2 From Transactions to Structures

Viviana Zelizer identifies a momentous irony in the American federal government's generally successful attempt to monopolize production of legal tender across the United States: the more government action reduced the rights of states, municipalities, and firms to issue legally circulating money, the more ordinary Americans and organizations proliferated private monies in the forms of tokens, symbolic objects, and earmarked official currency (Zelizer 1994b). Americans multiplied monies, Zelizer shows, because they were pursuing serious relational business with their monetary transactions. Symbolically and physically, for example, they segregated money destined for their children, servants, and local merchants. They were not only getting, spending, and saving but also distinguishing different categories of social relations. Disagreeing vigorously with social thinkers who suppose that the monetization of social exchanges inexorably rationalizes these exchanges and thins their contents, Zelizer demonstrates that people reshape monetary transactions to support meaningful, differentiated interpersonal relations.

Zelizer categorizes payments as follows:

- *Gifts*, which are transfers of money at the current possessor's discretion, without a prior stipulation of the recipient's consequent obligations
- *Entitlements*, which are payments due the recipient by contractual right, enforceable by appeal to authoritative third parties
- *Compensation*, which is a monetary exchange for goods and services, based on prior agreement concerning the relation between price and a mix of quality and quantity

Contrary to analysts who assume that ultimately all monetary transfers amount to quid pro quo exchanges, Zelizer argues that gifts, entitlements, and compensation involve contrasting rationales, meanings, and social relations. They rely on characteristically different means of enforcement. To mark them off from each other, people invent segregated currencies and visibly different payment routines.

When people make such distinctions, they embed cultural forms in analyses—usually implicit—of social relations. We watch Mary hand Harry a ten-dollar bill. How can we know whether the monetary transfer is a tip, a bribe, a heartfelt gift, regular compensation for goods or services, fulfillment of an entitlement such as an allowance, or some other sort of payment? We can determine this only by ascertaining the relation between Mary and Harry: apartment dweller and doorman, driver and traffic cop, sister and brother, mother and son, householder and handyman, and so on through a wide variety of possible pairs (Zelizer 1998). To make the discrimination accurately, we require information not only about the categorical connections between Mary and Harry but also about the previous history of their relations (or lack of them) as well as their ties to third parties. The distinction between a tip and a bribe, for example, rests largely on the

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recipient's obligations to the organization for which he or she works; if Harry's boss has a right to punish the performance for which Mary pays Harry, a tip has become a bribe.

Although gifts, entitlements, and compensation are the primary categories of payments, all three types also vary internally. Gifts, for example, differ in quality as functions of the relative equality between parties to the transaction and the intimacy of the relationship. Even when their gifts are monetary, intimate equals offer each other gifts very differently than distant unequals do. Note the unmistakable contrasts among proper forms for tips, tributes, bribes, allowances, and anniversary presents—all gifts of a sort, but quite distinct in form, meaning, and implied social relation. Where the relation is unclear, contested, or liable to misinterpretation, Zelizer points out, parties commonly adopt dramatic earmarking devices such as wrapping gift money with the same care one might lavish on a personalized object or making sure that banknotes offered as prizes are new, crisp, and uniform.

Larger differences separate gifts, entitlements, and compensation. Although discretion and enforcement may seem incompatible, gift transfers generally rely on the enforcement of obligations that spring from shared commitment to some joint enterprise. Two elements—unspecified future rewards from that enterprise, and immediate satisfaction of solidarity and gratitude—combine to provide incentives for giving. Failure to offer expected gifts therefore signals weakened commitment to the enterprise, an especially damaging sign when the relationship has been intimate and relatively equal. Failure to give when expected also threatens unequal relationships: an inferior's reluctance to offer appropriate gifts signals rebellion, while a superior's neglect signals that the subordinate has declined in favor.

Entitlements stand out from gifts and compensation in relying less on the payer's discretion and the recipient's current performance. Like gifts and compensation, however, entitlements have distinctly different qualities depending on the relevant contract's breadth and equality; a veteran's pension, for example, contrasts sharply with a divorced spouse's payments for child support. Here conceptions of justice and appeals to third-party enforcement figure much more importantly than in the case of gifts. Recipients of entitlements typically use whatever leverage they enjoy with third parties to limit evasion and discretion on the part of payers. Judges, priests, parents, and senior family members all sometimes intervene to enforce entitlements.

Compensation might seem more impervious to variation as a function of social relations, regulated as it often is by bargaining and narrow as market relations can be. Even compensation, however, varies significantly in form depending on the social relations involved. Within the same corporation, compare the compensation packages received by the CEO and the night security guard; they differ in content—daily perquisites, long-term benefits, ownership rights, periodicity of payment, and more—as much as they differ in amount. Or note the enormous difference in form between a one-time settlement with a street vendor and the elaborate monetary exchanges for goods and services inside a family.

Indeed, major legal, domestic, and political struggles formed in the United States over the very question of whether payments from husbands to wives constituted entitlements, gifts, or compensation (Zelizer 1994a). Each position had significantly different implications for the quality of relations between spouses: did the money a woman received from her male companion constitute her rightful share of collective resources, a discretionary gift from a man to a woman, or payment to the woman for her domestic and sexual services? Similarly, donors and recipients of charitable payments have struggled incessantly over the form and status of their monetary transfers: in cash or in earmarked credit, with or without the monitoring of expenditures, and so on. They have implicitly contested whether charitable transfers qualified as entitlements (e.g., family allowances), compensation (e.g., rewards for efforts at self-improvement), or gifts (e.g., the benefaction of a compassionate patron). Precisely because the forms of monetary transfers marked them as gifts, entitlements,

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or compensation, such transfers characterized the relationships between parties to the transactions. Participants who disagreed over the character of their relationships therefore also fought over the forms.

Similar distinctions and disputes appear in the very heart of market life, within capitalist firms themselves. Forms of payment for work differ systematically as a function of relations among workers as well as between workers and their bosses. Payment in stock options, bonuses, elegant surroundings, wide-ranging perquisites, and ample retirement packages signals a different relation to the bosses and the firm than does straight hourly payment in a weekly check.

Although employees certainly strive to increase their total revenues from the firm that employs them, a surprising share of competition and collective struggle concerns not quantities but forms of payment, hence qualities of social relations within the workplace. The centuries-old arrangement whereby coal-hewers received pay according to amount of coal delivered rather than time or effort expended signaled their position as quasi-independent contractors within their mines; miners' long resistance to standardized time payment revealed their awareness of the change in social relations the new arrangement implied.

Zelizer's analysis nicely illustrates differences between essence and bond accounts of social behavior. Although economists have for a century promoted a picture of monetary payments as solitary acts temporarily connecting individual buyers to impersonal markets, Zelizer shows us that payments are rooted in rich social matrices, their forms and significance varying greatly with the social relations at hand, their modalities (and not just their amounts) objects of heartfelt struggle among the parties. Even when it comes to pecuniary exchanges, we live in a relational world.

