‘functional systems’, that is, systems that close themselves around certain functions. Law, art, religion and science are also functional systems. They may all be observed as functional systems consisting of nothing but communication, and in this communication differentiating themselves from each other: politic/not politics, economy/not economy, art/not art, etc., through functional. Similarly, certain studies are also carried out in relation with market and governance (regional, national and global) Peng (2001) Podolny (2001).

ECONOMICS:

Apart from the studies mentioned above, the study of market is central subject matter of economics and still continues to occupy the pivotal control over the idea and concept of ‘market’. In Classical and neoclassical economic theory, markets are at the centre of the stage (Simon 1991). The ‘Market’ is a central building block in the edifice of modern economic theory (Wang 1999).

Classical economists have predominantly influenced their doctrine of ‘homo economicus’ and the actors in the market being ‘rational’. Man being rational maximises profit and utility in the market has a deep impact on the earlier studies mentioned as well. Economists have conducted innumerable studies on ‘market’ and plethora of works available can be cited in this context; Smith (1776) Marshall (1920), Robbins (1932; 1935) argue that scarcity is a ubiquitous condition of life compelling choice; hence, all behaviour has an economic aspect. Akerlof (1970; 1976; 1980; 1984; 1984a) has worked on rational models, exchange system, labour contracts etc. All these classical thinkers are of the opinion that market consists of economic players and only economic or monetary aspects matter in the market. Duesenberry (1960) wrote that “Economics is all about how people make choices”.

Akerlof (1970:494) mentions that bad cars drive out new cars and good cars which is well known in America as 'lemons' (bad cars) just like Gresham's law. This lemons principle also casts light on the employment of minorities. Akerlof (ibid) continues, employers may refuse to hire members of minority groups for certain types of jobs. This decision may not reflect irrationality or prejudice but profit maximisation. For race may serve as a good statistic for the applicants' social background, quality of schooling and general job capabilities.

Though Knight (1956) shared the view that economic behaviour was identical with rational behaviour and in spite of the fact that Knight made extensive use of the concept of "Economic Man" himself, he nonetheless indicated a rather significant role for 'irrational' factors in the determination of human behaviour. With regard to the fundamental question of whether human behaviour could be, best understood scientifically, meaning as rational adaptation of means to ends, he was of the opinion that 'it is only to a limited extent that our behaviour, even our economic behaviour, is of this character. Much of it is more or less impulsive or capricious' (Knight 1964).

Knight (ibid) asserts that in order to develop a science of economics, it was necessary to adopt the assumption of rational behaviour. Thus he argues that 'economic man' is indispensable to developing a science of conduct in order to structure our thinking about economic activity. The 'economic man'... underlies all economic speculation. The economic man is the individual who obeys economic laws, which is merely to say that he obeys some laws of conduct, it being the task of the science to find out what the laws are. He is the rational man, the man who knows what he wants and orders his conduct intelligently with a view to getting it. In no other sense can there be laws of conduct or a science of conduct; the only possible science of conduct is that which treats the behaviour of the economic man, i.e., economics in the very broad sense in which we have used the term (1976). Knight therefore insisted that economics must be based upon the examination of the choices of rational maximizers and, that in doing so; it
was able to gorge an ‘exact’ science, ‘which reaches laws as universal as those of mathematics and mechanics’ (ibid).


The market is ‘merely’ the sum of economic behaviour of men and women. It is a way of describing what Adam Smith identifies as our natural propensity to ‘truck and basket’. The market therefore cannot be abolished. Soviet Russia tried, and failed miserably. Markets will always be with us. The real question at hand, then, is not whether to have a market, but what kind of market is most appropriate for the human person, to what extent it should be controlled, and by whom. (Sirico 1996).

Frank (1999) says, market efficiency had been assumed at times as a simplifying generalization but more often it had been assumed to be an inevitable outcome based on a series of theoretical assumptions. These assumptions have included maximizing behaviour both on the part of consumers (maximizing utility) and firms (maximizing profits), with actors having perfect information and no transaction costs, an other properties including non-satiation and transitivity of preferences.

Frank (1999) argues in support that “Friedman argued that irrational agents will disappear from the marketplace since they should systematically receive lower than average returns and higher than average losses. Miller used the concept of evolution to reconcile the difference between financial theory and the actual decision procedures used by financial professionals within a corporate”. And according to Miller, Frank (ibid) continues, “evolutionary mechanisms are at work to give survival value to those
heuristics that are compatible with rational market equilibrium, however far from rational they may appear to be when examined up close and in isolation”.

Frank (1999) with an illustration says, applying memetics to financial markets does not indicate that markets would evolve towards efficiency. In fact, evolution may actually lead to less efficient financial strategies prevailing. If we assume evolution, Frank adds, takes place in financial markets and that the investment meme is the unit of selection, under real-world conditions, interpersonal reproduction will dominate economic reproduction as the primary reproductive method of investment strategy memes. …this leads to a conclusion quite different from that previously assumed by financial theorists. Financial evolution will probably not lead to efficient markets and more likely would result in the dominance of inefficient market strategies (ibid). Grabowski (1999) analyses the evolution of impersonal market along with the market evolution and economic development.

Ritzmann (1999) says, “[F]rom Rice Vaughan, 1675: “The first invention of Money was for a Pledge and instead of a Surety” to John Maynard Keynes, 1937: “Our desire to hold money as a store of wealth is a barometer of the degree of our distrust”, there is a tradition of monetary theory linking the demand for money with the state of confidence”.

Supporting the rational position Wang (1999) proposes a premise that:

1. Every economic agent is strictly an individual being.
2. Another is that self-interest alone drives economic behaviour.
3. A third is that the common good is served through the invisible hand.

The market exits to reduce transaction costs and facilitate economic transactions. When consumers and producers can freely meet each other to execute transactions at no cost, the market as described above does not exit. In the world of zero transaction cost, as neoclassical economics has nicely demonstrated, the market becomes a price-determining mechanism, and its institutional setting becomes irrelevant. The ubiquitous existence of transaction costs means that the institutional structure of exchange matters (Wang 1999).
"[S]ocial culture may affect the economic performance by altering the effective production technology of the economy" (Fang 2001), such a negative assumption of social and cultural aspects on economy, whereas Becker (1975) and others have highlighted the importance of social as well as cultural aspects in the economy both in terms of development and maintenance.

In spite of such heated argument and stanch support of rational doctrine, slowly by mid 20th century onwards one could witness many economists like Becker (1965; 1968; 1976), North (1991), Peoples and Robinson (1996) and Schroeder (2000) shift from the classical notion to the realistic and interpretative notion of the market phenomenon.

In a certain sense the ‘new economic approach’ appears to be the climax in the history of the theoretical development. Becker (1976: 4) interprets ‘what economists do’ in a wider sense and suggests that the principle of economic rationality should also be applied to non-market behaviour. This would include decisions, for example, about family size, the frequency of church attendance or the allocation of time between sleeping and working hours. Further, the cornerstone of the ‘new economic approach’ is Gary Becker’s theory of the allocation of time. Becker (1965) departs from the traditional consumption theory with his understanding of consumer behaviour. In this theoretical framework the consumer is not considered to be a passive maximizer of the utility of market goods; instead, he/she proceeds from the idea of private households as producing units which combine market goods and (non-working) time to produce so-called ‘basic commodities’ – commodities to be consumed directly" (Schroeder 2000).

Thus the ‘new economic approach’ (also labelled as ‘household production model’) does not make use of the market system to define ‘products’ in a traditional sense. However, with the newly introduced element ‘time’ Becker’s theory remains closely connected with the institution ‘market system’. In fact, his distinction between working and non-working time provides a new mode to divide the totality of the...
economic process; i.e., to differentiate between means and ends. Since working-time refers to labour in the productive sector of the economic system, the residual non-working time comprises various, very different activities. Becker (1965: 495) does not restrict himself to pure leisure time activities. Activities covered by his theory comprise for instance housework, the seeing of a play, or just sleeping. The last example would imply the input of market goods such as a bed, a house, possibly pills and time” (Schroeder 2000).

"[T]he input commodity 'time' has become more precious in relation to that of other input commodities. Thus Becker admits the existence of a socio-economic process, but apart from this short description makes hardly any attempt to elaborate this manner. Neither he nor the scientist following his footsteps ever ask for the causes of this process” (Schroeder 2000).

Economists like Peoples and Robinson (1996) started working on the economic frontier with the sociological touch in it by giving consideration regarding the social categories represented and working the different economic and production units of America. Here they also highlighted the differential wage earnings among the gender, race, and ethnic groups. Their research continues with the findings by saying that white men continue to experience an advantage in professional, managerial and craft employment in telecommunications, the opportunities for minorities and women in these occupations have not deteriorated following the termination of the EEO consent decree of following divestiture.

CRITIQUE OF ECONOMIC DOCTRINE OF MAXIMISATION:

For a number of economists, the notion of rational maximizing behaviour is taken to be synonymous with economic behaviour. When some economists' studies do not embrace the rationality assumption, they are seen as placing the analysis outside the boundaries of the economics discipline. This assumption of market situation between the actors has been widely criticised by many academicians within and outside the economic circle. Looking at the developments in the economists assumption and their static notion
of maximisation Veblen (1898) criticises harshly by saying ‘Economics is not an evolutionary science’. This statement was made more than a century ago, of late some economists started admitting that social relations are present in economic transaction and many economists namely Becker, North, Peoples and Robinson and many others have criticised the doctrine of maximisation. A tremendous change and a paradigm shift in the notion and perspective towards the understanding of the market phenomenon is witnessed in the past few decades.

