Some observations on the concept of ‘embedded’ and ‘disembedded’ economies in archaeological discourse.

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Abstract

In spite of a long standing interest in economics and the economy as a component of social formations, theoretical discussion of the subject in archaeology is rare. In this paper I question the utility of two terms commonly employed in archaeology with little substantial discussion of their precise meanings and implications; embedded economies and disembedded economies. I would suggest that the a critical examination of these two concepts and, more particularly, of the approach to social structures which they encapsulate, are fundamental to an understanding of the relationships between productive, consumptive and exchange behaviour and other aspects of society. In this paper the history of the terms is briefly explored and current attitudes to them within economic sociology are examined with reference to their usage in archaeology. The dangers of confusing metaphor for explanation are outlined with reference to the uses of the notions of embeddedness and disembeddedness within archaeology.

Societies are, first and foremost, societies of human beings, whether equal or unequal, and not commodity societies where human beings serve only as intermediaries

The philosophy of Marx E. Balibar 1995:62

Introduction

In this paper I shall develop a theme which I have discussed elsewhere (Cumberpatch 1997a) but which has been widely neglected in archaeology. This concerns the position of the economy as a specific area of archaeological analysis. In spite of a burgeoning of theoretical interest in the sphere of consumption and the ever increasing numbers of case studies of different systems of craft and early industrial production (both archaeological and ethno-archaeological), there is still a widespread failure to see these aspects of human society as forming an integral part of a complex whole. This contrasts with the situation in anthropology and even in economics, where the questioning of traditional orthodoxies is yielding interesting results, at both an empirical and a theoretical level (e.g. Mitchell 1998, Ormerod 1994, Zukin and DiMaggio 1990, Miller 1995 and 1998, see also Bourdieu (1998) for a consideration of the ethics of neo-liberalism).
My purpose here is to expand my earlier argument and, in particular, to consider two concepts which have become central to the field of economic archaeology without adequate definition or discussion. These terms are ‘embeddedness’ and ‘disembeddedness’ and they are of particular importance because they are frequently invoked as explanatory concepts when considering both enduring structures and structural change in institutions with an economic dimension.

In archaeological discourse the notions of embeddedness and disembeddedness have been used chiefly as a means of distinguishing between non-capitalist societies in which economic relations and structures are seen as organised through social relations and structures and capitalist economies in which economic relations are deemed to be distinct from social relations. This has obvious and important implications, not only in prehistoric contexts, but also for the study of European post-medieval and early modern societies which appear to mark the transition between the two forms of organisation. Such an approach has inevitable consequences for the ways in which we analyse these societies and the nature of the transition between them (see Johnson 1996). Indeed this view has achieved wider currency - the philosopher Claire Colebrook, for example, has noted that:

There is a widely accepted narrative in social theory and the history of ideas which charts the transition from traditional to modern societies in terms of the emergence of ‘economic’ thought (1997:178).

and she has linked this with the acceptance of a change from closed, organicist, hierarchical and holistic communities towards open economistic egalitarian and individualistic societies (1997:179).

a view which she has traced in a variety of authors working in different traditions, including Aristotle, Descartes, Adorno, Horkheimer, Foucault and a number of Marxists.

From the point of view of archaeology it is important that we acknowledge the role of economic sociology in these debates because it is here that the most sophisticated considerations of the nature of embeddedness are to be found. A brief summary of the sociological position is given below. At the same time it is clear that a detailed appreciation of the historical and archaeological dimensions of the argument are generally absent from sociological discussions.

My purpose in this paper is to suggest that a critical examination of these two concepts and, more particularly, of the approach to social structures which they encapsulate, are fundamental to an understanding of the relationships
between productive, consumptive and exchange behaviour and other aspects of society. More specifically a critical examination may help to explain why, in the archaeology of the later prehistoric period and in historical archaeology, we have failed to investigate the essential duality of economic and social structure (see Giddens 1979:5 for the distinction between dualism and duality).