Many other human activities that first appear to be quite individual later turn out to have a strong relational component. Consider essence and bond accounts of feeding. This book began by discussing stature and differential nutrition by category. One can, of course, construct essentialist accounts of the matter, focusing on the experiences of individual metabolizing organisms. The superb work of Fogel and associates certainly depends on clear understanding of how individual bodies acquire, accumulate, and expend energy. Yet feeding, the crucial social process, is doubly relational: diets and manners of feeding vary systematically from one social category to the next, marking the boundaries between them. They also depend on relations among members of distinct categories.

Marjorie DeVault's analysis of how American women feed other people in their households, including the men, brings out that relational aspect of nutrition dramatically. DeVault reminds us that, despite rising female employment outside the home, feeding families remains overwhelmingly women's work. In the United States, most women with families—even women who dislike cooking—make serious efforts to do the work competently. In the process they are negotiating definitions of their relations to husbands, children, and other household members. The women that DeVault interviewed described the problem as striking a balance between preference and propriety, being sure that family members got food they enjoyed while receiving nourishment suitable for their positions.

Suitability included not only nutritional adequacy but also symbolic value—what the meal said about the relation between donor and recipient. One woman DeVault interviewed had an executive husband who usually ate lunch at work. She worried about what to feed him on the rare occasions when he worked at home, fearing that to share her own usual meal would be demeaning to her husband. When DeVault (indicated here as MD) asked the woman what she might give him, she replied:

> All right. Yesterday, we thought our girls were coming out the night before and I had bought some artichokes for them, so I cooked them anyway. So I scooped out the center and made a tuna salad and put it in the center, on lettuce, tomatoes around. And then, I had made zucchini bread . . . So that was our lunch. If I had to do it every day I would find it difficult.

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MD: When you made a distinction between the kind of lunch you would have and what you'd fix for him, what's involved in that? Is it because of what he likes, or what?

I just feel he should have a really decent meal. He would not like—well, I do terrible things and I know it's fattening. Like I'll sit down with yogurt and drop granola into it and it's great. Well, I can't give him that for lunch.

MD: Why not?

He doesn't, he wouldn't like it, wouldn't appreciate it. Or peanut butter and jelly, for instance, it's not enough of a lunch to give him. (DeVault 1991, 147–148)

Whatever else a "really decent meal" meant to this woman and her husband, she clearly wanted her food preparation to signify that she understood her proper relationship to him. Commensalism relates people, but it also depends on strongly structured relations among them. Those relations are often categorical: parent/child, wife/husband, servant/master, boarder/landlord, and so on.

BUILDING BLOCKS

Categorical inequality represents a special case of categorical relations in general. It is a particular but spectacularly potent combination within a small set of network configurations that have reappeared millions of times at different scales, in different settings, throughout human history. Although network analysts have studied some of these configurations repeatedly (see Wasserman and Faust 1994, 17–20), no one has codified our knowledge of how they connect and operate. Provisional nominees for the basic set include the chain, the hierarchy, the triad, the organization, and the categorical pair:

- A *chain* consists of two or more similar and connected ties between social sites (persons, groups, identities, networks, or something else).
- A *hierarchy* is a sort of chain in which the connections are asymmetrical and the sites systematically unequal.
- A *triad* consists of three sites having ties to each other that are similar in content, although not necessarily similar in valence.
- An *organization* is a well-bounded set of ties in which at least one site has the right to establish ties across the boundary that can then bind sites connected by internal ties.
- A *categorical pair* consists of a socially significant boundary and at least one tie between sites on either side of it.

(We might actually reduce the basic set to three, since a hierarchy is simply a special type of chain and, as we shall see, an organization is an overgrown categorical pair. For our purposes, however, it helps to distinguish all five.) Figure 1 schematizes the five elementary forms.

I regard these network configurations as social inventions, perhaps developed incrementally by trial and error, no doubt reinvented independently many times, but, when recognized, more or less deliberately installed as a means of coordinating social life. I may be wrong—an alternative line of thought, well represented by Fredrik Barth, regards all existing social structures not as fundamental elements of social life but as variable by-products of generative principles (Barth 1981, 1–118; see also Bunge 1996, 248–253). For

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Barth, the social structures we identify as kin groups, community networks, and the like resemble instantaneous distributions of vehicles on a stretch of superhighway: coherent, exhibiting recurrent regularities, but not entities in themselves since their structure derives entirely from the actions and interactions of individual drivers.

