
7 The conception of the socially embedded individual

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Social economics differs in many respects from standard mainstream economics, but one of the most fundamental differences is that it employs a conception of the human individual as socially embedded rather than as atomistic. Indeed, just as the atomistic individual conception is one of the defining characteristics of mainstream economics, so the socially embedded individual conception is one of the defining characteristics of social economics. Broadly speaking, the difference between these two conceptions rests on whether individuals and their behavior are explained ‘externally’ in terms of their social relationships, or ‘internally’ in terms of their private tastes and preferences. The former perspective sees social life as intrinsic to our understanding of individuals as social beings; the latter perspective operates with a view of social life restricted to the market interaction of individuals understood as non-social beings. It follows that these two conceptions of the individual also support two different normative visions of individuals and society. The socially embedded individual conception is associated with normative principles that emphasize relationships between people, such as equality, fairness and the (positive) freedom to achieve, whereas the atomistic individual conception is associated with normative principles that emphasize the independence of individuals, such as autonomy, rights and (negative) freedom from social interference. We can characterize the former approach as a social justice view and the latter approach as a liberal society view. Each has strongly contrasting social-economic policy recommendations associated with it, particularly with respect to the role given to the market in modern economies, and indeed much of modern history can be explained in terms of conflicting horizons laid out by these two views.

This chapter is devoted to explaining the socially embedded individual conception. Given that there exists a large number of ways in which social relationships can be discussed, there also exists a large number of ways in which individuals can be understood to be socially embedded. The first section of the chapter accordingly surveys a variety of recent contributions to this understanding, giving attention both to those that explicitly develop socially embedded individual conceptions and also to those that

do so more indirectly by criticizing the standard atomistic individual conception. The second and third sections then discuss two fundamental issues raised by these contributions: (a) the relation of social identity to personal identity; and (b) the problem of equality. The fourth section closes the chapter with comments on how thinking about individuals in economics may evolve in the future.

1. Recent contributions to the socially embedded individual conception

An important challenge to the socially embedded individual conception is to explain how individuals can still be individual when socially embedded. There has been a long debate in economics between proponents of methodological individualism – the idea that economic explanations should take individuals as entry points – and proponents of methodological holism – the idea that economic explanations should take social aggregates (such as classes, social groups etc.) as entry points. Critics of the atomistic individual conception who also reject methodological individualism thus often adopt methodological holism, and accordingly sometimes find themselves treating ‘socially embedded individual’ as an oxymoron. Their reasoning is that, as social structures are primary, they must be determinative of individual behavior (just as methodological individualists argue that, as individuals are primary, they must be determinative of social structures). But both perspectives are too narrow since it can be argued that social structures influence individuals and that individuals also influence social structures, and thus that each constitutes relatively independent or interdependent agents. On this wider view, then, ‘socially embedded individual’ is a meaningful conception whose understanding requires the analysis of both types of influence.

This has been done by many in connection with a cross-disciplinary social-science and philosophy investigation termed structure–agency theory, whose premise is that individuals and societies need to be explained in terms of their mutual influences on one another. Sociologist Mark Granovetter has stated this in an especially influential way by arguing that socially embedded individuals are neither ‘atoms outside a social context’ nor beings who ‘adhere slavishly to a script written for them by the particular intersection of social categories they happen to occupy’ (Granovetter, 1985, p.487). Sociologist Anthony Giddens advanced one particular view of structure–agent interactions that he termed ‘structuration theory’, which treats individuals and social structures as interdependent and inseparable or as a duality of structure (Giddens, 1976). Economist Tony Lawson argues that ‘social structure [is] dependent upon human agency . . . open to transformation through changing human practices’ (Lawson, 1997, p.158).

But how is it, we should now ask, that individuals are still agents when social structures are said to affect them? Put differently, how can we invest individuals with a relative autonomy when we recognize they are acted upon by society? One answer lies in deepening the concept of the individual as an agent to include the idea of being a reflexive being. A long history of social psychology (Markus and Wurf, 1987; see also Davis, 2003, pp. 114ff) treats individuals as reflexive beings in virtue of their ability to form self-concepts and engage in different kinds of self-referring behavior. Of course social factors influence how individuals form self-concepts, but the idea that they are able to reflexively make themselves objects of their thinking and activity, or objectify themselves as subjects, implies that individuals can detach themselves in some degree from the determining effects of social factors. This relative detachment allows us to suppose that individuals also influence social structures, just as social structures influence individuals, and enables us to then treat the idea of the individual as a socially embedded being as a coherent and meaningful conception.