The concepts of embeddedness and disembeddedness and the relationships between them, at least as used in archaeology, are derived primarily from Karl Polanyi’s study of the eighteenth century English economy in his book *The Great Transformation* (1944); see also Granovetter 1985, Zukin and DiMaggio 1990:15, Swedberg 1997:170 and from his longer discussion of the concept in *Trade and Market in the Early Empires* (1957). It was from the latter that archaeologists took the concept in the later 1960s and 1970s together with the idea of the ‘port of trade’ and a substantivist approach to non-capitalist economies (e.g. Hodder 1979, Hodges 1982, Collis 1971 and 1981). In its early stages this was an important development in that it allowed substantivist economic anthropologists and their followers in archaeology to assert what today we might call the ‘otherness’ of the past. Together with the earlier work of Marcel Mauss on the nature of the gift and gift giving ([1925] 1970), it was instrumental in allowing the British advocates of the New Archaeology to define their areas of interest as separate from culture-historical antiquarianism (Collis 1994). Although Polanyi’s work had immense influence on this ‘socio-economic’ school of archaeological writing which flourished in the latter part of the 1970’s and the first half of the 1980’s, the approach as a whole did not prove enduring. The rise to prominence of contextual and post-processual approaches and their successful assault on the New Archaeology, pushed debates over the nature of the economy onto the sidelines where they have subsequently languished. While notions of gift exchange and non-market modes of exchange relationships formed part of the new orthodoxy, the domain of economic archaeology became identified with the study of food production and the so-called paleoeconomy school, most closely associated with the name of Eric Higgs. Interest in other aspects of production became primarily a matter of technical analysis and the reconstruction of manufacturing processes. Somewhere, or at some stage, the economy as an arena of discourse vanished, leaving, almost by default, only the vague concepts of embeddedness and disembeddedness to be used as descriptive of the relationship between economy and society with certain institutions being recognised, usually implicitly, as primarily economic, rather than as primarily social. Today it is common to hear the term 'economic archaeology' used to describe the analysis and interpretation of data derived from the study...
of plant and animal remains, while other fields (including numismatics, the study of the trade and exchange of goods and concepts of value) are considered apart from ‘the economy’. Recent uses of the notion of embeddedness include Johnson (1996) and Sillar (2000) and Sillar and Tite (2000), of which more will be said below.

The notion of embeddedness in economic sociology

In his seminal paper *Economic action and social structure: the problem of embeddedness* (1985), Mark Granovetter has expressed the distinction between the two poles of economic thought thus;

Much of the utilitarian tradition, including classical and neo-classical economics, assumes rational, self-interested behaviour affected minimally by social relations ... At the other extreme lies ... ‘embeddedness’: the argument that the behaviour and institutions to be analyzed are so constrained by ongoing social relations that to construe them as independent is a grievous misunderstanding (1985:481-2).

He goes on to consider the opposite to that with which archaeologists are normally concerned - the extent to which embeddedness can be used to understand contemporary capitalist societies. In a discussion of economic theory which archaeologists have unjustifiably neglected, he has presented a plausible critique of the atomisation of individuals in economic thought and attempted to reinstate the knowledgeable agent within the analysis of institutions deemed to constitute the domain of the economic. A similar perspective is to be found in the volume edited by Zukin and DiMaggio, who have defined embeddedness as

the contingent nature of economic action with respect to cognition, culture, social structure and political institutions (1990:15)

and have sought to characterise the ways in which economic activity forms part of wider social structures, organised around these four elements.

In Economic Sociology, and most particularly in the loose school known as the New Economic Sociology (Swedberg 1997), the notion of embeddedness has been used to counteract the prevailing neo-classical economic principals of social atomisation, calculatedly rational behaviour and maximisation by asserting the socialised nature of human action with respect to economic behaviour. Inevitably much of this work has been aimed at understanding human action within the framework of established capitalist institutions; firms and corporations. The debate does not seem to be so much between those who see a particular historical cut-off point in embedded economic relations
as between those who see the positivist and neo-positivist principles of neo-classical economics as fundamental to the economic project and those who see them as essentially misguided (cf. Gregory 1982, Mitchell 1998).