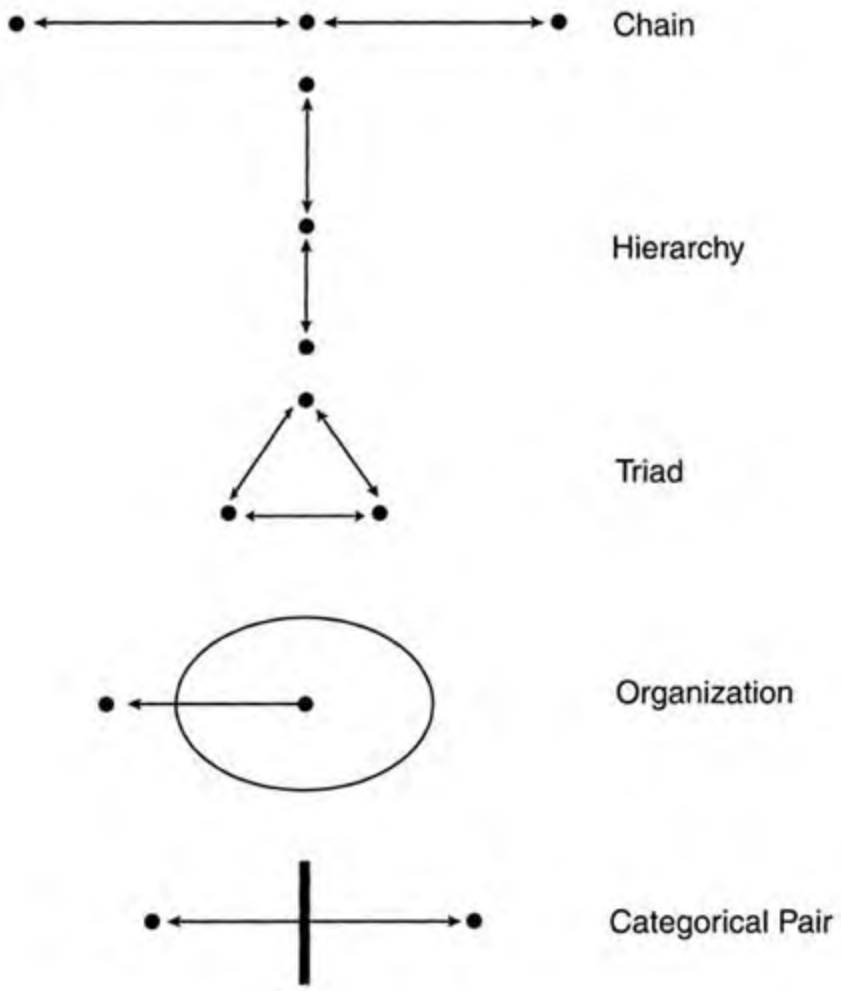

Figure 1. Basic Social Configurations

If Barth's view is correct, my elementary forms could be recurrently emergent outcomes of more elementary social relations. Triads, for example, could emerge simply because stable pairs tend to recruit third parties jointly. Hierarchies could, in principle, simply generalize patterns of asymmetrical interaction. If methodological individualists could specify and validate rules for single-actor decision-making that constitute sufficient conditions for the creation of chains, hierarchies, triads, organizations, and paired categories, they would make strong claims for their favored reductionism. Fortunately, it matters little for purposes of this discussion whether we are dealing with inventions or emergents; once they are in place, people employ them for a wide variety of relational work.

Configurations multiply beyond their elementary forms: chains proliferate into long chains, two-step hierarchies into ten-step hierarchies, triads into dense networks of interconnection, categorical pairs into triplets, and so on. People who work in civil service, for example, become familiar not just with the relation between their own rank and adjacent ranks but also with a whole ladder consisting of asymmetrical connections.

Configurations also compound with each other; many hierarchies, as we shall discover later, incorporate

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categorical pairs, for instance, when physicians are Caucasian males and the nurses who work for them are Filipinas. An imaginary social structure compounding such configurations appears in Figure 2, which connects hierarchies ABD and ABF, triads BDF and BEF, chain DFG, and categorical pair CD. Also, through command position A, the diagram relates the entire organization (the bounded network) to external site X. In this imaginary case, site A enjoys the right to establish binding contracts between the whole and outside actors.

Whether or not these five network configurations turn out to be the elementary particles of social life, they recur very widely, doing characteristically different forms of social work. Their recurrence poses a triple analytic challenge: to detect those characteristic differences among structures, to identify their causal regularities, and to investigate conditions for the structures' concatenation.

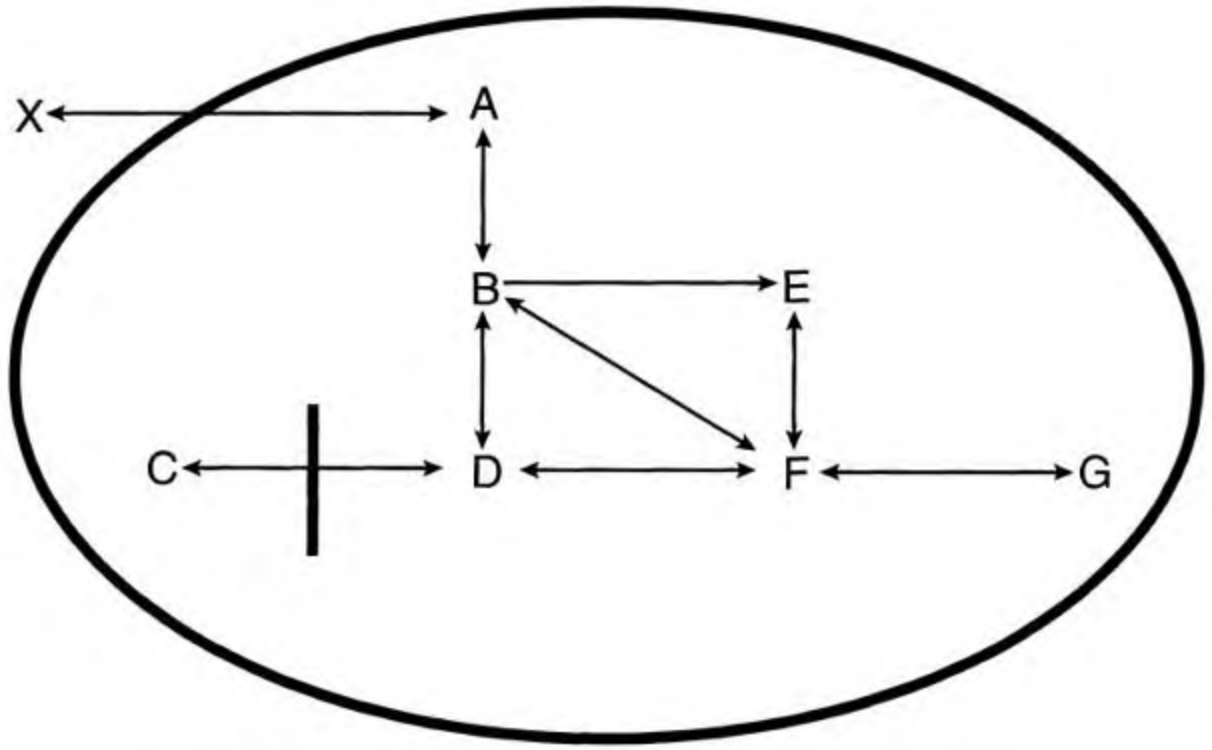

Figure 2.combined configurations in an imaginary social structure

First, we must examine characteristic differences among the structures. Chains, hierarchies, triads, organizations, and categorical pairs each have their own operating patterns and consequences. Mark Granovetter's distinction (1985, 1995) between strong ties (those defined by substantial emotion, obligation, range, and durability) and weak ties (more fleeting, neutral, narrow, and discretionary) contrasts two of the basic structures. This distinction gains its importance from the general association of strong ties with small, dense network clumps containing many triads (three-party clusters) and the association of weak ties with long, single-stranded chains. In general, strong ties sustain solidarity, trust, and commitment while circulating a good deal of redundant information. Weak ties break more easily, but they also transmit information from distant sources more efficiently.

Granovetter's famous application concerns job searches, in which weak ties play an exceptional role because they connect job seekers with a much wider range of opportunities, on average, than do strong ones. Although subsequent research has shown that medium-weak ties, with their modicum of commitment, provide better-quality information than very weak ties, the broad distinction between the effects of strong and

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weak ties has held up well to empirical scrutiny (Erickson 1996; see also Anderson 1974; Campbell, Marsden, and Hurlbert 1986; Campbell and Rosenfeld 1986; Corcoran, Datcher, and Duncan 1980; De Schweinitz 1932; Holzer 1987; Laumann 1973; Lin 1982; Lin and Dumin 1986; Marsden and Hurlbert 1988; Montgomery 1994; Murray, Rankin, and Magill 1981; Simon and Warner 1992). Weak ties occupy important places in all sorts of large-scale coordination. Without weak ties, for example, most people would acquire very little information about current politics, medical innovations, or investment opportunities.