Becker (1971) believes that economic analysis is essential in understanding much of the behaviour traditionally studied by sociologists, anthropologists and other social scientists. ‘This is a true example of economic imperialism’. Schotter highlights the importance of understanding of social institutions while understanding economic theory (Winship 1983) and Winship (1988) supports this argument.

Platteau (1994) criticising the classical economic position states that ‘the market mechanism consists of the free play of abstract (supply and demand) forces linking anonymous agents together in a decentralised way. Of course, personal or social relations can exist among participants in a market economy, yet these relations have no bearing on economic transactions and terms of exchange: individual identities and social backgrounds do not matter and this is precisely why (first best) allocative efficiency of the society’s available productive resources can be attained.

The economic doctrine on market seems so old and unfortunately the same assumption and theory is applied irrespective of time, context and changing situations. Would the players enter the market in equal terms in ‘open’/ ‘free’ market situations, are some of the questions raised by many in this direction. The conventional analysis implies that theory of markets is a theory of ‘free markets’, one characterized by free economic interaction among economic units (individuals or businesses) regardless of the degree of market perfection. The conventional economic analysis is wrong in denying the existence of markets and capitalism to certain modern societies (Raiklin and Yousefi 1994).
Armour (1995) examines the relationship between economics and culture, discusses the role of Protestantism, Calvinism and Catholicism in the affluency of societies. Further, Armour refers to the article by D. J. O’Neil in this issue which discusses the works of Horace Plunkett, Edward Banfield and George Foster, who applied Weberian analysis of culture to the problem of societies which fail to become affluent and also compares Marxist and Weberian theories of society and economics.

O’Brien (1995) discusses the ideas and theories of Professor F A Hayek and assesses their relevance to present day social economics. Also opens with the theory of business-cycles and compares Hayek’s ideas with those of Keynes in this area and follows on with dynamic market theory and the theory of evolution of social institutes.

“Markets will always be with us” says Sirico (1996) and “the real question at hand, then, is not whether to have a market, but what kind is most appropriate for the human persons to what extent it should be controlled and by whom? Economics alone cannot help us find answers to these questions”. The Greek word from which ‘economics’ is derived is economia, and literally means ‘household management’. Economics can tell us the best means to reach a previously chosen end, but by itself can provide no criteria by which to evaluate that end. Economics is a descriptive, not a prescriptive, discipline. The discussion of ends, and the ends for which we ought to strive, lies in the realm of religious and philosophic discourse. In other words, economics can tell how to get somewhere, but only religion and philosophy can tell us where it is that we ought to go.

Berthoud (1997) criticising old notion of market says, “[M]arket relations are thus reduced to numerical values; with the price mechanism, the market appears to be composed of strangers connected only at the level of appearances, with all signs of friendship, loyalty or affection put aside.
Genovese (1997) highlights on the different ways of thinking about economic affairs, like social aspects and ethical aspects of economics, and starts analysing the very basic assumptions of economic analysis. While Kern (1997) comments on some economists have taken the imperialist element and their positions. Chicago School descendants such as Gary Becker who have sought to extend the domain of economic analysis beyond the realm of market relations. Economic imperialist, such as Becker and Tullock, see all forms of social interaction as a result of the economizing behaviour stemming from the existence of scarcity, as the economic definition of scarcity is a ubiquitous condition of life compelling choice; hence, all behaviour has an economic aspect. Some economists have taken the imperialist element to the limit in arguing that economics is the only true and necessary social science.

Though economics assumes that economic agents strive to maximise the satisfaction of a given set of wants, Knight argued that, in reality, this was far from the actual case. Wants are seldom, in Knight's view "final" in any important sense. They are constantly refined or changed in the process of their realisation. Hence "wants" fail to be sufficiently stable to legitimately be labelled data (Kern 1997).

It seems classical economists have been nonchalant and eluded from the moralistic position in their thinking and also in their writings. Adam Smith and others have somehow dodged and tried to circumvent by using the 'invisible hand' concept which is very elusive and subtle to grasp and explain.

Alvey (1999) gives two major reasons why economics has become detached from moral concerns. First, the natural sciences came to be seen as successful and the attempt was made to emulate that success in economics by applying the natural science methods, including mathematics, to economic phenomena. Second, the self-styled economic science came to adopt positivism, which ruled out moral issues from science itself. Alvey continues, in fact, economics as a discipline grew out of moral philosophy and eventually became one of the moral sciences. At some point the mainstream of economics became detached from the moral sciences and then from morality itself. He argues that this
detachment from moral concerns is not part of the tradition of economics, it emerged only during the present century.

No Smithian ‘invisible hand’ hovered over market transactions in grain, says Miller (1999), to ensure that supply and demand remained in equilibrium. Problems such as bad harvests, scarcity, hoarding, war revolution and poor communication networks meant that the grain market might collapse in any period of instability, leaving thousands of people to riot and starve. The government learned that if it intervened too harshly, by forcing producers to bring their grain to market or by fixing market prices too low, it only scared merchants and peasants away, and people still starved. Hence, the government had to figure out how to ‘master’ the market, that is, the state itself had to become the invisible hand that orchestrated supply and demand behind the scenes so that suppliers would bring their grain to market in search of profit, but would not be able to gauge consumers in times of dearth. (Bossenga; 2000).

Fourie says (Wang 1999) ever since Adam Smith, the development of the division of labour and the market has been viewed as a natural consequence of human propensity, ‘the propensities to truck, barter, and exchange’. Neither the actual operation of the market system nor the evolution of the institutional structure of the market has seriously interested economists who claim to study the working of the market. Staying aloof from the real world market not only makes economists blind to the cost of using the market system, but also makes them inclined to take the market as given and assume that ‘in the beginning there were markets’.

“... [M]iller presents the story of the taming of the market chronologically. One of the most effective techniques was the so-called ‘simulated sale’ of the mid-eighteenth century. When scarcity loomed and prices skyrocketed, the government surreptitiously sent out merchants to sell grain on the market at reduced prices. Once other merchants realized the chance for exorbitant profits was lost, they, usually ceased hoarding their grain and started selling it lest the price drop even further” (Bossenga 2000).
Schroeder (2000) questions the very factor and element of rationality used in economic theories. He says, "...the controversy is also reflected in the roots of economic theory. Whereas according to the liberal view the subject of economic rationality is the individual, the critics of this way of thinking point to the non-rational aspects of individual behaviour, and emphasize the superiority of collective decisions making". The liberal economists are only interested in the head of the homo oeconomicus-the ideal personification of their model of rationality". Adding to it, Schroedor (ibid) says "...the input commodity ‘time’ has become more precious in relation to that of other input commodities. Thus Becker admits the existence of a socio-economic process, but apart from this short description makes hardly any attempt to elaborate this manner. Neither he nor the scientist following his footsteps ever ask for the causes of this process".

Schroeder (2000) while borrowing the idea from Fred Hirsch, proceeds from the notion that with the increasing output of material goods the time for using them remains constant and in relation to these goods becomes scare – the goods’ intensity of time increases. In his ‘Social Limits to Growth” he criticizes the negative implications of this development. According to him scarcity of time implies that social relationships are also economized; to do a favour to somebody might not be economical. A vicious circle is triggered off; the need for social contacts remains more and more dissatisfied. The ‘rat race’, continues, income has to be generated to acquire the goods offered in place of what had once been free. This vicious circle undermines the social foundations of the market system. Sure, the consumer (according to Becker) is not manipulated; he/she is behaving quite rationally, but on an elaborated level which does not always make it opportune to spend much time and effort for a complex decision process when it comes to say, making the choice for a chewing gum, the input commodity ‘time’ has become more precious in relation to that of other input commodities. Thus Becker admits the existence of a socio-economic process, but apart from this short description makes hardly any attempt to elaborate this manner, neither he nor the scientist following his footsteps ever ask for the causes of this process.
Nelson (2002) points out that ‘economists consider cultural explanations to be virtually illegitimate. If an economist cannot explain an economic development by any other means, she might be forced to resort to culture. However, if she does, it is like confessing her failure as an economist. The kinds of economists who have had the deepest understanding of culture and institutions are economic historians and developmental economists. If you look at what is going on around the world, the developmental economists.

Douglass North, who won the Nobel Prize in economics in 1993, focuses on cultural factors, and he considers religion a central element of almost all cultures. However, many economists are trying to do it in ways that I doubt will work in the long run (Nelson: 2002).

In the concept of National economy, one of Durkheim pupils Celestin Bougie finds an economic conception of value, which is not reducible to individual interest. A nation – or more general, a collective – has other interests than individuals, like for instance maintaining the natural resources and creating institutions for the good of everybody. The concept of value as understood by neoclassical economics and homo Oeconomicus is not sufficient. It makes economics the theory of maximising individual profits, which, as Bougie notes, makes theft the most rational economic action. Stealing maximises the profit and minimises the cost (Celestin Bougie in Sorensen 2002).

Economics is privileged in contemporary government policy such that all human transactions are seen as economic forms of exchange. Education has been discursively restructured according to the logic of the market, with education policy being increasingly colonised by economic policy imperatives. Cope and Anson (2003) have tired to explore some of the consequences of this re-framing which draws upon metaphors from industrial and business domains. They examine a significant dimension of teaching that currently has marginal presence in official discourse; social contingency. They argue that social contingency is characterised by a variety of distinctive features that include unpredictability, relationality and ethical demands.
Within the economic circle quite an amount of debate is witnessed on various theories based on earlier assumptions and premises. It is true that ideas do evolve and take different shapes and forms. Interestingly, the large group of thinkers are broadly divided into two groups supporters of earlier notions and the other which is questioning, challenging the same and explaining the ‘aspects’ in a different way.

