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## 18 Constitutionalism versus Relationalism: Two Versions of Rational Choice Sociology

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There is a clear paradigm shift going on in sociology. More and more, the central theoretical task of sociologists seems to consist in the specification of micro mechanisms that trace the relationship of individual action to macro phenomena. The question is: what theoretical base should be used for this task? The general answer that has emerged is: rational choice. But this answer is only satisfactory as a first approximation. Within the broad confines of what may be called 'rational choice sociology' there are important differences. Maybe the most important difference is how far you go in the introduction of cognitive limitations into rational choice theory. In this chapter this question will be pursued with a discussion of the central substantive issue of sociology: social order. There is no room to go into a general discussion of how social order has been treated in sociology: nor would this address the central issue. Rather, two positions within the rational choice camp will be contrasted. First, there is Coleman's argument about the relation of social structure to the requirements of social theory. Second, there is my own argument about the convergence of sociology and economics and its consequence for social theory. In the following, three crucial questions confronting any champion of a particular paradigm shift will be discussed: first, how can a shift be distinguished from a temporary fashion? second, in what way must the new paradigm be different from older paradigms? and, third, what is the direction of development of the paradigm? Given the limited space, it will be impossible to do full justice to either position; the interested reader is invited to take this exposition more as an invitation to help him or her through some of the rational choice literature.

### **Constitutionalism**

#### *Paradigm Shift or Temporary Fashion?*

How does Coleman answer the first question?<sup>1</sup> Recently, Coleman (1990a) has argued that sociology is a reflexive discipline in the sense that it must be able to say something about its own role in society. 'The content of the theory must be such as to account for the action of engaging in the construction of social theory', he maintains (1990a: 610). Until now, however, the discipline could not furnish this account. What is Coleman's own suggestion? For him, there are two important transformations: from natural to constructed physical environment, and from natural to constructed social

environment. It is the latter that is of interest here. At all times individuals have been surrounded by corporate actors; but one kind of corporate actor is not like the other corporate actor (1990a: 610). The constructed social environment consists of large corporate actors like firms, trade unions, professional organizations, large conglomerate schools, single-purpose voluntary organizations and governments. Natural or 'primordial' structures are family, extended family, neighbourhood and religious groups. The important difference between purposive and primordial corporate actors is that primordial structures are composed of individuals, whereas purposive corporate actors are made up of positions, with individuals being merely temporary occupants (1990a: 597). He argues that man-made (purposive) corporate actors greatly increased in number and importance relative to primordial structures with the result that a considerable asymmetry in power between corporate actors and individuals came into existence. The danger of this asymmetry lies in the fact that purposive corporate actors have acquired control over most events that individuals are interested in, thus possibly creating the vicious cycle of dependent populations, viz. loss of interest and a new shift of control away from the individual to the corporate actor. What is really withering away in this process is social capital, that is, normative structures which enforce obligations, guarantee trustworthiness, induce effort on behalf of others, and suppress free riding. Unless the asymmetry can be mitigated, the functions of social capital will be lost and actions of purposive corporate actors will be largely uninformed about the interests of individuals, both processes creating great inefficiencies from the point of view of the individuals. The supra-individual actors act like parasites on the individual actors.

A new science, one that can redress this asymmetry, is being increasingly demanded. It must extend its knowledge 'to the understanding of how natural persons can best satisfy their interests in a social system populated with large corporate actors' (Coleman, 1990a: 651). This entails that the new social science 'must provide a foundation for the purposive reconstruction of society' (1990a: 652). Coleman thus envisions sociology, properly conceived, as a *design science*, able to fill the void created by the erosion of primordial structures.