As Richard Swedberg has pointed out, discussing Granovetter’s conception of embeddedness:

Whereas Karl Polanyi had introduced the notion of embeddedness to emphasize that the economy was an organic part of society in pre-capitalist times, Granovetter’s point was nearly the opposite, namely to show that economic actions are truly social actions in capitalist society ... economic behaviour is embedded in networks of interpersonal relations (Swedberg 1997:165, emphasis in original).

In addition to emphasising the embeddedness of economic action in contemporary society, Granovetter has also drawn attention to the social construction of the economy. Using Berger and Luckman’s classic text The social construction of reality (1966), he has emphasised that, in economic discourse, institutions take on what Swedberg has called ‘a kind of natural and self-evident quality’, and has noted that economists tend to see existing institutions from the perspective that every institution is the only possible one, and it saves on transaction costs (1997:165)

There are two points of particular interest here. The first is that while archaeologists have become accustomed to rejecting naturalising arguments for, and functionalist interpretations of, particular institutional forms in favour of more subtle, contextually sensitive approaches, we still tend to adopt phrases such as ‘embeddedness’ without sufficient thought. In other words, while we are comfortable with the idea of the social construction of the economy, and, indeed, with the social construction of a variety of institutions, in a way which many economists seem not to be. we have not yet come to terms with the wider implications of the notion of embeddedness, even though we use it frequently.

Secondly, and related to this, we have not yet appreciated that a significant strand of social-theoretical thought sees embeddedness as a feature of all social formations, a fundamental attribute of human socio-economic behaviour. We have been left using as a historically definitive principle, a concept which a significant strand of economic thought (the one with which we should have most in common) sees as a structuring principle with no particular historical or contextual significance.

On this reading of the debate, our embedded / disembedded distinction is a fundamentally fallacious one, perhaps predicated upon a misreading of the
distinction between the analytical principles which we use to create our
cognitive, analogical, models of social formations and the complex structural
principles and interrelationships which partially constitute the societies which
we study. Even if we regard this view as contestable, we should be concerned
with investigating the nature of embeddedness and disembeddedness, rather
than regarding the terms as essentially uncontroversial.

The notion of disembeddedness in economic sociology

To turn to disembeddedness, the use of this notion as a structuring principle
seems to fly in the face of every established tenet of social thought by
postulating a separation of certain types of social institution from every other
aspect of human life. This separation would seem to be Polanyi’s concession
to the neo-classical revolution of the 1860s and 1870s when the foundations
of modern economics were laid by Walras, Jevons and Menger using the
positivistic principles then thought to characterise scientific endeavour

At a fundamental level I would challenge the very use of terms which appear
to suggest that institutions can have an existence separate from the social
formation of which they constitute a fundamental part. That the distinction
between embeddedness and disembeddedness is a basically metaphorical
one is self-evident and it is this metaphorical aspect which I would suggest is
misleading. As used at present, the metaphor involves the invocation of a
social entity (society itself) which pre-exists specific social institutions (which
are defined as economic institutions). That is to say, those who use the terms
embedded and disembedded appear to assume that something exists which
is, in itself, constitutive of ‘the social’ and which can be considered apart from
specific autonomous institutions (i.e. economic institutions) which stand in a
relation of integration into, or separation from, it. Conversely, the economic
institutions which are seen as either embedded or disembedded with respect
to society are, in effect, being conceived of as post-social institutions rather
than as constitutive parts of a social formation.