SOCIOLOGY:

Unlike other disciplines, Sociology has been playing different role particularly in relation with market and related aspects. ‘Market’ activities have a reality sui generis that should not be reduced to economic activity alone. On these lines, questioning the hegemony of economists over the ‘market’, many classical and modern sociologists have raised several apprehensions on the logic of the concept of ‘homo economicus’, the doctrine of ‘rationality’ of ‘man’ in market and also on ‘the maximization of profit and utility’ resulting in heated debates. Classical sociologists, Weber (1978), Durkheim (1984) and other sociologists like Parsons and Smelser (1956), Smelser (1963), Simmel (1990) and Veblen (1898) have studied the ‘economic life’ of human beings from the sociological perspectives. It is very interesting to read these studies, which strongly uphold that economic life of human beings is very much affected by the social surroundings, and it has to, as economic activity is only a part of social life as a whole. In various forms, all these thinkers vehemently argued for the study of markets from the sociological perspective. Later quite a number of sociologists like Goffman (1976; 1983), Granovetter (1985) and more so Weber (1978) highlighted the importance of the study of sociology of markets.

Weber (1978) was fascinated by the market as a social phenomenon, and he calls the market a ‘community’. In handling competition, economic factors, along with ethical social factors, may play an important role. In this regard, a Weberian concept of closure is very relevant. Weber (1978:342) defines social closure as a process by which a collectivity of people attempt to maximize rewards and opportunities by limiting access to rewards and opportunities only to their own group. He argues (1978: 341-342): “when
the number of competitors increases in relation to the profit span, the participants become interested in curbing competition. Usually one group of competitors takes some externally identifiable characteristic of another group of (actual or potential) competitors—race, language, religion, local or social origin, descent, residence, etc.—as a pretext for attempting their exclusion”.

Weber (1978) continues; on monopolization of opportunities, that ‘this monopolization is directed against competitors which share some positive and negative characteristics; its purpose is always the closure of social and economic opportunities to outsiders’. The extent of this monopolization is variable, depending on the extent to which the group member benefits from monopolistic advantages. Weber also argues that monopolistic social and economic opportunities may also be ‘closed’ to insiders.

Weber, says Albrow (1990; 261) was happy to assert that the mundane roots of law resided in the primacy of everyday social life, but he resisted the view that the everyday nature of economic activity automatically reflected its intrinsically social nature.

In Albrow’s (1990; 262) view, economic action is the peaceful use of control over resources for that end and is primarily rational and planned. An economy can be spoken of when the economic action is independent, and an economic enterprise when it is organised on a continuous basis. The terms of these definitions are then defined in turn. For instance, ‘utilities’ are the estimated chances of future possibilities of use as means for the agent’s purposes. Utilities might reside in ‘goods’, services’, or ‘economic chances’. The latter term covered all those social relationships, customs, positions or legal and conventional orders, which could be a source of resource control. Albrow (ibid) in support says, it is a key facet of Weber’s analysis of social stratification since the economic utilisation of social position was fundamental for understanding class and status group formation.
Powell and Dimaggio (1991) opine that 'from a more sociological perspective, one might suggest that actors facing new circumstances do not rationally calculate costs and benefits so much as they fall back on pre-existing norms and routines'.

Simmel has worked considerably on the sociological aspects of economic life. Watier (1993) discusses how Simmel relies on and studies the rising individualism in societies by using three successive or overlapping representations. Relationship between the concept of individuality and the image of building; Reliance of Simmel’s relativist conception on opposite poles of social life and subjective life; Approach to individuality; Simmel’s meaning given to the relations between individuals and social forms.

Armour (1995) examines the relationship between economics and culture. Similarly, there are several arguments in favour of the idea that market is the product of society and does develop a 'culture' in that process, also leading to development of market culture, market rules and so on. Fligstein (1996) says, a market becomes institutionalized in phases-emergence, stability, and possibly crisis. Emergence is the period of greatest fluidity because roles, social relations, and other aspects of the social structure and culture of the market are not yet solidified (Fligstein 1996:664); shared understandings of the rules of exchange, for example have not yet emerged.

Wang (1999:1) criticising the economists’ position says, ‘overlooking the institutional structure of the market leads economists to take the existence of the market for granted. Nothing more than ‘the law of supply and demand’ is required for economists to reach a conclusion on their blackboard that the price mechanism (i.e., the market) is at work. The economists hence seldom bother to investigate how the market as an economic institution emerges and develops in the real world. Even new institutional economists who are committed to studying real life economic institutions are inclined to assume that ‘in the beginning there were markets’. He quotes, fish market in the Chinese fishery community are connected and organised into a hierarchical network (1999:2).
Zafirovski (1999) re-examines and the reconsiders the degree of adequacy of rational choice theory for modern sociology. He says, English hailed by its exponents as a unifying paradigm for social theory and dismissed by its critiques as an imperialistic intrusion into sociology coming from neoclassical economics, rational choice theory is one of the most significant and controversial developments in contemporary sociological theory. The major assumption or implication of modern rational choice theory, just as the old utilitarianism and neoclassical economics, is the status of human rationality as ipso facto utilitarian-economic rationality, namely the maximisation of utility, profit or wealth, and alternatively the minimization of costs and other ‘disutilities’. At the end, in his work, the point of departure of this examination is the argument that rational choice broadly understood is not necessarily utilitarian-economic rationality, namely utility, -or profit optimizing behaviour.

Re-interpreting Simmel’s work on money, Sassatelli (2000) makes an attempt to develop a critical sociology of consumption from a relativist theory of value. The modern social space of valuation is chiefly defined by the development of money economy within metropolitan settings. Subjectivism is heightened in so far as individuals’ capacity to sustain difference is vital to social, objective exchange. Contrary to neo-classical economics, the appreciation of individual choice entails for Simmel a critical appraisal of the social conditions of its existence, which results in a discussion of the risks associated with the pressure to perform as autonomous choosers.

Sociological investigations of economic exchange reveal how institutions and social structures shape transaction patterns among economic actors (Sorenson and Stuart 2001). Daniel (2002) giving the historical development of academics, says, theoretical work in linguistics, mathematics, and physics has created changes in academic problem formulation. This meta-analysis presents the nature of the new academic environment using precepts from “New Historicism” to suggest connections with “the New Economy”. He calls for unification, which includes economics.
Though the relations of exchange, structure and such other aspects in market which this research intends to analyse indeed are social (relationships), it is also true that more than the sociologists, economists raised more apprehensions regarding the economic doctrine of market by mid 19th century onwards. Of course, quite a number of debates have taken place and several battles have been fought by sociologists and economists on the claims over the ‘market’ positions and understanding. Few academic battles were lost in 19th century as well (Swedberg 1987:20). Economic Sociology was the fallout of these arguments and the development in the intellectual pursuit in late 19th century (Swedberg 1987:25). Weber in his ‘Economy and Society’ (1978) insisted on the separate branch of sociology titled ‘Sociology of Markets’ followed by Pareto, Durkheim, Veblen and few others adding to this idea. The questions on economists’ dominance over market aspects in India were raised not by sociologists or social anthropologists but by economists (Jodhka 1997).

ECONOMIC SOCIOLOGY

The study of inequality in markets opens a channel between economic sociology and stratification research, with its long-standing interest in class, caste, race, gender, and power. But while stratification researchers have focused on labour market, (also known as job market) economic sociology can extend the analysis into commodity, housing, capital markets, market relations, market equations and such other aspects as well, which is of practical significance (though some studies have been made).

Under the ‘Economic Sociology’ heading, series of studies were conducted with the assimilation of both economists and sociologists supplementing each other. The stream of Economic Sociological thought is developed into a separate branch and school of thought has questioned the classical notion or rationality concept and the idea of maxims’ of profit and utility in the market.

Economic institutions and processes are intimately related to sociological phenomena. The relationship between economics and sociology has a long tradition; the classic sociologists-Karl Marx, Max Weber, Emile Durkheim – drew heavily upon ideas
from the older discipline of economics; while the founders of economic institutionalism in America – John Commons, Wesley Clair Mitchell, Thorstein Veblen – all looked to sociological insights as they sought to explain the nature of economic institutions. (Kalleberg 1995).

However, except for Weber ([1922] 1978), the market was largely neglected in classical sociology (Barber 1977: Swedberg 1993, 1994). The new sociology of markets has opened the “black box” of the market, but the field is still young (Swedberg 1994). Sustained Sociological interest in markets dates only from the early 1980s and emerged as part of the ‘new’ economic sociology (Swedberg 1993). Generally, Baker (1998) opines that a market mechanism is assumed to operate behind the social phenomena being studied.

Arguments of the social aspects present in any interaction could be seen in various works. Le Clair and Schneider (1968: 44) say, when we talk of maximising the satisfaction, utility etc., ‘social conventions, religious beliefs, aesthetic conceptions, and ethical prescriptions all function in shaping the wants of peoples and the times and places and circumstances in which they can be satisfied… It is rather a question of economic choice dictated by the drive to maximise satisfactions in terms of the traditional values of the culture.