### *How Is the New Paradigm Different?*

The second question was: in what way must the new paradigm be different from older paradigms?<sup>2</sup> Coleman's answer to this questions is twofold. First, whereas for most traditional approaches in sociology theorizing is kept to the level of entire social systems, for the understanding of and the intervention in the workings of these systems it is necessary to analyze their *internal* workings. This means analysis on the level of the individual or of the corporate actor, as the case may be. Second, whereas some traditional approaches in sociology use individual level theories, they do not all make use of the notion of *purposive* action. Why must this new science be based on a theory of purposive action? To begin with, theorizing is itself a purposeful activity and that fact alone would be incompatible with any theory that lets human behaviour be governed by inexorable forces. Because the corporate actors have been purposefully designed as purposeful actors, we would be caught in an even more serious paradox if we assumed that action were governed by inexorable forces. In response to the growing asymmetry between purposeful corporate actors and individuals,

Coleman furnishes an additional argument for a purposive theory. For individuals to redress the power imbalance *vis-à-vis* corporate actors, they need powerful arguments. These can come only from a science the results of which are convincing enough to create a broad consensus. This consensus is needed for individuals in order to battle the legitimacy of position (of corporate actors) by legitimacy of argument. To achieve this, the scientific results must uncover the causal connections between accepted valued states and particular policy moves (1990a: 641f). In turn, causal connections can only be uncovered convincingly if the theory deals with the level below the system that is being studied, and this is again the level of the individual or of corporate actors, both purposive.

### *The Direction of Paradigm Development*

The third question concerns the direction of paradigm development. Coleman basically envisions the use of neo-classical microeconomics as the basis for the further development of the new science. The major reason is that such a basis should have analytical power and simplicity. Analytical power provides predictive power, but why simplicity? Simplicity is so crucial because, according to Coleman, there is an important trade-off in theory construction in the social science. Coleman distinguishes two kinds of elements of a social theory: the social organization components (macro-to-micro and the micro-macro component) and the individual action component. He assumes that there is a trade-off to be made. If you want more complexity in the social organization component (as any sociologist should want), then you need great simplicity in the individual action theory. The assumption of utility maximization used by economists has proven to be analytically powerful and simple, and for this reason Coleman uses it as the behavioural principle for his action theory.

This choice of neo-classical theory also proves very useful for the mathematical formulation of his exchange theory, especially for the calculation of equilibrium conditions, i.e., for the establishment of a 'true' macro-micro-macro sequence. The exchange theory follows the lead of economics, but it is more distinctly worked out as a theory of interaction than often found in economics, especially with regard to interest and control. People have interests in certain events and may or may not have control over these events. If they have control, they might be willing to give up this control (which is a right) in exchange for the control of an event that is of greater interest to them. People's available types of action are thus limited to three: first, exercising control; second, gaining control; third, giving away control. Institutional design on this basis consists first and foremost in reasoned suggestions for the allocation of control rights, leading to social optima. Development of the new science thus means refining the tools for making these suggestions (pure research) and coming up with the design suggestions themselves (applied research). In Coleman's own words the enterprise is quite close to the problems dealt with by the eighteenth century political philosophers Hobbes, Locke and Rousseau (1990a: 5).

### *Evaluation of Constitutionalism*

Coleman uses the venerable arguments about *Gemeinschaft* and *Gesellschaft*, or about mechanical and organic solidarity, in a novel way by tying them to the explanation

of the development of sociology. *Gemeinschaft* or mechanical solidarity (primordial structures) is waning, and *Gesellschaft* or organic solidarity is waxing. Durkheim too saw sociology as a science that should be able to suggest ways in which mechanical solidarity could be restored or replaced. What Coleman adds is the insistence that a design science *must* be based on internal analysis of the system and on the assumption of purposive action. On this basis he can place sociology in the design tradition of Hobbes, Locke and Rousseau, taking institutions to be mainly allocations of rights. In this way sociology comes to be placed in a venerable tradition that is quite different from its own. Part and parcel of this tradition is that it assumes that individuals are independent and they can jointly forge allocations of rights by consenting on a particular allocation (social contract). This position can be called 'constitutionalism' because the social contract forms a constitution for all interactions. Other economists and political scientists have made use of this classical constitutional tradition, but Coleman expands in two important respects: first, he refuses the fictitious assumption of equal weight of individuals in a social contract. Quite to the contrary, he argues, people mostly have different amounts of power, and any allocation of rights that does not reflect this difference is doomed to failure in terms of efficiency. In addition, Coleman incorporates norms as the precursors of formal constitutions (1990a: 327). Norms are informal allocations of rights to act. Sometimes such norms may be ineffective in satisfying the interests of the potential beneficiaries, and from a design point of view such norms can only be displaced by a purposefully created corporate actor (which itself is based on an allocation of rights).