The problem is thus one which arises from confusion between the subject of
the description (society and its constitutive institutions) and the concepts
being used to analyse and describe it. This confusion arises not from the
nature of social institutions themselves but from the language used to
conceptualise them and their inter-relationships. This is one aspect of a much
more general problem. Elsewhere I have discussed the knowledge and use of
the past as a fetishised commodity (Cumberpatch, unpublished, Cumberpatch 2000). One outcome of this discussion has been my conclusion that, in archaeology, there appears to be something inherently difficult in the process of verbalising notions and concepts which, while they have an existence in terms of their physical and phenomenological effects (on people, structures and institutions), in fact reside only in the relations between tangible and intangible social structures and between such structures and the agents who, through their actions within the physical world, reproduce and transform them. Thus the metaphorical description of an economic institution, (such as the particular set of day-to-day practices, interpersonal relationships and tangible, physical, entities constituting a pottery workshop) as being embedded within a wider set of social institutions (family-based production and periodic marketing at established, legally regulated, fairs for example) is relatively simple to understand - the one is set within the other. As a metaphor it may be considered to work at a superficial level, but the assumption which underlies it - that the economic and the social are in some way ultimately divisible (given the right analytical tools) is, finally, fallacious. A naturalising (and essentially modernistic) tendency obscures the fantastical nature of the metaphor which then becomes accepted as explanatory in its own right. To extend this to a conception of disembeddedness in which the structures of production and marketing are seen as having a high degree of autonomy within the social formation is to move the metaphor into a region where the objects of analysis are confused with the methods and assumptions which underlie that analysis. Indeed, as I have described, a number of economic sociologists now question the split on the grounds that even in the most ‘advanced’ capitalist societies, social relations and institutions act to structure ‘economic’ practices.

A example from social history

To take an archaeological and social historical example, there can be no doubt that social relationships changed substantially and fundamentally between the end of the medieval period and the industrial revolution, but to suggest that the nature of the changes can be summarised in a move from an embedded economy to a disembedded one is clearly superficial in the extreme. A number of studies, particularly in economic history, have shown that the transformations in day-to-day practice were intimately bound up with transformations in social relationships and are best understood in terms of theories of practice. One good example of this is John Smail’s analysis of the
industrialisation of the West Yorkshire textile industry during the eighteenth century (1992). Smail has suggested that, rather than considering the Industrial Revolution as driven by ‘heroic entrepreneurs’ far-sightedly intent on the transformation of the existing structures of production, the key players were the many artisans who undertook a range of innovations in practice which had the cumulative effect of transforming the economic and the social landscape. The social structures within which people were active on a day-to-day basis remained practical, logical and workable although they were organised according to radically different sets of structuring principles. This is not of course to argue that these structures were in any sense inevitable in a functionalist sense - indeed the opposite is true, with practice being contingent on contextually specific structures and the actions of knowledgeably enabled agents.

**Alternatives to the embedded:disembedded dichotomy**

More convincing than the embedded / disembedded split are the conceptualisations of society advocated by Giddens and Bourdieu. From these perspectives, a social formation is constituted of institutions and practices, amongst which are those institutions and practices related to the production, circulation and consumption of goods and services. It is these that we have chosen to define as constituting the economic sphere.

Such institutions and practices - structures and structural properties as we might call them if we were using Giddens' terminology (1984:185-6), are themselves constituted and perpetuated through the actions of individuals, (or agents) acting in either conformity or disconformity with them, but certainly with respect to them. In place of the economy as a kind of post-social entity enjoying a degree of untheorised autonomy from other aspects of society, we can substitute a view of economic relationships and practices constituted of and constituting aspects of the wider social formation. While such a conceptualisation could be characterised as embedded, the term is meaningless on two counts; both embeddedness and disembeddedness carry the implication that the economic and the social are separable and divisible, while disembeddedness itself can only refer to the deviant or sociopathic. Even here the usage is dubious as we can easily argue that many, if not most, forms of deviance are contextually specific constructions.