Second, each configuration has its own causal regularities that demand individual attention. In triads, for example, where B and C have a distinctive relation (e.g., they are close friends), stability seems to require that relations AB and AC be similar (e.g., subordination, rivalry, or friendship rather than subordination in one case and friendship in the other). If two relations (AB and AC) are similar, solidary, and symmetrical, furthermore, the third (BC) tends to assume the same form. No doubt such properties help to account for the significance of triads in social structures that promote trust in the face of uncertainty and risk. Behind these apparent regularities lie both mutual learning and responses to the heightened transaction costs of inconsistency.

Third, we must investigate conditions for concatenation of the elementary structures: which ones fit together effectively under what circumstances, whether the presence of one sort of structure promotes the formation of the other, how many of a given kind an organization can contain without starting to collapse. As evidence concerning diminishing returns from large spans of control suggests, for example, very extensive hierarchies seem to negate their coordination advantages by incurring greater transaction costs and to invite subversion, shirking, or rebellion as well. No doubt other structural constraints limit the number of categorical pairs any organization of a given size can maintain, the relations among categories of varying sizes, and the types of viable combinations of categorical pairs with hierarchies (Blau 1977). Categorical boundaries that require the parties on either side of the boundary to avoid each other mutually except for ritualized encounters, for instance, would most likely wreak havoc if installed in the upper reaches of extensive hierarchies.

Such a description of configurations, to be sure, freezes them into ice sculptures when in real life they more closely resemble the recurrent patterns seen in a waterfall. The description summarizes various tendencies that we observers might notice in fast-moving transactions among social sites. In fact, the ties in question shift among configurations, as when actors in a chain invoke or abolish a categorical distinction among themselves (friendly neighbors, for example, forget about or suddenly react to racial barriers that lie between them) or when members of a hierarchy temporarily behave as a fairly equal triad (lieutenant, sergeant, and private, for example, defend each other against the enemy's fire). Any generalizations we make about these configurations necessarily take the form "*Insofar* as ties among sites form triads . . ."

Recall a crucial point about social processes, including those that produce durable inequality. Designed, prescribed, and inherited social structures never work quite as their participants imagine they should or will. People make incessant mistakes; interactions produce unanticipated consequences; and, in many circumstances, if everyone actually followed the ostensible rules, either organizational disaster or an utter standstill would result. A master cabinetmaker once arrived at my home to install a set of handsome bookcases he had built in his shop. With the shelves and hardware, his helper brought in a large sack. I looked in the sack and saw several score small, thin wooden wedges. The conversation continued:

"What are those?"

"Shims."

"What for?"

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> "Well, it's clear you're not a cabinetmaker. We use shims because there's no such thing as a straight wall or a straight piece of wood. Shims straighten up the connections. Otherwise there'd be gaps all up and down the backs of the bookcases, and they might fall off the wall."

In human interaction, people constantly avert disasters and standstills by inserting social shims in the form of self-corrections, reassurances, clarifications, compensatory actions, and mutual aid. Social processes are worse than bookcases, however: because they keep moving, no social shim stays in place very long. Social structures stick together, more or less, precisely because improvisation never ceases.

SCRIPTING AND LOCAL KNOWLEDGE

Figure 3 captures some of the variability involved. It represents two dimensions along which social transactions differ: the degree of localized common knowledge that participants in a transaction deploy, and the extent of scripting for such a transaction that is already available jointly to the participants. In principle, transactions include events in which one actor changes the state of another actor; the term "transaction costs" describes the energy expended in such interchanges. In practice, we concentrate on distinguishable interactions during which at least one actor exhibits a response to the other. Scripts range from the routines involved in such general configurations as triads and paired categories to the specific formulas people adopt to withdraw money from a bank. Just as pianists recognize and perform not only standard scales but also the intricate figures of a Beethoven sonata, interacting humans engage in routines that range from the virtually universal to those activated by only one social situation.

Similarly, local knowledge extends, for example, from tacit understandings acquired by long-term residents concerning connections among different locations in a city to the memory of previous conversations that frames today's lunch between two old friends. Scripts provide models for participation in particular classes of social relations, while shared local knowledge provides a means of giving variable content to those social relations. Among the four basic mechanisms that generate durable inequality, emulation relies chiefly on scripting, while adaptation relies heavily on accumulation of local knowledge. Actually, however, all four mechanisms—exploitation, opportunity hoarding, emulation, and adaptation—operate through combinations of scripting and local knowledge. Exploitation by means of paired categories, for example, characteristically involves locally constructed variants on widely known differentiations by gender, race, ethnicity, or some other dividing principle.

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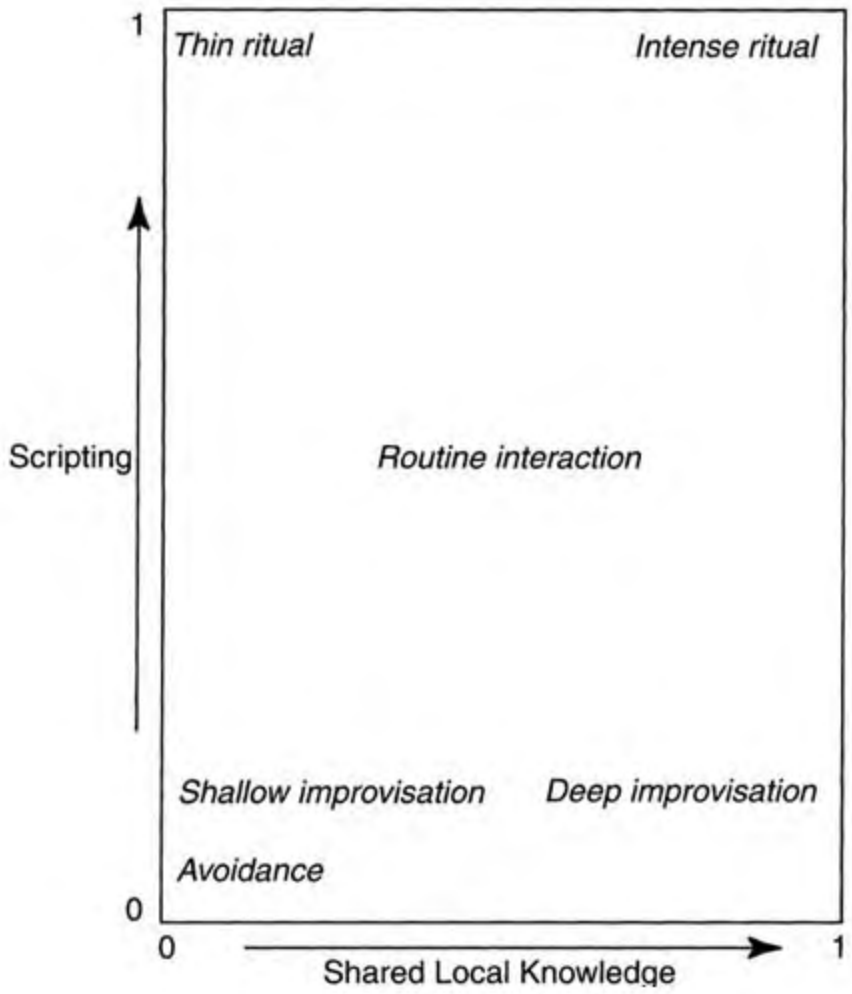