The very important substantive contribution seems to be the consistent development of instruments. Norms, authority relations, collective behaviour and many other concepts are worked out in detail. What does surprise at first, however, is that there are so few suggestions for institutional reform, few designs for the replacement of primordial structures. Why is there so little design in a thick book that sells sociology as a design science?

There seem to be some problems. To begin with, there are problems with the answer to the first question. The analysis suggests that the new sociology came about through demand 'out there' by individuals seeking to redress the asymmetry *vis-à-vis* purposeful corporate actors. Whereas the asymmetry may be a good reason to do sociology, it certainly cannot be said that rational choice sociology has been established by popular demand. There must be something wrong with the sociology of knowledge part of Coleman's analysis.

Yet there is a much more serious problem to do with the major task of the new science: to find ways to fill the void left by the vanishing primordial structures. As far as I can see, Coleman's answer to the third question blocks an effective analysis of even the very functions of primordial structures that have to be replaced. His insistence that microeconomics be the basis for the new social science is taking its toll. Because of the methodological principle adopted by Coleman (in the third question), the model of man has to remain so simple that each individual has to be a sovereign chooser, by design. But for what does such a sovereign chooser need primordial structures?

The term 'social capital' hides much. Supposedly, it is responsible for normative structures that enforce obligations, guarantee trustworthiness, induce effort on behalf of others and suppress free riding. How does social capital do that? It seems that Coleman assumes that it is only structural interdependencies that will create these

functions of primordial structures (1990a: 31). Which? What is the relation to the allocation of rights? There seems to be no answer. The strategy followed by Coleman seems to be dual. On the one hand, he keeps the theory of action simple. On the other hand, he adds on an ad hoc basis effects that have little to do with the simple version of the theory of action. For example, he lists a variety of deviations from the simple rationality assumed in microeconomics, such as framing effects and weakness of the will, and then he responds by observing: 'One justification for disregarding deviations from rationality in this book . . . is that they do not substantially affect the social theory developed here' (1990a: 506). Since his main mode of analysis derives from constitutionalism, a tradition that assumes independent, rational individuals, this conclusion may not be surprising. But then constitutionalism has no room for the functions of primordial structures.

Thus, in many of his concrete analyses, he adds complexities on an ad hoc basis. For example, concerning unselfishness he observes that 'most parts of the theory will assume that actors possess [it] . . . , although the assumptions are largely implicit' (1990a: 32). Child rearing is supposed to have created a good part of social capital before mothers decided to spend most of their time in the context of corporate actors (1990a: 584ff). What is it that child rearing actually achieves, and how does it relate to the theory of action? Social isolation is supposedly something that never occurred in functioning primordial structures. Why is it so damaging (1990a: 592)? Stigmatization and deference seem to work in the small groups of primordial structures and not in the larger groups of purposeful corporate actors (1990a: 657). Why did they work in small groups to begin with? Is the problem banished by calling these ad hoc additions 'social psychological'? In effect, it seems that the strategy of keeping the theory of action simple and adding only complexity in the constraints for action will not yield adequate analyses of primordial functions. Constitutionalism offers many interesting analyses but it cannot address the problem Coleman has described as his major concern; therefore, it is not really surprising that there are so few concrete institutional design suggestions made by Coleman.