According to Parkin (1974), there are two modes of closure: exclusion and solidarism. Exclusionary closure is the closure of social and economic opportunities to outsiders whereas solidaristic closure is a closure attempt by excluded groups. Closure relations, according to Parkin, are in fact power relations. He relates the concept of closure to social classes: “exclusionary social closure is an aspect of conflicts and cleavage within social classes as well as between them. He argues that exclusionary social closure necessarily entails the creation of group, class or stratum. While individualist exclusion leads to segmental status groups and social classes, collectivist exclusion leads to communal groups and social classes. This way of functioning in the society may also be because of risk minimizers from the ‘outsiders’.
Sociological and anthropological studies have raised serious questions about applying standard economic theory to this kind of marketing. Beals (1975) points out that, "lacking a comparative perspective, (economists) rarely recognized the extent to which the economic processes they discussed were embedded in a modified by the cultural values, traditions, and social structures of the societies in which they lived. Hence, they were led to consider economics as an isolated system with its own internal dynamics". Seals (ibid) notes that "both (profit) maximization and competition... are influenced by long-range market considerations and by the restraints of continuing social relationships". Therefore, it is essential to examine the goals of market traders and to examine the impact of cultural and social values on market behaviour.

Market as understood from the marketplace perspective is also explained in the institutional perspective. The production of market institutions, Geertz (1979) says, is a cultural project in several ways. Property rights, governance structures, conceptions of control, and rules of exchange define the social institutions necessary to make markets. Economic worlds are social worlds; therefore, they operate according to principles like other social worlds. Actors engage in political actions vis-à-vis one another and construct local cultures to guide that interaction. This is the 'market' says Coase (1988:8) 'a social institution which facilitates exchange'.

Wolfe (1989) opines that Sociology has always understood itself in opposition to both the market and the state, but it has never been clear about its alternative. Many of the classical thinkers in the sociological tradition wished to preserve both modernity (in the form of markets and states) and morality (in the form of strongly inscribed norms and community obligations). This balance is best resolved by emphasizing morality as a learning process requiring 'civil society' — not as an end in itself, but as a place in which the learning of moral obligation can be carried out. These positions in fact, trouble economists as they have drifted away from the moralistic point.
Plattner (1989:3) says, "economic activity is often explained relative to the social or political constraints of the social system". While explaining this phenomenon he finds it 'hard to limit focus to agriculture, and gives an instance, "when one lives with the farmer and tries to see his economic activities embedded in his other roles as father, church-member, community political actor, and so on".

Davern and Eitzen (1995) try to justify the economists' imperialism in various forms to other social sciences. The first is "economic imperialism" and the second is "economic hubris". Economic imperialism, which has been well documented, occurs when economists use their own theory, namely neo-classical theory based on the three assumptions of (1) constant preferences 2) maximizing behaviour, and (3) market coordination of social participants (Becker 1976), to explain social phenomena. Economic hubris, which has not been well documented, is when economists fail to recognize the important contributions by sociologists concerning topics of interest to both sociologists and economists. Economic imperialism is a good thing for social science in general and sociology in particular, because it allows for a new approach to, and debate about, traditional sociological problems.

However, Davern and Eitzen (ibid) soften their position by saying, that 'Economic Sociology' covers the gray area between the disciplines of economics and sociology and brings scholars from both disciplines together to communicate over topics of interest'. ... Scholarly interest in the gray area overlapping economics and sociology has brought about intellectual exchange between the two disciplines concerning common issues. The work in this area concerns issues of interest to both economists and sociologists and has been called economic sociology, or socioeconomics. While among the economists, clarifying further Davern and Eitzen (ibid) say, Gary Becker stands out above the rest; Oliver Williamson and George Akerlof have also contributed. Becker's insight of using economic theory to explain traditionally "non-economic" phenomena has been taken seriously in economic sociology.
Fligstein (1996) develops a conceptual view of the social institutions that comprise markets, discuss a sociological model of action in which market participants try to create stable worlds and find social solutions to competition, and discuss how markets and states are intimately linked. 'Markets are social constructions that reflect the unique political-cultural construction of their firms and nations. The creation of markets implies societal solutions to the problems of property rights, governance structures, conceptions of control, and rules of exchange. There are many paths to those solutions, each of which might promote the survival of firms. He has sketched how states and markets are interconnected and what actions produce various outcomes.

To push certain debate forward, Fligstein (ibid) continues, sociologists must go beyond documenting the shortcomings of the neoclassical model.... I outline a political cultural approach, and I use the metaphor 'markets as politics' to discuss how these social structures come into existence, produce stable worlds, and are transformed.

The assumption, that, seller, professional or not, and buyers, no matter what their social position, must be free to go to the marketplace (Berthoud 1997). Is it possible? People who come to market will not or cannot forget their social status, identity, roles, and positions in the society which definitely influences the market transactions.

Moss (1997) points out that Zafirovsky-Levine point is a good one in the present stream of arguments. There are myriad cultural, informational, and sociological presuppositions that lie behind even the simplest purely economic account of the market process. However, it remains for the proponent of economic sociology to demonstrate how these extra considerations make the operation of the market process more understandable in terms of human action. Professors Zafirovski and Levine reminds us, say Moss (ibid) that according to Weber there can be phenomena whose primary cultural significance consists almost entirely in their economic aspect. Consider a market inhabited by a large number of individuals.

Wilber (1998) says, the moral conflict between the abundance enjoyed by the few and the poverty endured by the many; the threat to the environment from excessive
consumption; and the human degradation from a cultural environment wherein having more is valued above being more. Wilber (ibid) offers a personalist alternative to the neo-classical position that satisfying individual preferences, as expressed in the market, is the only measure of economic welfare. Similarly, Grabowski (1999) says, transactors in markets are reluctant to rely on either some from of generalised morality or institutional arrangements to guard against cheating.

It is witnessed in the mid 20th century that there were several heated debates and academic ‘battles’, though there was some sort of assimilation going on particularly in understanding the ‘market’ between Sociology and Economics.

For instance, Roberts (1999) says, the main argument presented here is that economics provides a necessary but not sufficient analysis of professionalism. A sufficient analysis can only be generated by recognizing the sociological significance of professionals, and in particular the institutionalization of a professional ethic. In this way we suggest that economics needs sociology to provide an effective conceptualization of professionalism as a form of organization and as a mode of behaviour. Equally, however, sociology needs economics, because while the sociological context provides an explanation of the way power is institutionalized, an economic focus in necessary to maintain role for individual agency. Some ‘economic professions’ may not be socially recognized as such, and some socially recognized professions may have no economic rationale. Secondly, an emphasis on structure and agency provides each profession with a unique historical dynamic (ibid).

Characterization of the societal ‘Reconstruction; involves understanding the continuities and changes inscribed in the interrelations so constituted. An analysis of these issues, in the light of the articles, shows the elucidation, expansion and redirection of current sociological perspectives and debates achieved by a constitution-centred method of understanding knowledge and transformation (Adhikari; 2001).
Pareto represents a mode of thinking that has not been used in economic sociology and barely considered in the other branches of sociology. The habitual bifurcation of Pareto into 'the economist' and 'the sociologist' is confounding. Pareto stresses the non-logical parts of human life, and he provides empirical examples of this in his writing. He was occupied with the dynamics in society as a result mainly of non-logical actions (Aspers 2001).

Fugstein (2001)...the market as a social field: Over past decades, what has bestowed the identity on economic sociology is the shared hostility to neoclassical economics. But besides it, unfortunately, they have agreed on nothing. Worse, economists simply pass over their arguments. They are no more than fusses about nothing. The reason is simple; there are no potent enough alternatives in sociological camp. Fugstein argues that this is because sociological approaches lack an organizing frame to explain economic processes as generic social processes. To make it effective, there should be a simple and powerful enough theoretical frame. Offering such an approach is what Fugstein intends with this book.

Economic action takes place in the market. Fugstein (ibid) holds that there is no reason to treat the market differently. Social action takes place in organized social space, or field in Bourdieu's term. Field is the space where one tries to dominate others. However, the domination in that space is systemized and routinized. It defines local relations between actors. Once in place, the interactions in fields become 'games' where groups in filed who have more power use the acceptable rules to reproduce their power, the domination system is institutionalized. This process makes action in fields inherently political. Studying field is about opening of new social space, how it becomes and remains stable (become a field), and the forces that transform fields.

Fugstein (ibid) replaces profit-maximizing actor with one who takes care of the survival of their firm. Managers and owners are trying enhancing the survival of the firm by reducing the uncertainties they face in the market. Managing uncertain environment is a sizable task. It's about the search for stable and predictable interactions with
competitors, suppliers, and workers. Relationship between seller and buyer is fleeting. Stability in the market lies in the relationship between sellers, then. Relationships between them delineate the market as a field. The social relations are oriented toward maintaining the advantage of largest seller firms in the face of their challengers. They define how the market works and how competitions are structured. Although the firms compete, they have produced equilibrium whereby they survive by following the accepted tactics of competition. As forms of social relation, market systems involve both shared understanding and concrete social relations. The shared understandings structure the interactions between competitors but also allow actors to make sense of their competitors but also allow actors to make sense of their competitors’ actions. There are four types of rules relevant to producing social structure in markets; property rights, governance structures, rules of exchange, and conception of control. These categories are the essential analytic tools in Fligstein’s approach.

Economic self-interest has acquired a new social legitimacy, and the force of traditional moral authorities has waned. In these circumstances the work of Emile Durkheim on the problematics of business ethics and the impact of a culture of self-interest on the stability of society, work that has hitherto been neglected by the business ethics community, acquires a new relevance (Hendry 2001).