To summarise the argument; to invoke a dualistic split between embeddedness and disembeddedness in order to define the nature of the
forces, modes and relations of production, circulation and consumption is to postulate a set of relationships of such nebulosity that they are at once insubstantial and also wholly opaque. It is also to misunderstand the nature of the economy and economic structures, at least as they are defined by a significant element within economic sociology. To assert a qualitative difference between non-capitalist and capitalist economies is to fall into the modernist trap of distinguishing a non-capitalist, non-rational, society from a capitalist, rational society, a position which I would suggest is merely a modernist fantasy (to appropriate Mike Rowlands’ phrase; 1986:745) which betrays nothing more than a naive belief in Enlightenment rationality as distinguishing Us (disembedded, rational, analytical) from Them (embedded, arational, or differently rational, reactive). We should beware of the tyranny of naturalisation which represents sets of analytical principles as equivalent to a reality and should certainly not mistake our metaphorical descriptions of human relationships for the social structures which we are trying to describe.

There may, in addition to the conceptual errors involved, be a political element here. To what extent, in defining a rigid distinction between societies with an embedded economy and those with a disembedded economy, are we reinforcing an ideology which equates significance with certain aspects of the production, circulation and consumption of goods? Analytically, we may be able to make a case for carving a social formation into productive and non-productive segments - but in doing so, given the industrial-managerial, neo-liberal, capitalist ideological framework within which we operate, we are inevitably making judgements about the relative importance of different kinds of institutions and practices and are consequently taking an ideological stance with reference to them. The notion that the economy is an institution separable from other aspects of society permits the rationalisation of a number of ideologically unacceptable positions, from the undervaluing or non-valuing of women’s domestic labour to the low pay and poor working conditions suffered by archaeologists and others engaged in the field of cultural production (see Cumberpatch and Blinkhorn, in press).

Economic archaeology

A number of questions follow from this analysis, but the one which I shall concentrate on is that concerning the way in which the loss of two pervasive and widely used terms will affect the practice of economic archaeology. One answer is that economic archaeology is such a chaotic, incoherent and poorly theorised branch of the discipline that nothing can be done to it which will

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seriously damage it in any significant way whatsoever; many of us will go on describing industrial installations in minute detail, noting changes in pottery traditions, using them to calibrate stratigraphic sequences and ascribing change to fashion or the imitation of imported goods. This is an entirely possible response, although not one which, in my opinion, will serve to advance archaeology in any useful sense. However I want to finish with some brief archaeological examples, indicating other directions in which we might proceed and the ways in which the dumping of the embedded / disembedded split might be of assistance.

In prehistoric archaeology and in anthropology we are becoming accustomed to considering aspects of pottery production, circulation and consumption as existing in an intimate relationship with social structures. While many anthropological accounts demonstrate this in the case of pottery consumption, recent studies of production have also shown the importance of social constraints on, and determinants of, action.

In his discussion of pottery manufacture in Peru and Bolivia, for example, Sillar has noted that

> The choice of raw materials and the way in which they are processed represent cultural preconceptions about what makes a suitable pottery paste (1997:18).

and similar points have been made for prehistoric pottery (Cleal 1995:192), Anglo-Saxon pottery (Blinkhorn 1997:119-120) and for later medieval pottery (Cumberpatch 1997b). More recently Sillar has developed this approach further, although from the perspective presented here it is unfortunate that he has leant so heavily on the metaphor of embeddedness (Sillar 2000, Cumberpatch 2001).

It is notable that while much attention has been paid to the emergence of the mass consumption of tablewares in the eighteenth century, a great deal less attention has been paid to the significance of the emergence of the post-medieval potting tradition at the end of the fifteenth century and into the sixteenth century. From most perspectives it might be argued that the end of the medieval potting tradition, which began in the eleventh century and endured until the later fifteenth century, is a subject which deserves attention, particularly given the debates over the nature of the economy and the emergence of capitalism during the latter part of this period.