## **Relationalism**

### *Paradigm Shift or Temporary Fashion?*

Sociology and economics had been diverging for at least a hundred years, with two very different models of humankind coexisting side by side: the *homo oeconomicus* and the *homo sociologicus*. The former is an all-informed, strongly consumption oriented maximizer, the latter is a socialized, norm oriented conformer. Interestingly enough, this difference has not been the source of serious debate or serious attempts to confront the models empirically. There was lively controversy, like the nature/nurture debate, but it bypassed the two models of humankind. Not even books remembered for their sociological critique of 'utilitarianism', such as Parsons' *Structure of Social Action* (1937), seriously confronted both models. Rather, they reinforced the stylized differences between sociology and economics. The reason the two models coexisted was that economics and sociology were locked into a curious division of labour in which economics would take the 'rational' or 'logical' side and sociology would take the (complementary) 'non-rational' or 'non-logical' side. It is my argument that this

division of labour has been vital for the kind of development both sciences took, with the emphasis on model building in economics and with the emphasis on dealing with the 'dirty' social reality in sociology. For reasons which I will summarize below, the divergence has been reversed in the last twenty years, and just as the divergence was vital for the development before, so is the convergence now vital for virtually everything that happens in the socioeconomic sciences today.

The old division of labour worked well for both sides for quite some time. It exempted economists from gathering and analyzing data that their models could not have dealt with (such as data on religion, tradition, ideology, self-sacrifice, mass appeal, issues of fairness, norms, complex interactions, networks, power relations, self-conceptions and reference groups), and it exempted the sociologists for obvious reasons from formulating rigorous models. It also forced economists and sociologists alike to stay well within the boundaries of their discipline-defining subject matter (market versus non-market). Why did such a satisfying arrangement break down? Elsewhere (Lindenberg, 1985, 1990) I have described the process in some more detail.<sup>3</sup> I will mention only two main points here.

First, there was movement within sociology itself. Sociology had always been a debunking science directed at 'naive' explanations of social phenomena, especially biological explanations. These explanations were curiously popular in widely diverging types of societies. In traditional societies of Europe, social inequality was readily explained by heredity, and in individualistic societies, such as the United States, the ideology that human beings forge their own luck stressed individual differences as sources of social inequality. The main instrument used for debunking such views was *homo sociologicus*. For example, the 'native' view is that actions of an agent must originate in characteristics of this agent. Thus, if somebody is less successful in society than somebody else, he must lack talent or ambition or both. A group of people who rank low on the social ladder is thus a collection of individuals who lack talent and/or ambition. Against this view the sociologist would maintain that people are entirely formed by learning integrated patterns of behavioural expectations (roles) and that what somebody aspires to is part of these patterns. Talent and ambition are thus not given traits but are parts of structurally produced roles. Groups of similarly situated people are thus not collections of people with similar traits but groups that are structurally reproduced.

The sociological battle against trait explanations proved to be very successful, so much so that by the 1960s Western culture had virtually absorbed the idea that trait explanations are naive. In Western countries, policies on race relations, on ethnic groups, on crime, on schooling, on welfare programs, etc. were all steeped in the basic sociological message. But a big irony began to appear. While *homo sociologicus* had been a good instrument for fighting trait explanations by debunking, it was a very bad instrument for explaining how people react to a changing environment. Sociologists could not accurately predict and explain the workings of the policies they themselves had helped into existence. For example, why would welfare programs sometimes work in the intended direction but then again sometimes also create the opposite effect, making people more, rather than less, apathetic? Some analysts even went so far as to blame sociologically inspired policies for an increase in crime (McKenzie and Tullock, 1985: 119). As a response, an increasing number of sociologists began to look for ways to deal with behaviour in changing circumstances, and some of them found 'purposeful behaviour' rather than role playing to be the answer. Quite naturally,

microeconomics became an interesting box of tools, and soon one spoke of 'the economic program in sociology' (see Opp, 1985). One of the major forces of this program in the United States was Coleman himself. For others, the two hundredth anniversary of the *Wealth of Nations* by Adam Smith was a welcome occasion to rationalize a renewed interest in economics. The long trend of divergence of the two disciplines had reversed itself.