“[T]aking care to specify key scope conditions on the social-psychological orientations of the actors, the characteristics of the status structure, and the nature of the relevant actions (Phillips and Zuckerman 2001), these results inform our understanding of how an actor’s status interacts with her role incumbency to produce differential conformity in settings that meet the specified scope conditions.”

A necessary and essential aspect has been highlighted by Samuels (2001), that is trying to understand the assimilation of political sociology and economic sociology. Political sociologists focus on the institutions and processes of government insofar as government is a major social force, and economic sociologists and anthropologists focus on the institutions which form economies – and to combine their work. To be more
specific: Economists deal with markets. One can treat 'the market' in a pure a-institutional abstract manner. One can also examine actual markets as formed by the institutions, which structure and operate through them.

'Whenever personal and professional networks play a central role in economic activity, we will likely observe spatial patterns in the unfolding of that activity' (Sorenson and Stuart 2001).

It's unfortunate that like social exchange theory, sociologists have wasted time in looking for social aspects in economic activity and trying to defend the social aspects in economic scenario. Rather than looking from this angle, it's very important to understand that personal networks and activities are found in all external activities (professional, economic etc.), which in fact, are originated with such networks.

Swedberg (2001) gives a brief account of the growth as well as the recent trends in economic sociology. For Zelizer (2001) the general problem is the relation between forms of payment, on one side, and the symbolic content of the social relations involved in economic transactions, one the other. Although, it is established that there is some such relation, the hard part is to specify how and why that relationship works and what determines the actual form of payment. It is required to resolve and synthesize differences between essentially individualistic, incentive-oriented explanations and other explanations built on culture, social relations, and institutional processes. Zelizer (ibid) continues, three kinds of economic transactions—gifts, entitlements, and compensation—focusing on domestic transfers, gifts exchange, and charitable bestowals, this needs explanation from both economic perspective and sociological as well.

Cetina and Bruegger (2002) say a central proposition of the new economic sociology on which this article draws is that economic action "is a form of social action" (Swedberg and Granovetter 1992; Swedberg 1997). Economic sociology defines
economic behaviour in terms of the institutions and the relations of production, consumption and social distribution. The requirement here is to examine the regular patterns of integration that characterize the global social system embedded in economic transactions.

As Fligstein and Sweet (2002) argue, that the institutions and governance structures develop in modern markets, they tend to 'feed back' onto economic activity. Through such feedback loops, market and political arenas can develop symbiotically into relatively coherent ‘fields’ that gradually embed actors’ orientations and activities. Using these insights, a test of integrations at international level in needed and particularly the theory of European integration focusing on the case of the European Community, the first pillar of the European Union. Traders, organized interest, courts, and the EC’s policy-making organs, over time, have produced a self-sustaining causal system that has driven the construction of the European market and polity

An interesting development in this direction and tug of war still continues as mentioned earlier. Guzder (2002) quoting Milton Friedman, ‘the business of business is business’, says, why are we meeting today to discuss among other things, such distinctly ‘non-business’ themes as secularism? The answer lies partly in the implied other half of Friedman’s statement, that ‘the business of government is government’. So, if government governs well, business should be free to concentrate on business.

Again, Guzder (ibid) quoting Peter Drucker, said while referring to the role that business plays in a healthy society: ‘it is the social responsibility of business to make a profit’. Meaning, thereby, that businesses must remain profitable if they are to continue to employ people, create wealth and enrich societies in the many ways that they do.

Guzder (ibid) asks, but what happens when governments don’t govern? Or, if they misgovern? They can misgovern by errors of commission, for example, by persecuting a section of their citizens, as is happening in Zimbabwe or Iraq; or by errors of omission, by failing to govern, by failing to maintain law and order, and by failing to provide to
citizens their fundamentals rights to life and to work. And when there is such a failure of government leading to disruption in civil life; the sticking of terror among labourers, shopkeepers, teachers, judge; the closure of markets; an exodus of people who are consumers of the products we make and services we offer than is it sensible, indeed even ethical, for business to say; ‘our business is only business...’ (Guzder 2002).

This is still a moot question, and then the fundamental question arises in this context that, can things be left alone to take their own course, doubtful. Economics or businesses do not have their own entity. In other words, business activities get influenced by the societal norms based on community caste, class, religion, gender etc.

1. community/religion wise; Hindu v/s Muslims
2. caste wise; upper caste v/s lower caste
3. Class wise; upper class v/s lower class
4. Gender wise influence
5. Regional imbalance or disparities.

Rosen’s (2002) has explored three themes; markets value diversity, markets sort buyers and sellers appropriately to take advantage of heterogeneous talents and tastes, and sorting and choice create income inequality. Value is determined in diverse markets in the standard way, equating supply with demand. The difference is that there are more margins on which to operate. Not only is quantity a choice variable, but consumers and producers can substitute along varying dimensions of quality. Equilibrium is established when no seller can be made better off by altering the quality of his product and offering it to different buyers and when no buyer can be made better off by substituting a different quality good for the one that he currently consumes.

Just as value is determined by market equilibrium, so too is the allocation of buyers to sellers set by the market. Sellers who have a comparative advantage in producing high quality products sell to consumers who are willing to pay a sufficient premium for additional quality. Conversely, sellers who have a comparative advantage in producing low-quality so that they can spend the saved money on other goods.
Finally, income inequality results from heterogeneity. Some of this is determined by nature as individuals are born with different abilities, but inequality is also manufactured by actions that individuals take. The most obvious actions involve investments in human capital, through either formal schooling or work experience. Such investments create inequality, but are beneficial to individuals and society as a whole because they improve the overall standard of living. A more subtle variant involves gambles that individuals take as they choose to enter risky occupations or make risky investments. (Rosen 2002).

Fligstein in his book "The Architecture of Markets: An Economic Sociology of Twenty-First Century Capitalist Societies" provides an overview of his 'political-cultural approach' to markets, noting that neoclassical economists' narrower focus on wealth creation driven by technology and market competition is only 'part' of the story. He is extraordinarily candid in acknowledging that economic sociologists borrow from economic theory 'unsystematically' and that the 'only' element that holds economic sociology together even broadly is opposition to neoclassical concepts".(Sciulli 2002).

Cast in Weberian terms more precisely, from the perspective that market phenomena should be seen as specific social constructions of exchange. It leads nowhere to look only at economic factors, the reader is told: Economic phenomena are always embedded in social and political structures as well as in culture, and it is these noneconomic dimensions that give economic phenomena their distinct profile (Swedberg 2002).

**STUDIES CONDUCTED UNDER DIFFERENT CONCEPTUAL HEADING:**

Apart from the studies mentioned above broadly under different disciplines, several other studies have been made both at theoretical and empirical levels, on various other aspects of market particularly, concepts, and fields of market.
EMBEDDEDNESS:

The concept of embeddedness coined by Karl Polyani (1994) is very much in the academic atmosphere from the date of its inception. It is also more so when discussion is among the economic sociologists and especially, on ‘market’. The central project of all researches in the ‘new Economic Sociology” has been to demonstrate how economic institutions are embedded in a larger social structure and to illustrate how social factors influence the organizational forms that industries and firms take.

Dore (1983) says the embeddedness of the economy in society can in fact be an opaque definition that needs refinement and a rigorous empirical approach. Odella (2002) says, Dore’s (1983) suggestion was to re-define Polyani’s concept of embeddedness and use it to interpret interrelations while considering the development of social patterns based on community bonds and in general on processes of social achievement.

The second call to ‘reinvigorate’ perspectives of analysis of social structure was expressed by Uzzi (1997), whose intervention stressed the relevance of socio-economic mechanisms that lead to the formation of social networks and homogeneous, stable and cohesive social groups. Uzzi’s comment, specifically, focused on the methodological aspects of embeddedness and the need for the social sciences to approach its different dimensions (cultural, relational historical and structural) with specific instruments. Particularly, as Uzzi underlined, the perspective in analysing economic behaviour, the market (or to be more precise the markets) and organizations has been enriched by introducing a mindful regard for interactions with social and cultural elements also in the comparative analysis of economies (Davern and Eitzen 1995).

Most key insights of the sociology of markets have been framed as reactions to neoclassical economic views of the functioning of markets. White (1981) suggested that stable production markets were only possible if actors took one another into account in their behaviour, contrary to the basic assumption of the neoclassical economic view, which stresses anonymity of actors. Granovetter (1985) extended this argument, suggesting that all forms of economic interaction were centred in social relations, what he
called the embeddedness of markets. Various scholars have presented evidence that market embeddedness produced effects that economic models could not predict.

The empirical literature has failed to clarify the precise nature of the social embeddedness of markets. Granovetter (1985) argued that network relatedness is the most important construct. Burt, proposed that networks stand in for resource dependence.

Granovetter (1985:490) has described the above by saying that economic action is embedded in structures of social relations. “The embeddedness argument stresses, instead the role of concrete personal relations and structures (or ‘networks’) of such relations in generating trust and discouraging malfeasance” (ibid). The imaginative part of Granovetter’s work is that he thinks that such mechanisms are at work in modern industrial societies as well as in traditional agricultural societies. He sees managers and owners of firms in both societies as being equally reluctant to engage in impersonal transactions. Instead, they prefer to transact with individuals of known reputation. More strongly, Granovetter argues personal relations are more important than generalized, second hand knowledge of reputations. “Even better is information from one’s own past dealings with that person” (ibid).