Figure 3. Scripting and Local Knowledge in Social Ties

Sociologists enamored of norms and values have sometimes considered scripts to lie at the center of all durable social processes, with socialization committing newcomers to scripts and sanctions minimizing deviation from them. Such a view involves astonishing confidence in the efficiency and effectiveness of scripting. Because local conditions vary and change incessantly and because social interaction repeatedly involves error, unanticipated consequences, repair, and readjustment, no organization whose members followed scripts to the best of their ability could actually survive. Experienced bureaucrats and artisans, for example, know they can block any effective action in their organizations by following official rules meticulously. Scripts alone promote uniformity, knowledge alone promotes flexibility—and their combination promotes flexibility within established limits.

With little scripting or local knowledge available (the lower lefthand corner of Figure 3), actors either avoid each other or engage in *shallow improvisations* such as the maneuvers that pedestrians on a crowded sidewalk adopt in order to pass each other with a minimum of bumping and blocking. In other cases, scripting can be extensive and common knowledge meager, as when a master of ceremonies directs participants to applaud, rise, sit, and exit; let us call this circumstance *thin ritual*. Here only weak ties obtain. Thin ritual absorbs high transaction costs for the social results that it accomplishes; most people reserve it for very special occasions and escape it when they can.

Where common knowledge is extensive and scripting slight, we enter the *deep improvisation* of professional jazz, intense sociability, competitive soccer, passionate sexual relations, and playful

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conversation. Extensive common knowledge, strong ties, and frequent improvisation reinforce each other. Participants in deep improvisation often draw on relevant scripts, as when a saxophonist inserts a fragment of "The Star-Spangled Banner" in the midst of a frenetic riff or when old lovers playfully enact the rituals of formal courtship. But in such instances the script becomes part of a private joke recast by local knowledge.

Intense ritual occupies the upper righthand corner of Figure 3—broad common knowledge plus extensive scripting—on the grounds that in rich routines such as weddings, coming-of-age ceremonies, military reviews, and college commencements the participants (however reluctantly) are affirming shared identities and mutual commitments by temporarily abandoning improvisation or (more often) combining public scripting with private improvisation in the form of nudges, winks, grimaces, and *sotto voce* comments. Anyone who imagines that intense ritual always expresses or engenders solidarity, however, should remember this: a funeral that revives old grievances and the impeccable but subtly aggressive performance by veteran dance partners who have grown to detest each other both illustrate the possible cohabitation of intense ritual with hostile interaction.

Routine interaction occurs in the midsection of the diagram, combining some scripting with significant local knowledge. As people carry on their social lives in firms, stores, schools, and neighborhoods, they deploy scripted routines such as greetings, payment procedures, apologies for violating rules, and expressions of personal concern; but they temper such scripts with locally applicable shared knowledge, including the shared knowledge encrusted within the scripts of a common language. Since scripts themselves repeatedly misfire, producing unanticipated consequences and minor disasters, people use local knowledge to repair social interactions as they go. Any representation of social life as consisting solely of following and deviating from norms therefore misses the improvisation that both uses and generates knowledge and makes effective social interaction possible.

Similarly, the common idea that workplaces ordinarily contain two competing sets of rules, practices, or social relations (one "official" or "formal," the other "unofficial" or "informal") misses the point: it contrasts scripts with shared local knowledge rather than seeing that the two necessarily intertwine (Stinchcombe 1990b). Organizations typically herd social interactions toward the middle ground in the scripting/local knowledge space diagrammed in Figure 3, providing enough scripts so that relations have broadly predictable rhythms and consequences but also enough local knowledge so that members can improvise effectively in the face of unexpected threats and opportunities.

Like learning a language, the establishment of new social relations often follows a zigzag pattern within this space: beginning with a rigidly followed but narrow script, accumulating local knowledge, improvising by means of that knowledge, making mistakes and discovering unanticipated consequences, correcting those mistakes and fixing the consequences until a precarious modus vivendi emerges, moving back to acquire new scripts, and then broadening common knowledge until at times the newcomer participates in the intense rituals of solidarity that assume such common knowledge. By that time, any participant who follows the script rigidly—speaks with schoolbook grammar, observes every formality, works by rule—actually disrupts local social relations, unless she or he does so as a recognizable joke or as an understood way of controlling outsiders. Scripting and common knowledge operate dialectically, modifying each other so that each script not only bends under the weight of local knowledge but also limits the sites that share local knowledge.

By no means do all learning processes complete the arc from shallow improvisation through more extensive scripts to deep improvisation. Staying in a strange city among speakers of an unfamiliar tongue, I have often found myself acquiring rudimentary familiarity with map, public transportation, and crucial phrases while working out a simple set of interaction routines for survival through the day, rehearsing the relevant scripts anxiously in anticipation of the next encounter, and then getting by on that combination of a

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meager script with dangerously restricted local knowledge. Similarly, many immigrants work up just enough involvement with the world outside their immigrant niche to avoid serious trouble when navigating that world. Again, the presence of even one important person who lacks familiarity with local language and practices can drive an entire work group or dinner party into the uncomfortable zone of stilted scripting and cramped improvisation. Because transaction costs absorb considerable resources and entail significant risks, the acquisition of scripts and local knowledge generally occurs in discontinuous increments and often stops somewhere near the lower lefthand corner of our diagram.