Second, this convergence was aided by a movement within economics itself, although this movement was heavily pushed by sociology's demise as a policy science. Rigorous model building was not easily compatible with analyzing institutions in any serious way, and institutional economists had always remained outside the mainstream. The increasing quest for a policy science that could come up with more detailed recommendations and evaluation programs drew an increasing number of daring mainstream economists into a terrain formerly assigned to sociology in the old division of labour. One of the main forces here was Gary Becker. One began to be willing to make concessions to formalism and move into virtually every area of the social sciences. The so-called 'economic imperialism' was just another name for the radical end to an old division of labour with sociology (see Frey, 1992; Siegers, 1990). Although we are probably dealing with a sea change and most certainly not with a temporary fashion, there was, and is, a long way to go to make this convergence work.

The upshot of this analysis is that what really drives research at the frontier of the social sciences is not the demand for a replacement of primordial structures per se, but problems that arise from the new convergence of the social sciences, and part of these problems has to do with the interface of formal and informal social structures, with utility and morality, with law and norms, etc. These issues simply represent problems of integrating the specific insights from both disciplines.

#### *How Is the New Paradigm Different?*

The level of the phenomena that social scientists want to explain is clearly the collective level. There is no particular interest in the individual or in clinical work. But the social sciences themselves are distinguished by very large incompleteness. This means that propositions on the macro level sometimes hold and sometimes not. This incompleteness is, among others, the result of the influence of human inventiveness (growth of knowledge and technology) on the relationship between macro variables. So far it has not been possible to isolate a sociological 'law' that would be largely invariant as to time and place. The best remedy to deal with incompleteness is to go to a level that offers more stable relationships. This level is the individual level of human nature.

Thus a sociological or an economic explanation directed at reducing the incompleteness of the macro level would have to contain an individual level theory suited for the explanation of phenomena on the macro level. Psychological theories are not suited for this purpose because they were made to explain phenomena on the individual or subindividual level and require too much information on the individual case. This also excludes learning theory for this purpose. So what individual level theory should one take? Given the failure of role theories as theories of action and the success economists had with the assumption that behaviour is largely governed by changing

relative prices, *homo oeconomicus* would seem to be a good choice as a theory of action were it not for the fact that many of the economic analyses using this model of man are quite unrealistic.

The process of convergence between economics and sociology also presses for an action theory that can accommodate insights from both economics and sociology. This is no easy task, but it must be embedded in a much broader framework of dealing with the convergence. This framework has been worked out as the *method of decreasing abstraction* (see Lindenberg, 1992), in which model building is explicitly geared toward the possible integration of insights from sociology and economics, preserving the advantages of model building from economics and the advantages of realistic descriptions from sociological research.

The guiding principle of this method is that in order to have analytical power, a model should be as simple as possible, and in order to be realistic, the model should be as complex as necessary. Together, these maxims entail that model building consists of a series of models, each successive one being more complex and thus more realistic, but less simple and thus with less analytical power. The process should be stopped when additional complexity does not make the model more realistic. The important point for the theory of action is that it has to allow this sequential building of models. For this reason the following strategy seemed most promising.