We can accordingly first distinguish explicit contributions to the socially embedded individual conception as those that employ some sort of structure-agent modeling of individual and society and that characterize individuals in some fashion as reflexive beings. Six different types of contributions fall within this description: social-economic, institutionalist, critical-realist, feminist, intersubjectivist and expressivist.

The social-economic conception of the socially embedded individual is often referred to as *Homo socio-economicus* (O'Boyle, 1994). As Mark Lutz puts it, 'persons as *social individuals* are embedded in a web of constitutive social relations' (Lutz, 1999, p.6) such as community, family, and a variety of wider social relationships, all of which support different sets of social values that individuals rely on to guide their daily lives. Economic relationships, such as are involved in consumption, production and exchange, are then framed by these constitutive social relations, so that social values always underlie economic values. Lutz accordingly explains the individual as a dual self in that individuals possess first-order preferences over goods and work and also second-order or social-value preferences over these first-order preferences. David George uses this framework to argue that pro-free market policies often promote first-order preferences at the expense of second-order social-value ones, as for example when individuals are encouraged to consume products they might otherwise believe they should avoid (George, 2001). Amartya Sen brings out the reflexivity inherent in this dual self-conception of the individual when he characterizes individuals as beings able to engage in rational self-scrutiny (Sen, 2002). Another way in which individuals can be seen to exercise rational self-scrutiny in their interaction with others is captured by

collective intentionality theory. When individuals express intentions using the 'we' pronoun, they need to ask themselves whether those to whom the 'we' applies would agree with what they express (Davis, 2003, ch. 7). In such settings, individuals are both influenced by social relationships and social structures, and influence them as well, with the latter depending on their ability to place themselves in social contexts.

Thinking about the individual in institutionalist economics goes back to Charles Cooley's 'looking-glass self' that makes how individuals judge themselves a matter of how they believe they appear to others (Cooley, 1902, p. 179ff). George Mead's symbolic interactionism later expanded this view to include the idea that the mind and self are products of social processes (Mead, 1934), so that self-reflection is embedded in social life. Institutionalism originates in the evolutionary views of Thorstein Veblen and the idea that social processes evolve. In a structure-agent framework, the evolution of the economy as a social-economic process involves 'both the dependence of institutions upon individuals and the molding of individuals by institutions' – both 'upward and downward causation' processes (Hodgson, 2000, p. 326). Upward causation, which occurs when individuals influence and create institutions, depends on learning being seen as a recursive social practice. Individuals develop habits around social rules and customs in their social environment, but modify those habits as they adjust them to their own particular circumstances. At the same time, individuals rely not only on social rules and customs and tailor them to their own cases, but they also do this as social rules and customs evolve in response to the actions of individuals (Dolfsma, 2002). The institutionalist learning-based view of individuals, then, treats individuals as socially embedded, reflexive beings who constantly assess their changing circumstances as they adjust to them.

Tony Lawson develops a critical-realist understanding of the structure-agent model that makes 'social structure dependent upon human agency . . . open to transformation through changing human practices which in turn can be affected by *criticising* the conceptions and understandings on which people act' (Lawson, 1997, p. 158). Social structure changes because human practices change as a result of individuals' reflection on them and their place within them. Lawson characterizes the rationality of individuals thus understood as a 'situated rationality' in which individuals occupy social positions structured by rules, obligations and the powers that accompany them, and act within this social space. Much of this activity is routinized and relies on tacit knowledge and skills that individuals exercise unconsciously. Yet because this activity can become conscious it can still be seen as intentional. Thus the overall structure-agent model that Lawson employs is one in which social structures and human agency

co-evolve in social processes that continually reproduce and transform both social structures and human agency. Individuals are reflexive beings, but the basis on which they are is continually changing. This arguably produces a need in individuals for an 'inner security' in the form of 'a significant degree of continuity, stability and sameness in daily affairs' (ibid., p. 180). Put in terms of the concept of the individual, socially embedded individuals exhibit a need for an 'ontological security' that preserves their status as individual agents in a social world that is constantly changing.

