

## **Market and Socio-cultural Embeddedness (A Case of ‘Subhan’s Beauty Home’, Bhaktapur and ‘Ason’ Market, Kathmandu)**

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### **Abstract**

*Famous political economist Adam Smith argued that the market economy is made up of a series of individual exchanges or transactions which automatically create a functioning and ordered system. Similarly, according to rational choice theory, capitalist economy is driven by individual self-interest and works best when individual buyers and sellers make rational decisions that serve their own interests. In contrast to this atomized economic approach of David Ricardo, Adam Smith and others, this research paper entitled ‘market and social embeddedness’ applies Granovetter’s ideas of ‘social embeddedness of market’ and highlights an alternative way of analyzing economic institutions and market which operate and functioned with non-economic institution, which is broadly functions within larger social and cultural framework with reflective empirical evidences. This article discusses the issues based on the data gathered from the two case studies through interview tool. The nature of study is qualitative and cases were selected purposively. The major purpose of this article is to prove that, market co-exist with, shaped by and depend on socio-cultural factor and moral values not only under socialized economic behaviors one. The theory which I applied in this study is reflected and supported with cases as market is constructed and functions with the relation of social and non-social economic factors. The major findings of this study are persons with long-term socio-cultural ties, established social networks, confidence, and quality sensitivity engage in economic transactions in the market rather than strangers one. People make their decisions on goods and services on their previous dealings and moral values with service provider or businessman then continue to deal with those they trust not only by the individualistic market-oriented transaction.*

**Key Words:** *Atomized Economy, Rational Choice, Malfeasance, Social, Social Networks, Social Embeddedness*

### **I. Introduction**

Simply, a market is a place where people go to buy or sell things and services. When people have products/skill to sell, they set up a market place. When things/service are sold, people buy the product/satisfaction and this helps people to spend and earn money. The market needs to balance supply and demand which is determined by the state policy, demographic status of people, socio-economic status of people etc. In this modern time, we live and enjoy in the age of market, which shapes our desire, aspiration, livelihood and everyday life. Similarly, market dynamics are the engines of historical social, cultural and economic change vise-versa. Modern economics developed from the classical ideas of early thinkers such as Adam Smith and his followers is

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based on the idea that the economy can be studied as a separate part of a society that operates according to its own laws leaving out the larger social or political context in which markets operate. In nineteenth century and before, some economists like Ricardo popularized the abstract and deductive approach about economic behaviors and market. They focused on market behaviors and principles that are economically determined and atomized. Likewise, Hirschma, (1982) has examined such types of fascinated markets, as “Large numbers of price-taking anonymous buyers and sellers supplied with perfect information...function without any prolonged human or social contact between the parties. Under perfect competition, there is no room for bargaining, negotiation, remonstrance or mutual adjustment and the various operators that contract together need not enter into recurrent or continuing relationships as a result of which they would get to know each other well” (p. 1473). Likewise, during the late 19<sup>th</sup> to early 20<sup>th</sup>, pure economic and economic dominance remain in peak position in the world. It was assumed and convinced that classical economics is progressive, ideal discipline, which shadowed the notion of social embeddedness and formalize the assumption of economic rationality with the help mathematical calculative formula (Swedberg and Granovetter, 2001). According to Karl Mittermaier (2020), the *Wealth of Nations*, by Adam Smith, is widely credited with laying forth the ideas of a free-market economy. As the authoritative and market order is the dominant type of order in society, its effect was likely strongest as a policy guide, notably throughout the nineteenth century. Governments make their edicts mandatory in this system so that law-abiding citizens have no choice but to obey and resistant citizens may be forced to comply. There is no way out for the person. The situation is different with free associations and its regulations, because the individual retains his or her freedom of choice. He does everything voluntarily, and that is all that is required for the invisible hand to work.