A core theory of action is isolated by taking the five most relevant aspects of human nature to be found in the literature. The attributes are: resourceful, restricted, expecting, evaluating, maximizing (RREEM). For each aspect, bridge assumptions have to be made before the core can be used as a theory of action. For example, if we interpret 'resourcefulness' and 'expecting' as being completely informed about alternatives and prices, if we take 'evaluating' as preference functions for consumer goods, if 'restricted' refers to somebody's budget, and 'maximizing' refers to the technical meaning of choosing the package of goods that maximizes utility given price and budget constraints, then we have *homo oeconomicus* as most often encountered in economics textbooks. In most contexts, however, there would be reason to make the model more complex, for example by at first letting go of the assumption of market transparency in favour of subjective probabilities and by introducing social goods, such as 'social approval', with shadow prices under the heading of 'evaluating'.

#### *The Direction of Paradigm Development*

The direction of development is quite clearly delineated by the convergence. What needs to be done is to develop theory for the use of the method of decreasing abstraction. From economics, the major insight about the importance of relative prices (or relative scarcities) for behaviour has already been incorporated in the core. Regarding sociology, major traditional insights need to be reworked in such a way that they can be used in model building. I can identify at least four such (groups of) insights:

- 1 that the definition of the situation matters for the kind of action somebody takes;
- 2 that socialization teaches skills needed for managing delay of gratification — this skill cannot be taken for granted;

- 3 that relations between people matter both as dyads and as part of a network;
- 4 that social (dis)approval is the major coin in social interaction and that role expectations and conformity to these expectations create flows of social approval.

There are, of course, different ways in which these insights can be integrated into model building. Clearly, 'social embedding' (Granovetter, 1985) needs to be broken down into behavioural and structural components. What guided my own efforts in this direction was the wish to work out the integration in such a way that two goals would be served at once: to facilitate the method of decreasing abstraction, and to uncover the basic mechanisms of social order. In this vein I formulated a theory of framing (i.e., of the definition of the situation in a rational choice context) (Lindenberg, 1993), a theory of relations (Lindenberg, 1988), a theory of socialization in the family (1986, 1991), a theory of sharing groups and norms (1982, 1994). With a summary term, one can refer to the concert of these theories as *relationalism* because relations emerge as the single most important factor. This is quite different from constitutionalism in which the consensus of unrelated people is the basis of social order.

As mentioned above, for Coleman there will be norms if interdependencies cannot be worked out bilaterally. Such norms are consensual allocations of rights to act and they are enforced by sanctions within the group. For the individual, the existence of norms makes it possible to achieve goals not otherwise achievable and thus norms are a kind of 'social capital' for the individual. There are other forms of social capital, such as trustworthiness and mutual obligations. As we have seen above, it is exactly here, with the concept of social capital, that Coleman's analysis becomes ad hoc. He is caught in the belief that there is a trade-off regarding the locus of simplicity. Behavioural theory needs to stay simple, no matter what, in order to allow all the complexity in the structural component. Take, for example, his question: 'why do rational actors create obligations?' His best answer is: I am willing to create an obligation in you in situations in which your need is high and I can help you at low cost. It is rational to do so because then 'the favor is sufficiently great that you will be ready to repay me with a favor in my time of need . . .' (Coleman, 1990a: 309). Why are you willing to repay me if my favour to you was 'sufficiently high'? There is nothing in microeconomic price theory that would answer this question. To uncover the mechanisms that make social capital work would necessitate a behavioural theory more complex than price theory, and bound by his own trade-off principle, Coleman is unable to furnish this theory. Social order at the level of interacting individuals needs both more complex structural assumptions and more complex behavioural assumptions. For reasons of space, it is not possible to go into a detailed presentation of relationalism. Instead, I will list a number of important points that are different from Coleman's theory.

### **Some Major Points of Relationalism**

First, social norms come about only when there are both positive and negative externalities, not just one or the other. Typically, the combination of positive and negative externalities exists when people share in consumption or production. The more there is being shared, the more norms are being produced in order to mitigate the negative

externalities of sharing while keeping together to have the benefit of the positive externalities. A corollary of this is that with privatization in consumption and production, social norms will become more vague and regulate behaviour less.