As we shall see in detail later, both scripts and common knowledge vary from particular to general, from local to ubiquitous. Gender relations, for example, involve both scripts that transcend any particular organization as well as shared understandings that people transfer unreflectively from one setting to another. One of the great secrets of categorical inequality is this: the routines, understandings, and justifications that organizational participants have acquired in other settings are readily available for organizational work. Each durable social setting produces some unique scripts and common knowledge, however trivial, that are available only to its habitués; but it also produces some local variations on the scripts and common knowledge that are attached to widely relevant categorical distinctions according to such principles as age, race, ethnicity, class, locality, and gender. Marge Kirk, a concrete-truck driver, summed it up this way:

> It takes a lot of energy just to stand your ground—balancing male egos with your right to survive. I wanted a job, I wanted to be a good truck driver, I wanted to be able to pull my weight as a driver. So years have passed now and somehow I survived. The guys are beginning to see me as a real human, not just a broad with legs and boobs. And the dispatcher has passed to the point of seeing me as a driver, I think. (Schroedel 1985, 156–157)

Kirk, a woman in an overwhelmingly male job, had worked her way by means of incessant improvisation to a unique combination of scripts and local knowledge.

Our five configurations—chains, hierarchies, triads, organizations, and categorical pairs—provide widely available scripts. They rely on common knowledge, for example, shared understandings of how superiors and inferiors signal their relation to each other. They also generate common knowledge as people use them, for example, by relying on third parties in triads to patch up disagreements within any particular pair. Together, familiar scripts and accumulated common knowledge lower the transaction costs of whatever activities an organization carries on. They thereby raise the relative costs of shifting to some other structure of social relations. Managers of organizations ordinarily adopt the five configurations in various combinations as devices for managing social relations within Figure 3's midsection, where some scripting and common knowledge combine.

How configurations work, indeed, depends to a great extent on where in the two-dimensional space they fall. When goldsmiths who have common knowledge of their craft work together for the first time, they may use familiar scripts to establish hierarchies of reward and deference, but they can start to produce golden articles without extensive ritual. New cadets in military academies, however, ordinarily lack familiarity with both organizational structure and local lore; their superiors make up for those deficiencies by intensive scripting and drumming in common knowledge. Only later do superiors let military recruits improvise within the limits set by well-known scripts.

Activating the emulation mechanism, managers of organizations often accomplish their work by importing configurations—particular hierarchies, chains, triads, and categorical pairs—with which new members of the organization already have considerable experience and therefore common knowledge. Organizations build in educational and class differences, with their established patterns of deference; incorporate existing links among people from common ethnic origins; establish triads defined as "teams"

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recruited from other organizations; and set up categorical pairs such as physician/nurse or professional/client. Such borrowing of categorical pairs, as later chapters of this book explain, plays a crucial part in durable patterns of inequality.

Managers who borrow structure gain the advantage of low startup costs for new chunks of organization. But they also import meanings, relational routines, and external connections whose features and consequences they cannot always control. Many a store manager has hired a few hard-working immigrants for a particular niche only to discover that part of the store has become a patronage network and he or she an unwitting patron. Many a new lawyer has learned that the road to becoming a partner in the firm is closed because a hidden but powerful hierarchy separates graduates of elite law schools from the rest.

Each configuration, and each combination of configurations, no doubt conforms to its own regularities. This book pursues the combination of paired categories with hierarchies on the hypothesis that exploitation, opportunity hoarding, emulation, and adaptation converge to favor such a social arrangement and that its widespread insertion in organizations accounts for a major share of all durable inequality. Regularities peculiar to this pair of configurations include the generation of boundary-maintaining beliefs about differences between actors on either side of the boundary, diversion of some returns from exploitation to boundary maintenance, and many more.

A comprehensive relational sociology requires generalization of this analytic mode. The construction of organizations, for example, entails significant effort: delineating an exclusive perimeter, creating at least one effective center of authority within that perimeter, establishing controls over interactions spanning the perimeter. Ronald Coase spurred a revival of organizational analysis in economics by pointing out that without some significant gains from such bounding and installation of hierarchy, the very existence of firms posed an embarrassing theoretical problem for market-oriented economists (Coase 1992). Hierarchies, in Coase's formulation, reduce the transaction costs of complex interactions.

As Coase did not say, the monopolization of resources underlies organizations. "All organizations," remarks Göran Ahrne, "seem to be founded around a set of collective resources, and access to these resources motivates people to join organizations and to stay with them" (Ahrne 1996, 112–113; see also Ahrne 1994). Ahrne leaves the impression that all clustered resources generate organizations, but that is not the case. The high seas teem with wonderful resources, but their (literal and figurative) fluidity has repeatedly frustrated human efforts to create bounded, exclusive organizations for exploitation of those resources; current struggles over fishing, which threaten the economies of regions as far apart as Newfoundland and Senegal, for example, stem from the ease with which industrial fishing vessels can enter almost all the world's abundant seas (Linard 1996).

Organizers are normally successful at creating a new, fully bounded organization only if they can accomplish three tasks: capturing valuable resources; lowering transaction costs and/or increasing gains in deploying those resources by means of bounded networks; and forming cross-boundary ties to sites that can provide them with the sustaining opportunities and assets that will facilitate the realization of gains from the resources.

In these unusual circumstances, the creation of a complete perimeter, rather than the guarded frontier of categorical pairing, yields significant returns for resource-holders. For a completely bounded organization to survive, those returns must include a margin for the sheer cost of monitoring and sustaining the boundary. Although hierarchies, triads, chains, and even paired categories are often produced inadvertently, no one is likely to create a new sort of organization inadvertently. Most organizations, indeed, come into being modeled directly on other, existing organizations—firms, associations, lineages, states, parties, households, churches, and similar well-established exemplars. Such borrowing lowers the costs of creating new

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organizations, but it also reduces the structure's conformity to the tasks at hand. Improvisation and the accumulation of shared local knowledge then produce further adjustments to the local situation.

In such circumstances, direct parallels to the opportunity hoarding, emulation, and adaptation that appear in categorical inequality promote the formation of organizations. In fact, another way of thinking about organizations is to see them as extreme forms of categorical inequality: a frontier extended into a complete perimeter separating ins from outs, social relations across the perimeter restricted and coordinated, and a hierarchy concentrating control over social relations in one or a few locations.

In themselves, paired categories do not necessarily feature great inequality. In firms using or selling complex technologies, for example, the line/staff distinction separates command hierarchies from positions providing technical services to members of that hierarchy, but the firm frequently affords ample rewards on the staff side. Managers sometimes encourage competition for better performance by fostering categorical distinctions among largely interchangeable units, as when a military commander pits companies A, B, and C against each other in competition for displays of solidarity, zeal, and effectiveness.

Consider brokers who make their living by mediating between two organizations or populations, equal or not. Such brokers enhance their livelihood by supporting categorical distinctions which ensure that cross-boundary transactions will continue to pass through them instead of knitting together complementary pairs across the boundary. Leaders of ethnic groups often acquire just such an interest in maintaining the distinctions between dominant classes and their own constituencies; they become stronger advocates of bilingual education, distinctive cultural institutions, and installation of legally protected categories than many members of their constituencies (see, e.g., Hofmeyr 1987).