In contrast to this approach, this paper tries to reflect that social scientists, specifically sociologists, have attempted to develop an alternative way of studying economic institutions and processes within the larger social structure. The economy is also a part of the social world; it is not apart from the rest of society. The core tradition in economic sociology is to seek out and use a variety of sources. It includes the idea of Weber, Marx, and Durkheim, to name a few. They argue that economic action is a type of social action, that economic action is socially placed, and that economic institutions are socially constituted (Swedberg and Granovetter, 2001). Similarly, Mittermaier (2020) discussed that markets do not operate in a vacuum. They are important aspects of society's institutions. These institutions include not only a legal system that establishes property, contract, and other rights and obligations, but also a plethora of conventions, or established ways of doing things. Furthermore, social structures in markets operate to reduce information costs, give firms access to knowledge about what the competition is doing, allow market actors to trust one another, and reduce resource dependencies (Fligstein and Dauter, 2007).

Market actors are involved in day-to-day social relationship with one another, relationship based on trust, friendship, power, cultural understanding and dependence. Buyer and seller also are generally familiar to one another and in many cases are involved in repeated exchange and transactions. Social networks play in creating trust between buyers and sellers that makes exchange possible (Granovetter, 1985).

The main argument of Granovetter is market activities and related behavior of the people is socially embedded rather than atomized economic rationality. His idea concerns the extent to which economic action is embedded in structures of social relations, in modern industrial society or how economic behaviors and institutions affected by social relations. And the idea of “embeddedness” is identified and conceptualized by Mark Granovetter in 1985. This is idea which accomplishes those economic relations between agency or institution are embedded in genuine social networks and do not exist in an abstract idealized market. Particularly, the concept of “embeddedness” refers to the extent to which non-economic institutions impede with the economic activity.

The term “embeddedness” is firstly originated with Karl Polanyi in his book “the great transformation”. He substantiates this approach, where Polanyi posited all economies are embedded in social relations and institutions. According to Polanyi, in non-capitalistic, pre-industrial livelihoods are not based on market exchange but on redistribution and reciprocity and moral economy (Polanyi, 1944). But in this modern and capitalistic age, at the recent time of this research also, moral and social embeddedness is found in every economic institution or in everywhere.

In this study, researcher employed two different cases to show the market and non-market relationship empirically. One of the cases is related to ‘*Ason*’ market which is located in Kathmandu. It is a historical market place of Nepal. From generation to generation, people of every caste, class, religion and region have been continuously visiting there in order to do their shopping or to buy their things and goods. It is an interesting fact to know how this market has been maintaining the same market values and attraction since then to present time. What are the key features of this market that drive people to primarily choose this place in order to buy their goods and stuffs?

Similarly, another case is related to ‘*Subhan’s Beauty Home*’ which is located in Bhaktapur. It is absolutely a modern epitome of its establishment in nature, concept and services. There are many different types of beauty parlors and beauty care centers established in the city, almost one in every alternate building. But surprisingly, ‘*Subhan’s Beauty Home*’ has earned clients’ choice and preference far higher than others. What’s the latent formula behind this successful business? This is big question over here. So, on the ground of this theoretical and conceptual background, this study tries to show that market is shaped, constructed and functioned by social behaviors, not only by purely rational economic behaviors.

## **II. Research Methodology**

As P.V Young (1998, p.23) says that case study is a method of exploring and analyzing the life of a social unit, be that unit a person, a family, institution, cultural group or even entire community, this study also employs the case study method to acquire detail information about two market institutions. One is ‘*Subhan’s Beauty Home*’ and another is ‘*Ason*’ Market. ‘*Subhan’s Beauty Home*’ is simply known as ladies’ beauty parlor established for business motive. Similarly, ‘*Ason*’ market is the historic and ancient market of Nepal where people get

salt to gold and birth to death related goods in one place, far more than the modern departmental store. In this study, two cases were purposively selected because both cases were different in nature, characteristics, history, forms, shop and goods arrangements, promotion, advertisements, competitiveness, and so on. One ('Ason' market) is the goods-money transactional market while another (*Subhan's Beauty Home*) is the service-money transactional market institution. Both cases apparently seem purely economic market characters, but both have resembled socio-cultural embeddedness within them. After selecting the cases, five different participants were interviewed in details. The interview was recorded, transcribed, translated, coded and thematically categorized. Then key narratives were interpreted in thick description based on the objectives of the study. Each case enables the researcher to relate the social relation with the non-social institution and activities employed with descriptive research design. Because this study describes the prevalent situations or social issues of the market that are rooted in non-market social relations and morals.