Second, one of the most important goods for anybody anywhere is social approval in its various forms. Yet, because in most interactive situations one will not get social approval if the explicit aim is to make the other approve, people learn to pursue goals that yield social approval as a byproduct. The most important such goal is keeping a good relationship with relevant others. The more that is being shared with others, the more relevant these others are.

Third, people frame situations, they see situations through certain kinds of glasses. A frame is a major situational goal that helps select and order behavioural alternatives. In terms of rational choice, this means that people pay situationally particular attention to some cost/benefit aspects and less to some other cost/benefit aspects. For example, in a friendship relation, the most prominent cost/benefit aspects are related to rules of good friendship and the weight of, say, monetary costs and benefits is less than in other kinds of relationships. This also means that the impact of relative prices differs situationally. There is no super frame such as 'personal interest' that would allow maximization across all situations.

Fourth, the salience of a frame can vary with the strength of competing situational goals. A weak frame will be deposed by another frame. For example, if my frame is monetary gain, it may be weakened and even deposed by the goal to maintain a good relationship and vice versa.

Fifth, together with framing, an asymmetric utility function (identified by Kahneman and Tversky, 1979), which gives more weight to losses than to gains, is seen as a major mechanism creating reciprocity as a learned response. Because people react quite vehemently to loss (and most certainly, they withdraw social approval), others around them learn quickly to accommodate this fact. Loss generally leads to 'overreaction' for which the costs of the reaction exceed the original value of the loss. If I want social approval and other goods from another member of the group, I must avoid being seen as the source of loss. In bilateral transactions this means that I have to make sure the other does have the feeling of getting at least as much out of the transaction as he put in, in the rough units of social exchange rates. This is the rock bottom mechanism of reciprocity and relational signalling.

Sixth, given that things happen that were not intended, including things you did that hurt relevant others, it is important to keep signalling interest in a good relationship to relevant others. Only then can others interpret your intent and keep giving you social approval.

Seventh, a corollary of the last two points is that reactions to mishaps in relevant relationships are likely to be stratified. To use a means of control that is in the eyes of the other an 'overreaction' will trigger the experience of loss in the offender and thus create a spiral of negative reactions. For this reason you start control efforts by signalling to the offender that you believe he is interested in a good relation *although* he has just done something that does not look like it. If the response is not a clear relational signal, then you will either drop the whole thing in order not to escalate negative relational signals, or you will choose a stronger control remedy, such as outright complaining. At the end you may resort to legal means. But the price is high because to resort to legal means signals that other goals far outweigh the relationship. Ironically, when the rules most institutional economists deal with become applicable,

the fabric of ongoing relationships has already ripped. This is also true for most of the rules Coleman talked about. In a study on how people in one neighbourhood treat law in various kinds of conflicts, Ellickson (1991) showed that control efforts are stratified in a way consistent with relational signalling. More importantly, Ellickson also showed that there is no calculation of legal versus relational means of control. Litigation is only expected for parties 'who lack the prospect of a continuing relationship' (1991: 274). People do not even know what their legal entitlements are until they come to the use of law after escalation of control efforts. This clearly points to framing effects. Also it is clear that the higher the stakes, the more likely that control efforts will escalate because then the frame will switch more easily from relational to, say, monetary concerns.

Eighth, norms as rights to act are only one kind of rule in an interacting group, and, as I shall argue, not even the most important kind. Social capital consists of many other kinds of rules. Let me briefly mention some of them.

*Sharing rules.* The most basic rules in sharing groups are rules that regulate the joint production or consumption (not the negative side effects). Thus, for the farmers, it is rules about cost sharing and rules concerning the timeshares for using the combine. In the case of neighbours, it is rules on property, especially delineating common property and allotting private property.