Substantivists argue that all economies are ‘embedded’, which means that the economy is an aspect of social life rather than a segment of society (Gudeman 1986). Whereas, Grabowski (1999) opines that recently, several social scientists have taken issue with this dichotomy. They have argued that much exchange in modern capitalist economies is, in fact, strongly embedded in social relationships. Thus, the distinction between traditional and capitalist economies is somewhat artificial. This embedded perspective, while refreshing in its analysis, still leaves the problem of impersonal exchange unsolved.

Podolny (1993) has used networks as a cause and consequence of the creation of a status hierarchy. Fligstein (1990) proposed that the social relations within and across
firms and their more formal relations to the state are pivotal to understanding how stable markets emerge. Institutional theory in the organisational literature has argued that institutional entrepreneurs create new sets of social arrangements in organizational fields with the aid of powerful organized interests, both inside and outside of the state.

Granovetter (1992) asserts that the stance of building arguments almost entirely out of neoclassical materials cannot provide a persuasive account of economic institutions and suggest a broader foundation based on classical sociological arguments about the embeddedness of economic goals and activities in socially orientated goals and structures.

The element of embeddedness is being realised in various fields; manufacturing (Engstrand 2002) Socio-cultural (Chung 1999; Serpell 2002) market (Krippner 2001) foreign direct investment or international market (Nina 2002). Interestingly, it is being realised that human development cannot be assessed just by the economic indicators and parameters but with other factors with the embeddedness of socio-cultural aspects in a context (Serpell 2002).

Interestingly, in demonstrating social embeddedness, economic sociologists have focused on how firms and industries organize production, management and other supply-side considerations (Fligstein 1996; Hamilton and Biggart 1988).

MARKET EVOLUTION:

Colson (1974; 1980) and Geertz (1979) have worked on the evolution and growth of economic institutions. The earliest economies are thought of as local exchange within a village (or even within a simple hunting and gathering society). Gradually, trade expands beyond the village: first to the region, perhaps as a bazaar-like economy; then to longer distances, through particular caravan or shipping routes; and eventually to much of the world. At each stage, the economy involves increasing specialization and division of labour and continuously more productive technology. This story of gradual evolution
from local autarky to specialization and division of labour was derived from the German historical school (North 1991).

North (ibid) begins with local exchange within the village or even the simple exchange of hunting and gathering societies (in which women gathered and men hunted). Specialization in this world is rudimentary and self-sufficiency characterises most individual households. Small-scale village trade exists within a ‘dense’ social network of informal constraints that facilitates local exchange, and the costs of transacting in this context are low. (Although the basic societal costs of tribal and village organization may be high, they will not be reflected in additional costs in the process of transacting). People have an intimate understanding of each other, and the threat of violence is a continuous force for preserving order because of its implications for other members of society. As trade expands beyond a single village, however, the possibilities for conflict over the exchange grow. The size of market grows and transaction costs increase sharply because the dense social network is replaced; hence, more resources must be devoted to measurement and enforcement. In the absence of a state that enforced contracts, religious precepts usually imposed standards of conduct on the players. Needless to say, their effectiveness in lowering the costs of transacting varied widely, depending on the degree to which these precepts were held to be binding (North 1991; 99).

Bamyeh (1993) while explaining the evolution of market says, left to its own dynamics, trade often creates a system of regular transactions that is referred to as a ‘market’. This unique freedom of the market consists in the fact that for most of history, a market usually came to exist due to voluntary associations, and prior to any regulations by political authorities. However, another source of the freedom enjoyed by the market is that, even when such regulations are attempted, the market has the capacity to find ways around them. For instance, the market could simply go underground (as is the case of what is usually called the ‘informal sector’ or the ‘black market’), or it could migrate either as people or as ‘capital flights’ (ibid). Similarly, Brezinski and Fritsch (1997) have mentioned about the emergence and evolution of markets.
Hage (2001) opines that the impact of knowledge has changed the fundamental rules of competition in advanced industrialized countries from an emphasis on productivity to one on speed in innovation. Furthermore, there are now a variety of ways in which firms can innovate as products have become more complex and are evaluated on multiple criteria. To innovate rapidly and effectively necessitates finding expertise outside the firm and hence the importance of joint ventures, strategic alliances and research consortia. A new theoretical framework about adaptive costs and benefits is suggested to explain this movement away from vertical integration.

MARKETPLACE

Anthropologists have studied markets broadly from the marketplace perspective, and the same have already been mentioned. Geertz (1963) reflected the belief shared by most scholars at the time—that street markets and bazaars were part of a romantic past that had little place in the ‘modern’ world from a cultural perspective, although, argued that the ‘bazaar economy’ hampered the development of western-style ‘firm-centred’ economy.

Leiss (1983) worked on the icons of the marketplace; Plattner (1989) studied particularly on marketplaces and England and Kilbourne (1990b) on markets of marriage and other mates. On the other hand Berthoud (1997) says the marketplace is a much more complex locus, in which different kinds of social interactions take place.

Jaitly (2003) referring to Melbourne and Boston crafts marketplaces in some of these countries are lively spots; earthy, friendly and colourful. All these craft spaces are, of course, not part of any central economic planning or economic need. They are merely well organized, fun places here the artistic urges can be fulfilled in an otherwise highly mechanized society. Even in areas where local arts are indigenous, ethnic products as is the aboriginal art are not found so much in the inexpensive marketplaces where goods for everyday living are picked up, but elegantly showcased by ‘affluent people’ in art galleries and boutiques. Referring to Indian craft market and a crafts-person, his self-respect, recognition and dignity are as important as the quality of his daily bread.
MARKET AS INSTITUTION:

Markets are not as simple, instead it has an hierarchy of its own in the social ladder and thus a status hierarchy of firms, institutions, and organisations are also found in the order, of course pertaining to the particular societies.

Market societies also develop more informal institutional practices which are embedded in existing organizations as routines and are available to actors in other organizations. Some mechanisms of transmission are professional associations, management consultants, and the exchange of professional managers (DiMaggio and Powell 1983).

Though Marx, Weber, Durkheim, Parsons, Polanyi, Bourdieu, White and others have quite different ideas of how these institutional sectors are linked, all agree that no analysis of social life can be narrowly focused on one sector, whether it is the economy, the polity or the realm of culture. (Granovetter1985).

Institutions are the humanly devised constraints that structure, political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights). Throughout history, institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with the standard constraints of economics they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in economic activity (North 1991: 97).

A market becomes institutionalized in phases-emergence, stability, and possibly crisis (Fligstein 1996). Emergence is the period of greatest fluidity because roles, social relations, and other aspects of the social structure and culture of the market are not yet solidified (Fligstein 1996:664); shared understandings of the rules of exchange, for example have not yet emerged. As Fligstein (1996:667) argues, large market actors are a "major force" holding together established markets. During the period of
institutionalization, Fligstein (1996) calls “Stability”: “a market in which the identities and status hierarchy of firms (the incumbents and the challengers) are well known and a conception of control that guides actors who lead firms is shared” (p 663). Individuals may come and go in a stable market institution, but the status hierarchy (Podolny 1993) remains stable.

An agency that occupies a central position in the network of economic exchange is more valuable to its clients than an agency in a peripheral position, because the central agency gets better, faster, and more information about market conditions, new marketing ideas, competitors’ actions, consumer trends, and so on. Because market actors value information (Stinchcombe 1990), access to (or claims of access to) information is a source of power in client-agency relationships. Moreover, the central actors in a market have a strong interest in maintaining the stability of the social structure of a market (Fligstein 1996:667).

One could find, in ‘market’, a set of rules, which guide and control the market activities. At the same time, the intervention of politics and government has also made certain changes in the scenario. This has led to the formation of ‘new’ rules of exchange and these new rules of exchange are creating confusion about the ‘proper’ institutional rules to follow. This trend did emerge around 1980s (Baker, et. al.:1998).

The various “new institutionalisms” all share an appreciation for Karl Polanyi’s basic insight that market systems are embedded in a complex web of laws, practices, and norms. This basic recognition has some rather profound implications for the study of how market systems evolve. First, it suggests that the process of liberalizing markets-just as much as the process of managing or constraining markets- involves the transformation of laws, practices, and norms. (Vogel 2002).

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Social networks stabilize exchange (Granovetter 1985) and increase the continuity of market ties. For example, individual attachments (personal ties) tenure of the client’s chief financial officer, found that longer tenure decreases the hazard of dissolution (Baker and Flaukner: 1998).

The market is "a social institution which facilitates exchange" (Coase 1988:8). The institutionalization of a market is a "political-cultural construction" reflecting power struggles among firms attempting to control the market and ensure their survival (Fligstein 1996). This power struggle, as saw, includes both a "struggle of competition" among rivals "vying for opportunities of exchange" and an "interest struggle" between the buyer and seller engaged in an actual exchange relationship (Swedberg). We have attempted to explore these ideas by examining the dynamics of market relationships in the American advertising industry from 1971 to 1993.

There might also be an argument that markets should not be seen from the institutional perspective, rather outside or 'not-institutions'. But markets cannot exist in a deinstitutionalised form or non institutional form: no economic phenomena do. Then in such case, market needs to be understood from the institutional purview, and then from the structural and its functional perspective.