## Results

Network, Trust, Sensitiveness and Social Situatedness beyond the Competitiveness and Rational Behavior

### Case I: Subhan's Beauty Home

To look at the implication of Granovetter's concept of social "embeddedness" of economic behaviors, the researcher has taken the case of a beauty parlor named '*Subhan's Beauty Home*', located at Suryabinayak, Bhaktapur, Nepal. One of the shareholders of this beauty home Mrs. Shrestha says: "*we all are experienced, trained, and professionally motivated girls. Our bonding of share is more interesting because we are all from different castes and communities. I belong to Newar community; the remaining four belong to Dalit, Tamang, and Brahmin communities. And the last one is from the Newar community. Similarly, we are from different parts of Nepal. Newars and Brahmin are from the urban area of Bhaktapur. Likewise, Dalit and Tamang are from the rural areas of Kavre district. All of us have sufficient experience of doing collective entrepreneurship in so many different sectors. We have taken advanced training regarding the cosmetic and makeover. Our beauty home is mostly crowded by locals as well as general clients such as foreign development workers, volunteers, professional women, diplomats, housewives and so on. Some other clients are from many parts of the Nepal and beyond. Excluding us, we have 10 permanent workers (beauticians) and five are on-call workers. Because this institution also provides training to those women who want be self-dependent entrepreneurs in future, we shareholders basically engage and focus in promotional activities, upgrading, training and client's satisfaction-based work. We do promote and advertise of our services in the local and national magazines like 'Wow', 'Wave' and so on. Similarly, we are providing attractive salary of our workers and we also earn handsome money; therefore, we never have to depend on our husband and family to expenses as we want*". From this narrative, it can be theorized that women who are engaged in this business are economically empowered and self-driven.

According to G.R. Agrawal (2003), entrepreneurs have long been credited with initiating and sustaining socioeconomic growth. The process of starting new businesses is known as entrepreneurship. It entails coming up with new ideas. It necessitates taking chances and

receiving rewards. Individuals have the option of working for themselves. Others will be able to get work as a result of it. Entrepreneurship is a creative and risk-taking mindset. It is the process of discovering and bringing together variables of production in order to capitalize on those opportunities. Apparently, it looks purely economic market characteristics like hanging public hoarding with the list of price and different services, employers for 10-15 labor, and advertisement. Not only that, they choose various means to promote their beauty home like advertisement on local and international fashion magazine and events, which belong to the capitalization and networking of the business. To maintain distinct identity, the institute modifies and upgrades its service quality, provides advance training for workers and others from time to time, and changes and updates promotional boards or advertisements.

One of the regular clients named Miss Bhima Karki (name changed) aged 25 has been regularly visiting this beauty home for the last 10 years. She also adds: *“As I grew up young, my face became dirty with acnes and pimples. Thereupon, I thought about visiting the best beauty home where we could get quality service with satisfaction. Then my mother suggested me visiting this beauty home and receiving its service. For the first time, my mother herself brought me here and introduced me with the beauty workers and shareholders because she was familiar and had long service relationship with this beauty home. Of course, my school friends suggested me going to many other parlors and skin care centers, but I finally chose this beauty home because of my family network and trust. I have been visiting this beauty home since my age of fifteen. I am still regular. Now I mostly do hair straight, manicure, pedicure, facial, hair removing, etc. The most loved part of this beauty home is providing varieties of qualitative services and proper counselling at reasonable prices in comparison to other parlors of the city”*. So, it can easily be analyzed that ‘Subhan’s Beauty Home’ provides varieties of services and choices such as massage, manicure, pedicure, permanent hair straight, stylist hair cutting, hair coloring, advance facial and many more, that are commonly offered at Western and competitive beauty salons. These services are supposedly attracted women to this beauty home. The daily transaction of the beauty parlor proves that it is a successful, functional and attractive business. Therefore, it can be said that this institute has purely been business-oriented, market-exchange oriented, economically featured and competitive from the lens of classic economists, under-socialized rationalists, formalists or even atomic poles.