I would suggest that the emergence of a post-medieval potting tradition, defined by the production of pottery in new shapes, colours and textures
should be seen in the context of the emergence of new sets of social relationships, within which the new pots were contextually acceptable (Cumberpatch 1998 and Cumberpatch in prep). The later (eighteenth century) move towards factory-based mass-production should also be seen in this light, with new social structures based upon new patterns of consumption being the matrix within which the vessels were both made, sold and used (Carrier 1994).

Matthew Johnson (1996) has drawn attention to the complexities of the period in his book An archaeology of capitalism and has used the embedded metaphor to distinguish the medieval world order from the emerging capitalist order of the later sixteenth and seventeenth centuries. While he is considerably more careful than some in using the embedded / disembedded distinction, the former term occurs enough times in his text for it to be clear that some elements of it underlie his approach to the period. This is unfortunate because it is not clear how or why aspects of the post-medieval, and later Georgian, world orders can be seen as any less ‘embedded’ in a socio-cultural matrix than earlier manifestations of inequality, social position or the organisation of production and consumption. Indeed the increasing numbers of objects and the complexity of the ways in which they were deployed might suggest that the variety and complexity of social relationships and the ways in which they were symbolised through material culture became increasingly complex rather than more separable. It is rather the case that sets of social relationships were reorganised and reordered (often violently) with the appearance of new institutions and patterns of relationships but it is these new formations which were, in part, constitutive of the new world order. Clearly relationships between people were changing and artefacts were centrally implicated in the representation and constitution of these changes, but it is far from clear that the use of the embedded/disembedded metaphor is the most useful or most precise way to capture either the subtleties of these changing relationships or the part played by material culture. This is not to underestimate the degree of radical, often violent, social dislocation which attended the inception of the early modern world order. Rather, I would suggest that some more precise terms should be sought to describe the process of transformation which acknowledge the social and psychological traumas which marked the emergence of the capitalist world order, while avoiding what appears to me to be the misleading metaphor of disembeddedness.

There remains one point to be considered (more briefly than is perhaps desirable, given its significance in archaeological discussions) and this is the
distinction between Gifts and Commodities - the distinction between inalienable and alienable goods. This distinction, associated with the names of Morgan (1877), Lévi-Strauss (1949) and, above all perhaps, Marcel Mauss (1925 1970) has been widely influential in archaeology, most significantly perhaps through the work of Marshall Sahlins (1974) and bears some superficial relationship to the distinction between embedded and disembedded forms of economic organisation. Fuller discussions of the anthropological background have been presented by Gregory (1982) and Carrier (1994). In the present context it is clear that the link between inalienability and embeddedness is, again, a purely analytical one, as is the converse, the link between disembeddedness and alienability. The commodity fetishism characteristic of capitalist societies is one possible form of economic organisation, but, as economic sociologists and writers on fetishism have pointed out (the latter perhaps implicitly), it is no less a social construct than are non-capitalist structures and institutions. Both alienability and inalienability are constituted by, and constitutive of, specific sets of social relationships, to be analysed on their own terms using appropriate, context specific, methodologies.

To conclude; the split between embedded and disembedded economies is a wholly misconceived metaphor for the relations which exist between human beings and the institutions of production, circulation and consumption which partially constitute societies and social formations. If we are to understand human societies we should be looking at the organisation of production, circulation and consumption as sets of structures and relationships which are partially constitutive of particular social formations rather than as having some pre-cultural, functionally essential aspect in capitalist societies which can be contrasted with alternative relationships in non-capitalist societies.

Acknowledgements

An earlier version of this paper was first presented in 1997 at the Theoretical Archaeology Group conference in Bournemouth. I am grateful for all those who commented on the presentation and on the early drafts of the text, particularly Mr P. W. Blinkhorn, Dr. L. A. Martin and Dr. M. Z. Pluciennik. Later changes were made at the suggestion of the editors of Assemblage, two anonymous reviewers and Ms. H. Wickstead.
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