MARKET AS SYSTEM:

Millan (1995) points out, the market system is a system and quotes, Lenin, "everything is connected to everything else", and reforms are interlinked. The various incentive mechanisms that constitute a market system can complement or substitute for each other.
According to Luhmann’s system theory (1995: 142), society consists of social systems and social systems consist of nothing but communication. Politics, economy and firms are different social systems of communication. ... Communication is the basic element of social systems, be they interactions or more embracing systems like organizations. Luhmann describes communication as a process including selection of selection of information (what is to be communicated), selection of form of message (shouting or e-mail) and understanding (what was communicated). Whenever a communication process selects information, form of message and understanding, it actualizes the distinction between the actual and the possible. Politics and economy belong to what Luhmann calls ‘functional systems’, that is, systems that close themselves around certain functions. Law, art, religion and science are also functional systems. They may all be observed as functional systems consisting of nothing but communication, and in this communication differentiating themselves from each other: politic/not politics, economy/not economy, art/not/art, etc., through functional differentiation (Andersen 2000).

According to Lindblom (2001) ‘the market system resplendently assesses the character, rules advantages and shortcomings of the central institution coordinating modern economic and social life. He continues the market system integrates the economic, the political and the social in a broad overview, spurning narrow disciplinary, boundaries. Lindblom stresses throughout that the market system is a system of social coordination, a ‘mammoth coordinator’ whose reach extends beyond economic behaviour.

MARKET AS SOCIAL STRUCTURE:

Burns (1977) puts forth, two basic concepts in a structural theory of social exchange: the structuring of exchange systems and unequal exchange. The latter is conceptualized in terms of structural consequences of exchange activity. The two concepts are used to analyze the role of exchange activity in the production and reproduction of social structure and corresponding exchange systems.
Coleman (1984) points out the presence of social structure in economic activity and adds that such activities are to be understood in the context of social organisations, trust, etc., which are constructed over a period of time, by giving several episodes as instances to explain his point theoretically.

Wang (1991:1), on economists, comments that, overlooking the institutional structure of the market leads economists to take the existence of the market for granted. Nothing more than 'the law of supply and demand' is required for economists to reach a conclusion on their blackboard that the price mechanism (i.e., the market) is at work. The economists hence seldom bother to investigate how the market as an economic institution emerges and develops in the real world. Even new institutional economists who are committed to studying real life economic institutions are inclined to assume that 'in the beginning there were markets'.

MARKET CULTURE:

Geertz and others (1979) remark that the production of market institutions is a cultural project in several ways. Property rights, governance structures, conceptions of control, and rules of exchange define the social institutions necessary to make markets. Economic worlds are social worlds; therefore, they operate according to principles like other social worlds. Actors engage in political actions vis-à-vis one another and construct local cultures to guide that interaction. Armour (1995) examines the relationship between economics and culture.

Zafirovski and Levine (1997) remind us that according to Weber there can be phenomena whose primary cultural significance consists almost entirely in their economic aspect. Moss (1997) considers market as inhabited by a large number of individuals.

Sirico (1998) states that the market is not a mere abstraction of economic production and distribution, but, rather, people themselves, who save and invest, watch market, take risks and make dreams. In their economic lives as producers and
consumers, they are cooperating in a vast network of exchange in which people half a world away buy their products and make products for them. The market strengthens the culture of life and its moral order in three important ways. First, the market promotes peace among people. From the simplest to the most complex market exchanges, they all have one thing in common, people while trading voluntarily with each other to their mutual self-satisfaction. Second, the market offers people the best opportunities to employ their creative gifts and become full participants in society, thus obeying god's command to work and create. Third, the free market promotes the material betterment of humanity.

Gartman (2002) reveals that Pierre Bourdieu's theory of cultural exchange is more powerful and comprehensive than other recent theories, which neglect one or another of the important dimensions of cultural markets. Bourdieu's theory conceptualizes both the supply and demand sides of the market, as well as specifying their interaction with external social factors. Similarly, Nelson (2002) supplementing Gartman on Bourdieu's theory, focuses on Douglass North, who won the nobel prize in economics in 1993, who emphasised his focus on cultural factors, and he considers religion a central element of almost all cultures.

LABOUR MARKET:

Hyclak and Ohn (1997) examine changes in the responsiveness of occupational wages to occupational unemployment rate in Atlanta, Cleveland, Los Angeles and Philadelphia over the 1977-1990 periods. They find evidence that the wage responsiveness to unemployment increased during the 1980s and that our model does a good job in explaining changes in the relative wage across the four occupational groups on the local labour markets. These results are consistent with the belief that the interaction of market forces, such as technical change and international competitions and institutional changes, such as the decline in unionisation, played an important role in increasing relative wage dispersions during the 1980s.
Anselme and Weisz (1985) discuss the socio-historical dimension essential to the functioning of the labour market and provide details of the history of dual approach; relationship and correspondence between the duality of the economy and the labour market; factors that explained a segmentation phenomena.

Scoville (1996) along with Akerlof prepared a model of a caste based economy, exemplifying historically by India-in which occupations are hereditary, compulsory, and endogamous-are reviewed and contrasted. Coase/North arguments are advanced about the possible bases for labour market segmentation that would render such a caste-type system immune to erosion by labour market competition. Historical and contemporary evidence is presented to support these arguments.

Nielsen (1998) observes that the consequences of new technology in work processes and in local communities seem both chaotic and full of discrepancies. Wilson (2003) reports the findings of an empirical study of labour market niching involving 100 ethnic groups living in 216 metropolitan areas in 1990. Study also basically deals with the ethnic groups including American Indian, African American, Hawaiians, etc, explaining the differential performance and treatment in organisations.

After the breakout of industrialisation, there was a greater demand of labourers in the market created a very different atmosphere in the job market. More interestingly, the entry of women in the job market created more confusion and also a sense of insecurity among women. In this context, several studies on women labour market can also be cited here.

WOMEN LABOUR MARKET:

Nielsen (1988) finds contrasting results when studying women’s work. He questions, will technology force unemployment, lack of influence, bad working conditions, etc.? Or will women’s central functions in the social renewal processes constitute opposition to the male-dominated technological development? The
consequences seem to be a question of male versus female culture, of power relations and of gender specific divisions of labour.

Rosenfeld and Kalleberg (1991) state that in general, labour's ability to bargain collectively explains more of the gender gap, directly and indirectly, than other factors. They state this in a context where women earn less, on average, than men in all advanced industrialized countries; countries vary in the size of the gender earnings gap. They use data from nine advanced men's income is associated with sex segregation, labour's power and inclusiveness, leftist parties' strength, family policies, labour demand, and relative human capital levels.

Ayres and Siegelman (1995) found substantial prices differences between men and women and whites and blacks in the new car market. Ackah and Heaton (1996) examine data on the labour market participation of women in Northern Ireland, which is a traditional society within which women's primary role is defined as homemaker and mother, drawing comparisons with the UK, the Republic of Ireland and the European Union. Nezic and Kerr (1996) iterate that traders, most of whom are women, spend long hours for a number of days a week in West African markets. These markets take on aspects of a community as market participants concerns include social welfare issues – sanitation, shelter, child care … as well as issues relating to the commercial functioning of the markets.

Glass and Estes (1997) point out, women's entrance into the labour market in large numbers has exacerbated incompatibilities between employer and family interests. They reveal that conflict between paid work and family functioning. They explore the nature of job/family incompatibility, organisational interests in family responsive policies, and the current prevalence of various policies within work organizations. They then review what is known about the effectiveness of particular family-responsive policies on organisational and family functioning. Finally, they consider barriers to further institutionalization of family responsive policy and suggest future research and policy directions. Boyd (1997) explains the process of feminization of paid work.
Neuman (1998) examines gender and ethnic occupational segregation in Israel, focusing on the interaction between gender and ethnicity. Uses data from the 1983 and 1961 population and housing census, and two different indices to examine three issues; ethnic versus gender occupational segregation. Finds that gender segregation is much higher than ethnic segregation, that, overall, women are not more ethnically segregated than men and that there are ethnic differences in the overall gender dissimilarity indices. Also investigates and presents long-term trends between 1961 and 1983 and comparisons with the US. Explores the linkage between educational disparities are responsible for differences in ethnic occupational segregation but not in gender occupational segregation. Offers demand side explanations.

Irwin and Bottero (2000) explore recent arguments about the marketisation of female labour, in the content of a wider analysis of the role of concepts like 'the market' and individualization’ in sociological accounts of change in employment relations. Aliefendioglu (2003) presents in his study, the dynamics of market with the dimension of the relationships of the marketer women among themselves, with the clients, the local government and the town, gender based division of labour.....marketer women expose a heterogeneous structure with regard to income, family situation, are group and income level. Barrientos (2003) explores the gender sensitivity of codes currently applied in the African export horticulture sector from an analytical; it develops a ‘gender pyramid’, and the code of conduct. Prieto (2003) made a study to find out the influence of the entry of married women into the labour market and its effects.

CONSUMPTION MARKET:

Several studies have been made on consumption patterns, consumption activities, consumption behaviour and on ‘consumption’, particularly from the management perspective. These studies are aimed to build customers based productions and to provide services in accordance with the requirement, further to have relationships oriented business. Hung (1980) has explored consumption activities both on empirical and
theoretical foundations. Later, he states that consumption activities are related to welfare in society, and economic and sociological thinking about welfare are considered.

MARKET INTEGRATION:

In the recent years market integration is being discussed widely across the globe, particularly, after the formation of European Union several questions have been raised regarding its structure, functionality, performance its continuation, viability etc. Sociologically apprehensions and debates are being carried out at various levels to understand the cultural and institutional implications of such integrations. In spite of these arguments, ideas to unify their surrounding regions are being worked out. The question is when the integration at the global and sub-regional and macro levels is being discussed, what really is happening at the micro level that is within the structure. It is observed that space integration is being discussed at the global level but in reality, space segregation is coming up.