In contrast of this economic perspective, interestingly, this beauty home is like a home (*ghar*) or social institution. This institution was started on the partnership of five trained girls from different castes classes and ethnic communities as well as different strategic pocket areas. Among the shareholders, two are Newars, one Brahmin, one Tamang and one Dalit. Spatially they are from different pocket areas of *Suryabinayak* (urban city) and *Kavre* (rural area). They disseminate information and influence their own communities to visit the institute. Moreover, the workers are also from different caste/ethnic communities and different locations. This strategy is employed to influence their own kinship and neighborhood network to compete in the market. The narrative of Mrs. Shrestha makes this argument lively: *“...because of our diverse caste and region-based sharing of this beauty home, we have so many benefits. For example, most of the clients of our beauty home are familiar and come from families, friends’ circle and network. When a new client visits our beauty home, she is sure to visit it again and again. You can also*

*observe that so many familiar clients are waiting for their turn. They know each other because most of our clients are from family members, friends, co-operative members and kin network of their own. We provide special discount for the clients who visit this beauty home more than five times continuously. It's been about 25 years that this beauty home has not yet experienced the client and economic crisis till the present day since its establishment. This is the good fortune and good luck of our institution".* This story indicates that the investors and workers can influence their spatial, caste/ethnic and kin clients. Whenever I have visited this beauty home, I have found it to be extremely busy with its clients waiting for their turn. I have observed clients from different caste/ethnic communities as well as different age groups.

This beauty home has established legacy, expertise and popularity for a long time at 'Suryabinayak'. I (the researcher) have also heard about the name and fame of 'Subhan's Beauty Home' from my friends and neighbors. There are surely other parlors that have claimed have better beauty expertise and brand consciousness than 'Subhan's Beauty Home'. But I have started visiting this beauty home frequently. Once I have been a familiar and regular customer, they provide me their service at cut price. Even if the customers who visit this beauty home under the influence of the investors or workers, they receive discount on beauty services as the network customers. The display board price is only for strangers and general customers. Because of its popularity, customers prefer to visit this beauty home in spite of its higher price in comparison to other parlors in the area. The investors are also the members of saving and credit cooperatives around *Suryabinayak*. They also utilize this channel to influence customers. Because of wide network and strategies of influence, other parlors around it are not able to compete with 'Subhan's Beauty Home'. The clear hierarchy of parlors is observed at this area.

Another client aged 30, Mrs Sangita Manandhar, adds that "*...I was really upset and frustrated because of my hair damage in the process of hair straight in next parlor. That parlor is also famous in social media. So many advertisements related to the parlour are also found in many social sites. One day I heard about that beauty parlor and went to do hair straight, but they damaged my hair. I did not know what and which brand cream was applied in my hair. One lucky day when I met my aunt, she suggested me repairing my hair from 'Subhan's Beauty Home' from where she had been regularly taking its service. After that, I visited the beauty home. It's almost been three cycle of my hair treatment and my hair is normal now. They showed and let me choose the brand of the cream with balanced counselling. I may forget my treatment schedule but they remind me on call or through message on time. So I have trust and attachment with the beautician sisters of this beauty home more than my family".* This story of Sangita Manandhar suggests that her continuity of visiting this beauty home is based on the trust, transparent and balanced counselling, satisfaction and long emotional attachment with its quality services, and long friendly relationship. They also call and message her and ask about her days and latest news. Therefore, customers believe that 'Subhan's Beauty Home' uses quality and branded beauty products which have no side effects. Besides, it has permanent legacy, expert manpower, satisfactory services, and familial environment in spite of the commercial principles behind everything.