In decentralized rural countries, landlords likewise often set themselves up as interlocutors for their culturally distinct tenants, becoming defenders of that distinctness as they do so without in the least relinquishing their own membership in the cosmopolitan culture (e.g., Rutten 1994). Wherever powerful parties gain from the segregation and coordination of two networks, equal or not, paired categories provide an effective device for realization of that gain.

CATEGORIES REVISITED

We return, then, to categories. Counterintuitively, categories take relational forms. Let us expand the earlier definition. A category consists of a set of actors who share a boundary distinguishing all of them from and relating all of them to at least one set of actors visibly excluded by that boundary. A category simultaneously lumps together actors deemed similar, splits sets of actors considered dissimilar, and defines relations between the two sets (cf. Zerubavel 1996). For obvious examples, consider the following:

Women, a category excluding men

Blacks, a category excluding whites

Slaves, a category excluding masters and other free persons

Muslims, a category generally excluding non-Muslims, but in particular locales excluding Jews, Orthodox Christians, Druse, Baha'i, and others

Other important categorical sets include noble/commoner, citizen/foreigner, professional/client, employer/worker, child/adult, prisoner/guard, and any number of ethnic, religious, or racial pairs. Much more

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rarely, categorical sets also take the form of rank orders such as Indian castes, gradations among military officers, or ladders of academic titles (instructor, assistant professor, associate professor, professor, and so on).

Categories center on boundaries. What causes the location and shape of boundaries? Let us distinguish among three overlapping origins: invention, borrowing, and by-products of network encounters. At one extreme, powerful actors or clusters of actors deliberately manufacture boundaries and accompanying stories, as when nineteenth-century revolutionary conspirators organized secret societies with their cells, hierarchies, and declared enemies, or when nation-building intellectuals constructed histories for their linguistic group that implied they had occupied their territory before speakers of other languages arrived on the scene. At another extreme, people incorporate into new settings boundaries that already prevail elsewhere. In day-to-day social interaction, most boundary formation occurs through borrowing of this sort. (Borrowing is, of course, simply a special type of emulation. Since emulation, for our purposes, includes the transfer of whole chunks of social structure that do not necessarily contain categorical boundaries, it helps to maintain the distinction between emulation as a general process and borrowing as a special case incorporating categories.)

What about entirely new categories? It looks as though categories form *de novo* chiefly where members of already solidary sets of social relations compete with one or more actors outside their sets: adjacent households contend for living space, connected females encounter predatory males, drinking buddies fight strangers, kin-connected bands claim priority over outsiders within their customary hunting grounds. Such solidary-competitive interactions form fault lines between network clusters. They also generate stories that participants subsequently use to explain and justify their interactions. The stories embody shared understandings of who we are, who they are, what divides us, and what connects us. People create such stories in the context of previously available cultural materials: shared concepts, beliefs, memories, symbols, myths, local knowledge.

Once in place, these stories constrain subsequent interactions across the boundary, modifying only slowly in response to those interactions. Thus, as combinations of solidary and competitive interactions generate ostensibly racial barriers, they also produce genetically framed stories of each group's origins and attributes. Barriers take on racial rather than ethnic or territorial definitions to the extent that in early encounters members of the two populations use phenotypical markers to distinguish each other and resist forming durable sexual unions. If myths or facts of origin distinguish the populations, on the other hand, ethnic categories emerge from their interaction. Different combinations of encounters, barriers, and stories generate definitions of categories as centering on class, citizenship, age, or locality.

Gender boundaries are at once the most general and the most difficult to explain. Although they map to chromosomally driven anatomical differences, they also conform to deep divisions in childhood relations to mothers and others. They correspond approximately to genetically based variations in physiology, yet they incorporate long historical accumulations of belief and practice. If the solidary-competitive network model explains the emergence of gender boundaries, it must do so on a small scale and within strong limits set by genetic inheritance.

Note the logical parallels between the origins of elementary configurations—chains, hierarchies, triads, organizations, categorical pairs—and the explanations of categorical boundaries. The difference between elementary configurations as one-time inventions that diffuse and as recurrent outcomes of more basic social processes matters enormously for our understanding of social processes in general. It matters much less, however, for my account of exploitation, opportunity hoarding, emulation, and adaptation; any account of origins that allows for negotiation and adaptation of categories in actual use will do. Similarly, general

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accounts of social differentiation will look very different depending on whether we find that prevailing categorical pairs, their boundaries, and their relations result largely from convention or depend heavily on unavoidably recurrent features of small-scale social life. Yet all but extreme versions of either position will fit with an explanation of durable inequality as an outcome of exploitation, opportunity hoarding, emulation, and adaptation. Some readers will regard that indeterminacy regarding microfoundations to be a weakness of my analysis, others a strength; for my part, I consider it a challenge to further theory and research.

CATEGORIES IN ACTION

The most dramatic forms of categorization involve outright stigma. Robert Jütte summarizes European practice with respect to pariah categories:

> By the late Middle Ages signs and badges had already become a legitimate means of (mostly negative) social distinction and they were also extended to include all marginal groups of the Christian Commonwealth such as public prostitutes, heretics, hangmen, the Jews and even lepers. Jewish women were marked with yellow veils or circles on their costumes. Some cities identified the hangman by either special, flamboyant clothes or a sign depicting a gallow. Heretics were marked with a yellow cross. The bell was a common sign of a leper, but on a prostitute the same sign can be associated with those daughters of Zion whom Isaiah would smite because they walked "with stretched forth necks and wanton eyes, walking and mincing as they go, and making a tinkling sound with their feet" (Isaiah 3: 16–17). In some Italian cities prostitutes were assigned a yellow strip on the shoulder, reminiscent of the yellow circle that Jews had to attach to the clothing of their chest. (Jütte 1994, 160–161)

Such stigmata drew the line between decent citizens and others, but they also defined proper—and improper!—relations across the line. As Erving Goffman insisted long ago, stigmatization uses attributes (sometimes invented or created attributes) to establish relationships (Goffman 1963, 3). The role of stigma in defining relationships becomes even clearer in the badges that Zurich and other European towns issued to their deserving (as distinguished from undeserving) poor, badges that qualified those persons to receive alms from the citizenry as half-gift, half-entitlement (Jütte 1994, 161). In times of famine, Europe's sixteenth-century cities often used the distinction deserving/undeserving or the related distinction native/alien to draw the line between those paupers who would receive food at municipal expense and those who would be sent away to fend for themselves (Geremek 1994, chap. 3).

Despite such extreme cases, a viable category by no means entails a complete perimeter around all actors on one side of the boundary or the other; on the contrary, complete perimeters require a great deal of management and ordinarily cause more trouble than they save. Nor does a viable category require homogeneity among the actors on a given side. You can be more or less a Muslim, even to the point where other Muslims deny your Muslimness, yet at the boundary with Jews you still fall unmistakably into the Muslim category.