Davern and Eitzen (1995) remarks that the market integration at the international level is based on 'culture of reciprocity', and say the process of integration evolves new patterns of behaviour and innovative cultural traits, which the 'embeddedness' of economic organizations in society expresses itself.

There has been a greater development in the area of in the 'market institutions' in the recent days (Fligstein and Drita 1996; Lindberg 1991). Theoretical perspectives and analyses are being carried out to examine the building of the Single Market Program (SMP) of the European Union (Fligstein and Drita 1996: 2), ASEAN, SAARC, NATO, and such similar organisations, which are organising to meet certain specific objectives in the global scenario. Interestingly, institution-building moments occur when a social, economic, or political crisis undermines the current institutional arrangements.. Under these conditions, Fligstein and Drita (1996: 3) say collective strategic actors may act like institutional entrepreneurs and try to forge agreements and this requires a 'cultural frame' that convinces actors about the general contours of new arrangements. We argue that institution-building projects can resemble social movements (albeit, elite social
movements) in that actors sign on to an institutional project under a new cultural frame. They also discuss about the perceptions of both rational choice theory and cultural frame theory while explaining the ongoing developments in the Single Market Program (SMP).

**FORMAL AND INFORMAL MARKETS:**

**REGULATED MARKET:**

Governments around the world have witnessed the market prices of products varied in unruly manner. Smithian concept of 'invisible hand' did not hover around in the market to control these prices so as to provide justice to the producers and consumers. It was in this context, governments of many countries entered market as a regulating and controlling agency. Mean while, regulated markets were constituted and they are now monitoring the market activities meticulously, depending upon which the government is intervening at several occasions to act as catalyst to control the prices and such other aspects.

Harris (1980) points out that regulated marketing is an example of indirect intervention in trading, where the state encourages changes in the structure of exchange and of production by the control of behaviour in the market place (Harriss 1980). Similarly, Saxena (1992) and Nayak (1996) add that the intervention of state in the market is being highlighted by many as a controlling, regulating agency and also as a watch dog.

**INFORMAL, UNORGANISED MARKETS AND STREET VENDORS:**

When one thinks of the market, the conventional picture that comes to mind is the person on the streets, in corner and on a moving cart selling things to people, whom we define as vendor. Vendors are also important actors of market be it a small shanty, town market or a modern hi-tech market. Street vendors belong to a major category of market which is based on the formal and informal and also on the basis of organised and unorganised. These street vendors belong to both informal and unorganised sector the
market and economy as well. In other words, they are also addressed as the sub sector of the economy.

There are number of studies concerning the on growing informal markets or otherwise called street vendors/vending, following are few cite in this context; Geertz (1963) explores the peddlers in past, Smith (1989) on the informal economy and Gordon (1997) describes Mexico city's war of the Sidewalks.

Maliyamkono and Bagachua (1990) takes a look at the informal or 'second' economy of Tanzania as an aggregate of all economic activity that is not recorded in the GDP: demonstrating these markets? Essential role in meeting the employment and consumption needs of its population, as the vast majority of the population operates outside of the organised sector of this country's economy. Explains the role that government intervention and strict regulation of the economy has played on the existence of the informal sector; as well as how vital it is to the overall functioning of the organized sector.

Kanth (2000) describes, we think of vendors as faceless individuals, strangers in the city selling small items, at times carried on the head, in baskets or small carts. They could be squatters in the marketplace or in residential areas or may be mobile in search of customers. The areas where the vendors operate could be affluent, middle class or lower middle class colonies or slums. Most slum dwellers, in fact, depend on them for their day-to-day provisions.

Cross and Balkin (2000) reiterate that we typically think of street vending as a part of the pre modern, traditional economic order that survives only on the fringes of modern society. How could something that we think of as pre modern be associated with the (current) post modern age? Cross (2000) again says in many cases, street vending was previously denigrated as 'marginal' or 'black market', could be seen as entrepreneurial in their own right, and it as a potential source of development. (Cross: 2000).
Jhabvala (2000) rightly puts it as the street vendors in many ways represent a dialogue and interaction within the city, with all its successes and in all its cruelty. The urban vendors, many of who are women, reach goods and services to all classes of people symbolizing the interdependence of the rich, the middle classes and the poor. They represent the linkage between the slums and the flats, the residences and commercial centres, and between the rural and urban areas. They represent the multiple use of public spaces and the public and open nature of urban interactions. Jhabvala (ibid) continues, these street vendors are a part of culture and tradition. The early morning flower seller, fruit coconut seller, idli maker, peanut vendor, the chatwallah are all part of our public culture. To drive them away and replace them by supermarkets world destroy a part of our own being and certainly stint the growth of our collective psyche and self-definition.

Interestingly, in most of the countries, the once street vendors have established with a permanent shop over a period. Therefore, it will have the characteristics of both street vending as well as modern, formal and established shop.

Similarly, several articles concentrated on the changing power structure, political influence, organised war against such unorganised, informal and street vending. With fear of up growing and up coming market (non tax paying) was posing a major threat the well ‘established’ and ‘legal’ (tax paying) market economy witnessed the use of state’s power and political intervention in case of street vendors in Mexico (Gordon 1997). Varcin (2000) points out those informal occupations are extremely competitive and individualistic. As a result of which, Kanth (2000) highlights that lot of policing, intervention from the authorities and changes in the policies as well are being made time and again against the vending and vendors.

STUDIES ON INDIAN MARKETS:

Studies mentioned above give a very broad understanding of various aspects of ‘market’ and also in a global context. Now it is essential to explore and understand the studies on Indian markets especially to this research more focused and connect between them.
In the Indian context, Mehta (1955) undertook a study on understanding the structure of Indian industries. Fukuzawa (1965) has studied the Indian cotton industry and Singh (1965) narrates historical the economic activities of India. Bromley (1971) examined markets in the developing countries from the geographical perspective the location, dimension, physical space etc. Harris (1980) explored the political economy of Indian rural and agricultural markets especially, regulated market and its aspects.

Bohle and Goettingen (1981) have examined geographically the flow of commodities from the spatio-temporal patterns. Taking the weekly markets of south India they have analysed the regular patterns set over a period of time and how functional were they in terms of maintenance and continuity. Gell (1982) studied Indian tribal market on the symbolic aspects.

According to Kumar (1983) the social base of the trading community was confined to a small group of castes – Baniyas, Bohras and Parsees in Gujarat, Hindu and Jain Marwaris in Rajasthan, Kshatris in Hindustan and the Punjab and Chettis and Komatis on the east coast. Muslims merchants, mostly of foreign origin but settled in India, were important in the trade of Gujarat, and the Deccan and Bengal, while high Muslim officials had a share in commerce in all parts of the country. Raychaudri (1984) gives a chronicle outlook of the economic history of India particularly 1200 AD onwards. Rajagopal (1991) explains that in the given rural social structure the upper class bargains over the suppressed class to optimise their profit. This class consists of capitalists, moneylenders, rural political elites, big merchants and rich farmers. Saxena (1992) examined the growth of regulated agricultural markets in Rajasthan. Hegde (1996) gives a historical account of Karnataka state in the broader context of Indian history, with special reference to Shimoga region and its surrounding area. Nayak (1996) expresses that the intervention of state in the market is being highlighted by many as a controlling, regulating agency and also as a watch dog. This phenomenon, continues, is also witnessed in the Indian market scene. and D'Souza (1997) studied marketplace in Goa. Kapadia (1997) attempted to understand market opportunities with reference to gender, caste and class in rural south India, Nair (1997) has explored the rural labour market in
Kerala in the context of changing scenario of the labour market structure. Dhesi (1998) analysed caste and class discrimination, Gupta (1998) gives the historical account of marketing taking social status, prestige of actors (ardhatiya community) in the marketplace. Further, it is highlighted that confidence and trust played an important role in this context.


SUMMARY AND CRITICAL OVERVIEW OF THE LITERATURE:

After having a detailed look at the literature available, it is clear and evident that geographers have visualised market from the location, physical space, dimension, distance point of view affecting the market transactions. The economic historians have attempted to understand market from the conventional economic perspective except in a historical context. Anthropologists have gone step further to understand market from the structural and functional point of view with the relationship, embeddedness, reciprocity, culture of exchange and such other aspects in the ‘primitive’ societies. With the changing scenario, political scientists and analysts have placed the role of ‘state and governing’ as controlling agency and the new institutional setup that is called for.

Economists have argued from the conventional perspective for a long period and later with the social dimensions being realised by many within and outside the economic circle. Sociologists’ realisation and entry into this market sphere though of late has given a space for argument and position. Economic sociology, the outcome of academic tussle between economists and sociologists has opened a new chapter in the history of study of
markets. The classical notions of market by the economists are being severely criticised from different corners of academic society.

Several aspects and concepts of 'market' have been discussed, analysed, studied by several academicians, but still there seems a major gap in these studies in understanding the players of market. Not many studies concentrate on the relationships on the market which in reality is the basic foundation of any interaction or exchange activity. The equation of these relationships upon which the whole market is built is rarely addressed. What really is happening to these market actors or players in the ever changing scenario, how are they affecting in turn the market etc. is rarely analysed. The present research work is aimed to explore these fields of the market, and try to understand them not from the single theoretical perspective rather from a group of perspectives. As it is proved beyond time that no single theory can provide answer to any phenomenon, there is no point in looking the gamut of market activities from a single frame work. Hence, it is attempted to put them in different frameworks and understand them. Before stepping into the analysis from theoretical perspectives (which is attempted in a separated chapter) the next chapter ventures into the conceptualisation of various market related terms and concepts systematically.