Similarly, Mrs Manandhar's story also reveals that the workers who work for their daily subsistence in this beauty home are highly practical. They concern about client's family affairs, and exchange emotions with their clients as if they are their family members. She further adds: *"we may not have money all the time, but the treatment of our hair or receiving other services is scheduled. Even at that time, we do not need to worry because this beauty home provides seven days credit bill based on trusty collateral for regular clients. One day I was in a big problem. My hair treatment time was getting nearer and I was already reminded about that. At the same time, my mother-in-law was admitted in a hospital and my family was in economic crisis. Even at this critical moment, 'Subhan's Beauty Home' managed the time as per my convenience and provided seven days credit. It was such great immensity and kindness exhibited by this home. Not only that, during the first cycle of my hair treatment time, I was in very stressful situation and I was planning to separate myself from my husband because he was always skeptical of my every behavior and activity. At the periphery of this situation when I visited this beauty home for the treatment of my hair, the beautician who treated my hair saw my gloomy face and encouraged me to share my problem with her. She also shared many similar stories in different contexts and situations. Her each story reflected my situation and extensively soothed me. Since then, I have developed deep attachment with her"*. On the ground of this story, it can be analyzed that, in the process of providing facial, threading, manicure, pedicure and other services, the workers/beauticians of this beauty home interact with each other, joke, laugh, talk about fortunes and misfortunes, talk about their boyfriends/husbands or other family members and so on. Besides, it is also observed that this beauty home provides tea and snacks when clients have to wait for long hours. Sometimes the beauty workers and clients also talk about very personal affairs, marriage negotiation, trending films and movies, etc. They are also sensitive about the beauty products, skin type, and suitable fashion/makeup of each of their clients. The workers here also focus on quality rather than quantity and trending fashion. At this point, Granovetter, (1985) asserts that morality, trust, and network are responsible for the production and promotion of economic life.

This type of social masking proves and reflects that market is embedded in non-market social relations. Social embeddedness of market brings together a variety of women and girls from different classes, castes, religions, professions, ethnicity, education, and sexuality, and equally contribute to enhance togetherness. When social relation is absent, market disorder and malfeasance occurs. (Granovetter, 1985).

## **Nexus of Historic Business and Socio-Cultural Continuity**

### **Case II: 'Ason' Market**

Six streets converge into Asan, creating a constant buzz in the area. The bazaar in Asan draws visitors from all around Kathmandu because of the wide range of goods available here. The goods includes everything from food, spices, and textiles to electronics and bullion. Asan is considered to be one of two historic India-Tibet trade routes that pass via Kathmandu. Asan has a long and illustrious history of business and socio-cultural patron-client relationship. Evidence proves that the ancient market of Ason has been in existence since the 6th century. An archeologically important stone tap found here, with the name of King Man Dev inscribed in it, proves its existence since his time. Although the market does not seem that large, one can find

here anything one needs. It sells things ranging from groceries to construction materials. Still today, people, even from the remote places, visit the market place for shopping as they believe, whatever be the things, they can buy there. People still visit the market from distance with confidence that they can buy anything they need (Oriental treks, 2020). 'Ason', one of the oldest and popular markets in the Kathmandu city, can be taken as a good example of the market that is totally driven by our social structure and networks. For me as a researcher personally as well, it resembles the traditional department store that is well known as 'salt to gold market', where we can find everything. On the occasion of 'Maghesakranti' (one of famous festivals of Nepal, celebrated on the first day of the month Magh) that fall in the middle of January (14<sup>th</sup> or 15<sup>th</sup>), so many people flock to a grocery shop located at a corner of 'Ason' market. Most of the visitors to this grocery are familiar with the shopkeeper. The long buyer-seller relationship and network is reflected from the story narrated by 35-year-old Sarala Adhikari. *"I am from Budhanilkantha. I have chosen this shop because I have heard a lot about this place or market from many people and my family, too. My family members suggested me visiting this place believing that the goods available here are really good and qualitative and value the price that we pay. Thus, my trust has increased and my continuity to this place has developed through the networking"*

She further adds that *"almost all of my family members come here because of their trust to this place. As I know, from the time of my grandparents, my family has been continuously visiting 'Ason market'. We individually don't have any personal relation with the sellers, but we have the trust that the market is really good, and everybody (family, relatives, neighbours) claims it to be so. The distance of my residence and 'Ason' market is about 13 kilometers far. There are many marts and malls on the way. In spite of that, I frequently visit 'Ason' market in order to buy the traditional, cultural and festive goods and stuff from here. Today also I am here especially to buy 'Chaku', 'Tilauri', 'Sakhar', and 'Toriko Tel' for 'Maghesakranti'. I trust on 'Ason market' not only because of my personal relationship but also because of the trust that I have built up for due to my continual visit and marketing practices in this place. It has always been the place of my first priority for shopping the cultural items, foods, beverages and ritual-related stuff. I rarely do shopping in other places for these stuff. My trust has also been strengthened by the suggestion of my family, friends, and relatives and my social relation that has always pushed me to go to this local and cultural market"*. On the basis of this narrative, it can be said that social network and long-term relationship are embedded in masking with economic activities. 'Ason' is not a super market that has been developed in a day. It has its own history. At the center of Newars community, it is famous and has gradually emerged as the business market. It is also said that Newars are famous for doing different traditional business activities.