Feminist economists emphasize the social construction of individual life in terms of such social identities as gender, race or ethnicity, nationality and so on. As Nancy Folbre puts it, 'individuals are so embedded in a complex structure of individual and collective identities and competing interpretations of these that sometimes they do not even know whose interests they are acting on' (Folbre, 1994, p. 16). For example, women have quite different social identities associated with work and family, and often find their responsibilities to each domain in conflict. This shows, however, that individuals cannot be reduced to their social identities, since they must determine how they organize and negotiate these different domains. In this regard, they are reflexive beings who evaluate how they believe they fit into the social relationships they occupy. At the same time, how many individuals together respond to their many social relationships in turn influences the development of social structures themselves. One manifestation of this is social-economic policies that are designed to improve the capacity of women to operate in multiple domains, such as legislation aimed at discriminatory practices in the workplace that penalize women for household caring responsibilities. Thus feminists also employ a socially embedded individual conception, and treat individuals and social structures as mutually influencing.

Two additional conceptions of individuals as socially embedded are intersubjectivist economics (or French conventions theory) and the expressivist individual view. Intersubjectivist economics (Depuy, 2002; Orlean, 1989; Thévenot, 1989) draws on the phenomenon of speculation in financial markets to argue that 'what we think, desire and decide as economic actors depends a great deal on what other actors are seen to think, desire, and decide' (Fullbrook, 2002, p. 2). Individuals thus explained exhibit strategic rationality, whereby they take into account whether others will cooperate or compete, and also a communicational rationality, whereby they make shared commitments to various norms and social conventions. The expressivist individual view is developed by Shaun Hargreaves Heap (2001), who focuses on individuals' reflective capacities and sense of self-worth, and Philippe Fontaine (1997), who focuses on the differences and relationships between individuals' sympathetic and empathic

identification with others. Both views are influenced by Adam Smith's 'impartial spectator' perspective that individuals can be said to adopt in order to judge their relations to others (Smith, 1976 [1759]).

In addition to these six socially embedded individual conceptions, there exist contributions to thinking about the individual in economics in recent mainstream economics that make more indirect contributions to thinking about individuals as socially embedded. Two are discussed here. Behavioral economics, whose origins lie in psychology, and complexity economics, whose sources are physics and biology, both make cases for seeing individuals as socially embedded by criticizing different aspects of the standard atomistic individual conception.

Behavioral economics emphasizes the need to replace the standard *Homo economicus* view of the individual by a more realistic conception of the individual termed *Homo sapiens*. Whereas the former is a hyper-rational being, for the latter 'the degree of rationality bestowed to the agents depends on the context being studied' (Thaler, 2000, p.134). Of course 'context' can mean many things, and indeed in much of behavioral economics research it is treated as a relatively abstract principle. For example, contrary to the standard view of choice, behavioral economists argue that individual decision-making exhibits framing effects and reference-dependence reflecting the anchoring of choice in particular circumstances (Tversky and Kahneman, 1991). But many of the applications of these concepts give the principle of context important social content. Thus framing effects and the reference-dependence of choice have been shown to produce hyperbolic time discounting, which implies people tend to be present-biased and pay limited attention to the future. Behavioral economists have accordingly recommended social-economic policies that correct for this bias, for example in connection with personal savings plans (Madrian and Shea, 2001), thus translating an abstract principle of context into a social one. It is the context of choice, then, that socially embeds individuals, and the atomistic individual conception that ignores context consequently fails to represent individuals adequately.

Complexity economics investigates economic systems that exhibit non-linear dynamics and feedback patterns, and uses an approach termed agent-based modeling to represent individuals in such systems (Tesfatsion, 2006; Kirman, 2011). In contrast to standard economics with its single conception of the individual as an abstract atomistic being, complexity economics assumes agents or individuals are heterogeneous, and then explains the non-linear dynamics of different economic systems in terms of the co-evolution of different kinds of interacting agents' expectations of each other and the systems they jointly occupy. For example, Alan Kirman's fish market model distinguishes buyers who tend to be loyal to

certain sellers from buyers who regularly visit many different sellers, and then investigates how one particular fish market (in Marseille, France) evolves patterns of prices that reflect specific social-historical circumstances (Kirman, 2001). Another example is the Santa Fe Institute model of a stock market (see Arthur, 1995) that looks at different populations of heterogeneous agents, and traces the movement of asset values that results from their interaction over time. As do the behavioral economists, complexity theorists fault the atomistic individual conception as a key obstacle to more realistic explanations of economies, and though they do not base their arguments directly on a conception of the individual as socially embedded (as do the six approaches discussed above), they end up making a case for just such a conception.