*Mitigating rules.* Relational signals allow in most cases quite a range of personal variance. If my cow eats your flowers, I can help you replant, or bring you a present, or help you dig a ditch around the flower bed. Still there must be some rules of a social grammar, specifying what range of actions is considered to be a relational signal for certain classes of situations. In addition, there are situations where no obvious signals are specified. For example, when people share small living quarters, it is quite important that the joint living room is relatively free to move about. What is the relational thing to do when one of you has a guest (which inevitably causes negative externalities)? Should everybody join in, or should you take him upstairs, or should you sit in a corner and talk quietly? No matter what you do, you might be giving the wrong signal. In such a case it is in your and everybody else's interest to agree on a preferred way of dealing with guests.

*Externality rules.* There not just norms and relational signals but also rules that deal with the recognition of negative externalities. For example, 'fish and guest stink after three days' conveys to those who might not know that one can easily overstay one's welcome. Of course, to recognize potential negative externalities before they occur is a way of dealing with them, and yet these rules are different from what Coleman or Ellickson would call a norm.

Another group of rules deals with the identification of the *producers of externalities*. This includes the classical question of tort already posed by Coase. For example, if my cattle graze on your land, did I not watch my cattle, or did you fail to fence your field? If this question is unsettled, there will be no clear relational signals possible, and the result will be escalation of conflict rather than agreement on borders or fence building.

*Metarules.* The more important it is that people behave cooperatively, i.e., the more there is being shared in the group, the more likely that there will be rules on a

metalevel about the importance of having and showing a cooperative attitude (i.e., signals), of keeping promises and of sticking to rules.

All these rules indicate the prevalence of relations in social interaction. They can be considered social capital in Coleman's sense of the word. In the theory presented here they derive mainly from the combination of four ingredients: framing, the importance of social approval, the importance of loss, and the importance of sharing. The context in which this analysis has grown is the convergence of sociology and economics. None of these ingredients is an explicit part of Coleman's theory, although all of them can be considered important for the analysis of how primordial structures work and how they might, or might not, be endangered and how they might, or might not, be replaced by design.

### Conclusion

There are two quite different ways of doing rational choice sociology. One is being strongly formed by microeconomics and by the economic analysis of institutions. In this approach consensus of independent people on the allocation of rights is the central order creating mechanism, and the name 'constitutionalism' aptly covers this source of social order. The fact that Coleman expanded constitutionalism with the assumption that power differences matter is an important advance, but it does not change the source of order. Sociology certainly has influenced Coleman's work but mainly with regard to problems and kinds of constraints. Because of the constitutionalist basis of social order, sociology cannot find its way into the theory of action itself. Contrasted with this approach is a way of doing rational choice sociology in which the convergence of economics and sociology is central. The importance of convergence presses for a methodology in which insights from sociology can exert their influence even in the theory of action.

The method of decreasing abstraction is meant to allow just that: preserve the analytical power of model building in the simpler versions of the model but allow increasing complexity in the very heart of the theory of action as you elaborate the models. The order of model building (from simple to complex) should, however, not be confused with the structure of social order. Relationalism means that the production of grass roots social order is complex and that we need a more enriched model of man for the analysis of primordial structures. By contrast, when we model institutional processes that are *built on top* of the grass roots order, we can indeed pretend that human beings create order by the weighted consensus of independent people, i.e., we can get away with a much simpler model of man. Ironically, then, constitutionalism is a much better approach when questions concerning primordial structures have already been solved, rather than an approach that can help us design replacements for primordial structures. Ultimately, both approaches have their legitimate place assigned to them by the method of decreasing abstraction *and* the structure of social order.

### Notes

- 1 The arguments for the first question can be found in Coleman (1990a), especially in Chapters 23 and 24.

*Constitutionalism versus Relationalism: Two Versions of Rational Choice Sociology*

- 2 The arguments for the answers to the second and third questions can be found in Coleman (1990a), especially in Chapter 1.
- 3 There will be an asymmetry in the number of entries in the bibliography between Coleman (1) and Lindenberg (8). The reader should not forget, however, that Coleman's book has 1000 pages.

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