60-year Krishna Man Taladhar, who is also known as Krishman 'Sahu' (a merchant), says that *"traditionally, 'Ason' market is famous for special items like jaggery (chaku), pure mustard oil and other cultural stuff. From my 5<sup>th</sup> generation, we have been following this business continuously. People believe that many things which cannot be found in departmental stores can be found in 'Ason' market easily. Different goods that are required in particular festivals can easily found here because Newar community is more conscious about these things because of their cultural belief and practices. So, here is the easy availability of goods that are mostly required in festivals like 'Dashain', 'Tihar', 'Naag Panchami', 'Rakshyabandhan', etc"*. This



narrative suggests that Newars are the main traders in this area. They are also popularly known to be loyal businessmen in the area. This trust on the specific community has also become a determinant factor of the market in 'Ason'. Being a part of our social structure and culture, this market has earned the high trust of people from every community who live in and around Kathmandu valley, and from different parts of country to some extent and has been the centre of their shopping or trading.

### III. Discussion

The majority of literature illuminates that pre-market societies are embedded in social relation and moral values but become more independent with modernization. In this regard, according to Karl Polanyi (1944), pre-modern societies are generated and guided by this type of economies in which all economic activities are run through morality, social values, norms, trust, belief, obligation and socialization. There is no sense of individuality, no market-oriented transaction, zero sense of profit and loss, no competitiveness, no rationality, but purely social interaction, social relation, substantial economic behaviors and reciprocity based economic embeddedness. But when this type of society shifts to a modern form, the moral economy is collapsed; people's obligation is vanished; and negotiation, bargaining and mutual adjustment are almost cleared. Rather economic rationality and totally competitive and profit-oriented market and institution flourish. A great transformation appears there. A social man turns into an economic man. But surprisingly this study has uncovered the opposite findings.

Based on the case of 'Ason Market', this economic institution is very ancient in nature. There is no absence of social morality and obligation. There is strong masking of the non-economic and economic behaviors. Economic behaviors and decision making in 'Ason Market' is not so much based on individual choices, but rather, it is embedded on social relationship of long time. As mentioned by Metcalfe & Ward (2002) "Cultural economies tend to be organized around dense networks of small-medium enterprises, producing high degrees of interdependence, with larger firms networked in at certain points" (p.122). Cultural values, moral concern, religion, kinship and social networks are most important to business continuity. This argument is based on purely substantive and normative view, it is related to Dennis Wrong's concept of over-socialized concept of man (Wrong, 1961).

Granovetter argued that even in pre-modern or pre-industrial societies, there were elements of economic market exchange. The peoples' behaviors were not totally based on reciprocity and redistribution. He argued that pre-modern people had minimum sense of profit and loss. The modern economic behavior, as mentioned by Karl Polanyi, matches with the concept of under-socialization. Traditional or classical economic theory acknowledges the under-socialization concept, and assumes that many individual actors have perfect knowledge and rational decision systems, ignoring possibilities of long-term relationship between a buyer and a seller.

According to pure economics, trust is reduced in social model of business. In the instance of mistrust or delinquency, buyers will move on to another seller. Competition renders political control unnecessarily. All behavior is controlled by market. This argument is not suited with the case of 'Ason market' and 'Subhan's Beauty Home'. Because many people and I still visit 'Ason

*Market*' because of long term network, relationship, transparent price and quality goods, trust of quality and availability of a variety of goods in one place. Five generation of my family members have been visiting this market continuously. My family believes that no other shopping mall and shopping complex can take the place of '*Ason*' market in the case of quality goods and moral shopkeeper. And so is the case with '*Subhan's Beauty Home*'.