All eight of the approaches discussed here, then, reject the dichotomy between methodological individualism and methodological holism, and employ some kind of structure–agent analysis in which causal influences operate in two directions. The two sections that follow address two problems that arise in this framework.

2. Social identity and personal identity

One particularly important problem that the socially embedded individual conception encounters is that of multiple selves. As a conception of the individual that is ‘externally’ based in social relationships, individuals’ multiple selves can be understood to be their different social identities, or how they identify with others. As emphasized by Folbre (1994) and Sen (2006), however, our different social identities often conflict with one another, and this invites us to ask what the unity of the self consists in, and whether the socially embedded individual is a single being at all. Indeed, the multiple-selves problem is a particularly challenging one in the theory of the individual in general, also arising in connection with the standard atomistic individual conception (cf. Davis, 2003, ch. 4) and the more recent behavioral-economics individual conception (cf. Davis, 2011, ch. 3), both ‘internally’ based conceptions that explain individuals in terms of private tastes (though in the latter case those tastes are anchored by context).

How, then, does the individual who has many social identities or many selves count as a single individual? Drawing on the different conceptions of the socially embedded individual in the previous section, we can say that individuals with many social identities are single individuals who have unitary personal identities if they can be seen as able to reflexively organize and balance their many social identities. To see how this might be the case, let us begin by enlarging the concept of social identity.

First, when we define the concept of social identity as the idea of individuals identifying with others, others may be understood as either:

		Identification with	
		individuals	groups
Who determines	individuals themselves	(1) sick friend	(2) native language
	third parties	(3) social-service workers	(4) statisticians

Figure 7.1 Four types of social identity with examples

(a) social groups or collections of individuals, such as are characterized by shared language, ethnicity, religion, work and so on; or as (b) simply other individuals, such as friends, family members, neighbors and so on. Second, whether social identity takes the social group form or the other-individuals form, the idea of individuals identifying with others can be interpreted in two different ways depending on who is responsible for the identification. Either (a) individuals themselves can actively identify with others and are the agents of that identification, or (b) they can be identified with others by third parties who are the agents responsible for this identification.

These two distinctions allow us to distinguish four types of social identity: (1) individuals actively identify with other individuals; (2) individuals actively identify with groups of individuals; (3) individuals are identified with other individuals by third parties; (4) individuals are identified with groups of individuals by third parties. These four types are illustrated in Figure 7.1 (see also Davis, 2011, p.202). The examples of each type of social identity given are: (1) a person identifies with a sick friend; (2) an immigrant identifies with a native-language group; (3) social-service workers as third parties socially identify individual clients according to their place in family dynamics; (4) government statisticians as third parties socially identify populations of individuals according to such categories as race and ethnicity.

Consider, then, the two cells in the first row of Figure 7.1, where the difference is between individuals identifying with other individuals and individuals identifying with social groups. For cell (1), consider the case of a person who is an immigrant and generally identifies with members of a native-language group (a social-group identification). We can imagine that this person could also put this social identification aside to care for a sick friend (a social identification with an individual) who is not from the same native-language group. In this case, the social identity concern is friendship rather than shared language. Alternatively,

cell (2) can be seen as the type of social identification in which shared language is the main concern, such as when one encounters someone with whom one shares a language where there are few others from one's native-language group. What the examples in cells (1) and (2) show, then, is that when people are embedded in the different kinds of social relationships that influence the different ways in which they choose to identify with others, how they organize and balance their different social identities marks out a role that they themselves play in constructing their personal identities.

Consider the second row involving third parties' determination of individuals' social identities. This row concerns the social identities people can be said to have in light of how others in society see them. Also, what combinations of social identities people are said to have tells us something about how third parties construct individuals' personal identities. For cell (3), if we say that it is the responsibility of social-service workers to be concerned with entire families, then we can imagine that such workers regard individuals as family members, treating the family as a person's key social identity (a social identification with individuals assigned by a third party). For cell (4), social statisticians, who are concerned with large social aggregates, classify individuals as members of social groups (a social-group identification assigned by a third party). In both cases, individuals are seen as being socially embedded in terms of their relationships to others. At the same time, these third-party assignments of identities constitute a social rather than individual construction of personal identity.