Just as "...factory worker is more sensitive to the attitude of their fellow workers than to purely economic incentive..." (Wrong 1961, Pp. 188-189), the workers in '*Subhan's Beauty Home*' who work for their subsistence in this institute are highly practical and sensitive to each other and to their clients. They are concerned about their clients' family affairs, and they exchange emotions with them (clients) as if they are family members. They share their personal problems, discuss about family issues, exchange their personal emotions, laugh, joke, and maintain customer's privacy as well. This beauty home is also sensitive in the context of using quality and branded beauty products without no side effects to their clients. This type of non-economic behaviors are embedded in economic activities of this institution. It has, at first, contributed significantly to reduce conflict and malfeasance and then to promote and develop business in the long run.

The term 'social embeddedness' is conceptualized by economic sociologist Mark Granovetter. Granovetter (1985) examines that, in market society, economic activities also present and operate there. Neoclassical views of economics disintegrate the economic activities of humans from culture, society, social network, long-term relationship, moral values, etc, and always focus on individualistic behaviors, atomized operation and free/atomized market. He adapted the notion of embeddedness to market cultures, proving that even there, pre-existing social links impact "rational" economic exchange. Individual economic agency was shown to be imbedded in networks of strong personal relationships in his research of Chinese business networks in Indonesia. The creation of personal relationships between dealers and customers is a part of the clientalization process in the business activities of both cases of this study. Certain fraud, crime, and conflict are simply impossible because social bond and long-term social masking cannot permit the opportunity to manipulate the account and activities.

According to Granovetter (1985), the occurrence of above stated social network inhibits malfeasance. Furthermore, his main argument towards the problem of social embeddedness is about the connectedness of economic action within sociological theory and his attempt at explaining the economic embeddedness has either been under-socialized or over-socialized. Ironically, he argues that both under and over socialization views suffer from the statement of individual actors, one based on economic choices and the other on social norms. He sees both extremists in the debate as "automizing" the individual as blindly obedient either to "perfect knowledge" decision making or social norms. His view is similar to Gidden's views on structuration in that one may gain better understanding by acknowledging that both extreme views are important and coincided one another and must be considered simultaneously. Granovetter also applies his logic to the issue of transactional trust and misconduct. Traditional economic notions of gentleman actors' over-socialized views of universal morality are off the

mark. Instead, he demonstrates that embeddedness theory recognizes that the ongoing network of social interactions between people deters wrongdoing.

According to Macaulay (1963), salesmen on the other hand are often familiar with purchasing agents. It is possible that the same two people have dealt with each other for five to twenty-five years. Each individual has something to offer the other. Since people have evidenced the five generational historical relation with 'Ason Market', they know and are familiar with each merchant with their respective available good and stuff. They have win-win relationship for a long history over there. People guide their choice based on past action and long-term relations through time space with people and continue to deal with those they trust. Therefore, he attempts to find a more appropriate middle ground between economic theory that under-socialize behavior and much of the existing sociological theory that over-socialize behaviors. Granovetter believes that these both extremists have embeddedness problem and it is more accurate to view the economic rationality as "embedded" within social relationship.

#### **IV. Conclusion**

Based on the facts, I may conclude that in processes of clients and patron relationship, the formation of personal ties between traders and clients is as important as, if not more important than, the economic transactions involved. Individuals involved in long-term continuing relationships, established social networks, confidence, and quality sensitiveness carry out the economic trades rather than strangers one. People's choices upon goods and services are based on the past legacy with people and they continue to deal with those they trust.

Granovetter's ideas of social embeddedness concerns that economic behavior of modern societies not only operate through the atomistic economic rationality or perfect competitiveness rather than social relationship, long-term interaction, ethics, morality and social values, and also important thing is social network, trust and latent or discouraged malfeasance through long term social relationship (Granovetter,1985). According to Granovetter, under and over socialized concept of economic behaviors could not be understood separately or distinctly as Polyanyi did great transformation in his writing (1944). But these both views have come coincidentally and simultaneously. Friendship, long-lasting personal connection and dense network really influence business and market connection everywhere. Therefore, the cases of two market institutions 'Subhan's Beauty Home' and 'Ason' market are perfectly associated with these arguments of market. Thus socially-constructed market is not out there but in here. Both cases simulate that market behaviors are not only independently functioned and maintained by economic and utilitarian transaction on time but also moral economic behaviors are embedded. In such situations, it does not matter whether the market is modern or traditional in origin and nature.

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