Yet, since a structure-agent framework treats individuals and social structures as mutually influencing, individuals' personal and social identities need to be seen as simultaneously personally and socially constructed. This is illustrated by showing how the two rows of Figure 7.1 are connected. In the case of the first row, individuals are primarily responsible for determining how they identify with others, and thus for organizing their personal identities, but they are certainly also aware that others may see their identities differently. The main source of determination on the part of individuals is thus influenced by the implicit or explicit opinions of others. In the case of the second row, others are primarily responsible for determining what individuals' identities are, but social workers and statisticians are also certainly aware that their social-identity assignments are sometimes disputed by those to whom they are applied. Society thus provides the main source of determination of identities in this connection, but individuals also influence these social determinations of identity. Thus the rows in Figure 7.1 are interdependent: on the one hand the individual construction of identity is socially influenced, while on the other the social

construction of identity is influenced by individuals themselves, as the structure–agent framework implies.

The concept of personal identity used here, then, as based on the idea that individuals are socially embedded beings, can be contrasted with personal identity concepts that ignore or de-emphasize sociality, and focus only on individuals' personal or psychological characteristics (e.g. Parfit, 1986). The concept of personal identity here is also intended to address the concerns of Folbre (1994), Sen (2006) and others who recognize that our different social identities often conflict, raising the question whether the socially embedded individual is a single being at all. Key to this understanding is the idea of reflexivity – the idea that individuals can make themselves an object of concern. That this individualizes them is due to the fact that individuals alone can make their own subject perspective an object of concern. Thus behaving reflexively in principle explains the unity of the individual. But it may still be asked: do people actually succeed in behaving in this way, or at least sufficiently so that they can be said to be individually involved in a construction of their own personal identities rather than have them socially constructed by others? This question is addressed in the following section in connection with the problem of equality.

3. The problem of equality

Explaining equality is a difficult problem for those who employ socially embedded individual conceptions because embeddedness complicates determining how individuals might be seen to be equal. If people are regarded as being basically the same in some particular set of respects, then equality can be defended in regard to those shared characteristics. But if socially embedded individuals are basically different because they have different personal identities in virtue of how they each organize and balance their different social identities, it may no longer be clear how the ideal of equality should apply to them. Let us first consider standard reasoning about equality, which has its own difficulties in explaining equality.

The view of equality inscribed in many nations' laws and constitutions and also in many international covenants and doctrines is that equality is a matter of all individuals having the same and equal rights to certain freedoms, such as religion, speech, political participation, cultural commitments and other fundamental liberties. We might accordingly regard these freedoms as foundations for equality. But this understanding of equality takes us only so far toward realizing equality since having these freedoms is often compatible with considerable inequality should individuals be economically unequal. Unfortunately, expanding our understanding of equality to include standards for economic equality, particularly as when

understood as income inequality, encounters significant conceptual problems. Complete and comprehensive measures of income inequality appear to be unavailable, because people use income in such different ways, so that what we are left with at best are loose 'quasi-orderings' of economic equality whose application can be inherently problematic (Sen, 1997).

Faced with these difficulties, Sen recommends 'the individual's real opportunity to pursue her objectives' (ibid., p. 198) as the appropriate conceptual 'space' in which we should investigate equality. His reason for this is that, although income or the goods acquired with income alone do not determine how individuals stand relative to one another, how individuals with their different personal characteristics wish to make use of income tells us something very important about equality. Following Aristotle, Sen then re-characterizes the real opportunity 'space' as the space of 'functionings' that total all the different things a person may value being or doing (ibid., p. 100). The 'functionings' people choose to develop constitute their capabilities. Sen's 'capability approach' concerns individuals' real opportunities to pursue their different objectives either in terms of their realized functionings or in terms of the options or alternatives that they possess as their capabilities.

The capability approach makes a virtue out of the differences between people, and consequently promises a new approach to the problem of explaining equality. Basically equality is a matter of individuals being equally able to pursue their own real opportunities or capabilities. But what does this involve? Since any given individual has many capabilities, they might be more or less successful in the pursuit of some capabilities and more or less unsuccessful in the pursuit of others. Individuals might then achieve equality in some respects – for example, being well housed, having good nutrition and having adequate health care – but not achieve equality in other respects – for example, education. This problem has led to arguments that there should be a list of basic or essential capabilities, all of which individuals should be able to fulfill if equality is to be achieved (Nussbaum, 2003). Sen, however, believes there cannot be one single list of essential capabilities, because we cannot anticipate what capabilities people will wish to pursue in the future, because we cannot know what future individuals will understand about their world and wish to value, and because it would be a denial of democracy to determine a list for others (Sen, 2005).

Nonetheless, there seems to be one basis on which equality might be effectively explained in the capability framework. Sen suggests that his rationale for making the 'space' in which we investigate inequality the real opportunities–capability space is that we need to shift our focus to the 'various things a person may value doing' (Sen, 1997, p. 198). We saw

above that the idea that individuals are able to determine what they value is essentially the idea that they are able to reflexively evaluate their opportunities. Let us put this in terms of being able to develop and employ a conception of oneself, or self-conception. In order to determine what one values, one must ask how one's opportunities fit into one's conception of oneself, where a person's self-conception is then tied to how they organize their social identities and other social relationships and thus how they have a personal identity. If equality is to be determined in the space of capabilities, and what capabilities individuals pursue is determined by individuals themselves in terms of their self-conceptions, then equality seems to be a matter of individuals being equally able – having the same capability – to pursue their personal identities, as they see them. That is, equality can be associated with whether people are able to develop a second-order or higher 'self' capability, a personal-identity capability (Davis, 2011, ch. 8).

Sen's capability framework was developed in part to provide a basis for social-economic policy. Thus the answer to the question at the end of the last section – are people able to be involved in constructing their own personal identities? – can be said to depend on whether there exist social policies framed in terms of equality that aim to encourage personal development. Of course this is a very general view of equality, and it is not clear on the surface what would be needed to make this ideal a basis for concrete social-economic policy. Nonetheless, support for seeing individuals as being able to pursue their personal identities as a foundation for equality links up with other normative notions arguably also connected to equality, since it can be argued that being able to pursue a personal identity is tied to such normative values as freedom, having self-respect and individual dignity (Davis, 2006).

4. New directions

How will thinking about individuals in economics evolve in the future? There has been considerable change in the economics research frontier in recent decades due to the rise of behavioral thinking and experimentalism, and all of the new approaches that have emerged in economics in recent decades in one way or another criticize the standard atomistic individual conception, and lend support to an understanding of individuals as socially embedded (Davis, 2009). In addition, it has long been argued in heterodox economic approaches that the atomistic individual conception does not stand up to critical evaluation, and that individuals are socially embedded. Thus it is worth asking what this apparent shift in thinking might entail since in the postwar period standard mainstream economics has been strongly structured around the idea that individuals are essentially atomistic.

Consider, then, one influential result on the economics research frontier, a recent laboratory experiment called the public-goods game (Fehr and Gächter, 2000). The game/experiment is organized around individuals repeatedly contributing to a public good. In initial rounds of the game, contributions are high, but as the game proceeds some players free-ride on the contributions of others, ultimately leading most players to abandon their contributions, so that the public good is no longer provided. A variation of the game, however, allows individuals to punish free-riders at a cost to themselves, and this reduces free-ridership, and restores the public good. The conclusion drawn from this is that the way in which the game is played – with or without punishment – determines its outcome. Whether public goods are provided in real economies, it follows, is also determined according to whether punishment of free-riders is possible. Put more generally, how interaction between individuals in economic life plays out is a matter of the kind of institutional structure in which they are embedded. While cooperation and punishment behavior are similar within a culture, relevant macro-level differences between cultures exist (Gächter et al., 2010).

The public-goods game is, of course, a highly simplified experiment that can be interpreted to illuminate one specific principle, namely, that institutional structure plays a role in determining economic behavior. In contrast, in real economies this kind of simplification tends to conceal rather than illuminate the complex ways in which institutions, culture, social networks, values, habits, inherited beliefs and expectations all interact to create the larger context in which we observe individual behavior. Thus the logical strategy behind the new research in economics that builds on experimental results and sees individuals as non-atomistic is to incorporate increasingly complex institutional considerations into the analysis in an effort to reflect the role complex social frameworks have in economic life. In effect, the goal is to begin to see the economy as a social economy, where this refers to the larger social space in which economic life occurs.

Thinking about how individuals in economics should be understood in the future, then, may require considerably more attention to social structure than has been the case in the past, in that what it means for individuals to be socially embedded will be increasingly seen to depend on an understanding of how individuals interact in different and overlapping ways across social-institutional contexts. This would almost certainly constitute an improvement in the understanding of individual interaction in current economics, which is now built only around the idea of atomistic individuals engaged at a distance with one another in markets. The argument of this chapter is that this path of development for economics would preserve the basic outlines of the socially embedded individual con-

ception as set forth here, which represents individuals as reflexive beings influenced by and influencing the social structures they occupy.

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