Categorical boundaries certainly need not rely on objectively verifiable characteristics. Social control agencies often use grossly inaccurate indicators to stigmatize a suspect segment of the population, as described here:

> In 1993, the Denver police department compiled a roster of suspected gang members based on "clothing choices," "flashing of gang signals," or associating with known gang members. The list included two-thirds of the city's young black men, of whom only a small percentage were actual gang members. (Gans 1995, 66–67)

Similarly, William Chambliss reports his first-hand observations from regular riding with the Rapid

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Deployment Unit of the Washington D.C. Metropolitan Police:

> The RDU patrols the ghetto continuously looking for cars with young black men in them. They are especially attentive to newer-model cars, Isuzu four-wheel-drive vehicles, BMWs and Honda Accords, based on the belief that these are the favorite cars of drug dealers. During our observations, however, the RDU officers came to the conclusion that drug dealers were leaving their fancy cars at home to avoid vehicular stops. It thus became commonplace for RDU officers to stop any car with young black men in it. (Chambliss 1994, 179)

Categories are not specific sets of people or unmistakable attributes, but standardized, movable social relations.

Complete perimeters and substantial homogeneity are rare limiting cases, contingent social creations achieved and maintained at great effort. Incompletely bounded, heterogeneous categories generally work better, precisely because they demand less socialization, monitoring, and control. For every ACT UP activist seeking to identify gays as a distinct, unified, conscious set of individuals, we find a thousand people who belong to the category of gays in some social ties but spend much of their time tending other categorical boundaries at which gayness is invisible, irrelevant, or denied.

Categorical work always involves imputing distinctive qualities to actors on either side of boundaries; in the crucial case of paired categories, actors on the two sides engage in mutual labeling. Yet categories rarely pervade life so thoroughly as to forbid crosscutting categorical memberships. Many actors occupy multiple categories without great difficulty, as long as the ties defining one category activate at different times, in different places, and/or in different circumstances than do the ties defining other categories. As a broadcaster's off-microphone behavior, a driver's interactions with other nearby drivers while conversing with passengers in the back seat, and our own experiences talking on the telephone while carrying on other local sociability indicate, people are actually quite capable of doing the work of two or more categories simultaneously when they have devices for segregating categorical ties from each other (Goffman 1981, 267).

Remember the distinctions among invention, network interaction, and borrowing as origins of categorical pairs. Some few categories that are new to a given setting result from deliberate design, more result from incremental interaction during which small-scale categorical inventions occur, but most result from incorporation of categorical sets that already operate visibly elsewhere. In extreme cases, members of organizations openly devise categorical pairs and lock them into place. Just as they script some relations by intentionally forming chains, triads, and hierarchies, the creators and managers of organizations often build categories into the organizations. By definition, organizations incorporate categories into their networks; an organization is any well-bounded, categorically defined network in which some actors acquire rights to speak authoritatively for the whole. Everyone who creates a new voluntary association, for example, invents for it a name and criteria for membership, thereby drawing a line between insiders and outsiders.

Powerful figures within organizations, furthermore, often impose an internal distinction on its members: officers versus enlisted in the military, students versus faculty in a university, citizens versus foreigners in a state. These distinctions become interior to the extent that they involve explicit recognition, symbolic representation, and boundary-defining practices. They provide scripts within which local knowledge accumulates.

In addition, exploitation and opportunity hoarding operate incrementally within organizations even when managers resist or ignore them. Ava Baron (1982) has documented the long-successful struggle of America's male printers to exclude women from the more lucrative positions in their trade even as their bosses tried to recruit women. All situations in which nominally subordinate workers possess crucial knowledge or skills that their superiors cannot control or appropriate promote the formation of exclusive categories insulating

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virtuosi from other organization members; the interactions of football stars, major actresses, leading scientists, or best-selling authors with adjacent functionaries create categorical differences.

More generally, workers who enjoy the advantages of high pay, job security, promotion opportunities, and ready access to management commonly build barriers between themselves and adjacent workers in high-turnover, low-pay positions, whether or not managers mark the differences sharply; that is one reason it usually takes either major organizing efforts or strong off-work connections to promote joint collective action between "skilled" and "unskilled" workers (Hanagan 1980; Hanagan and Tilly 1988). The line between members and nonmembers of professional organizations, craft guilds, or trade unions usually works to the advantage of members, but that advantage depends on enforcement by governments and licensing agencies. Where authorities oppose workers' organizations, the advantage becomes much more contingent. In the anti-union environment of today's Louisiana, Lonnie Shaw (business agent for an International Brotherhood of Electrical Workers local) reports his strategy:

> In this state what we have now is a Right to Work law where you can't discriminate. And they've always used it against us union guys. They made us real careful when a non-union guy would come in and apply for work—you better get him a job. Now we are turning it around with "salting." If we send in a union guy to a non-union contractor and he asks "are you a union guy?", he's just violated the law. Or we will intentionally go in with lots of union buttons and T-shirts and he'll say "We are not hiring." So we will let it cool for a day or two and then send in a guy with a bogus resume and the contractor will hire him cause he's not union and they've just violated the law. (Fine and Locke 1996, 18)

Network interaction also creates many categories. Outside of organizations such as firms, governments, parties, and voluntary associations, categories rarely form as deliberate outcomes of planned social action. The most prominent exceptions occur where political entrepreneurs have something to gain by asserting and promoting the existence of a categorical entity that, if recognized, enjoys some sort of collective advantage; claims to speak on behalf of an oppressed, unrecognized, and unorganized nation have this character, as do the demands of social-movement activists to be heard as spokespersons for their unjustly disadvantaged constituencies. Even these instances depend closely on existing organizations, for the political entrepreneurs in action are typically demanding either a special place within a given state or recognition by other states of their sovereign existence as a new state.

Invention and network interaction both produce relational scripts, but they do so in different manners. Organization-based invention of categories begins with scripts and then generates common knowledge that attenuates and enriches the scripts. Thus new military organizations formalize divisions between officers and enlisted personnel, yet senior enlisted men or women (as I remember well from my initiation as a freshly minted disbursing officer in the U.S. Navy) actually play significant parts in socializing new officers to their relations with ostensible subordinates.

In network interaction, however, localized common knowledge and the behavioral regularities it generates form new relational scripts. Members of two migratory streams from the very same village frequently create beliefs, rituals, labels, and exclusive practices that mark the distinction between emerging categories, while socially similar neighbors in a newly constructed housing development immediately set to work creating categories that organize friendships, rivalries, and even enmities. From quite different starting points, organization-imposed and category-related processes therefore end up closer to the middle ground that combines moderate scripting with considerable shared local knowledge.

New categories usually form as by-products of social interaction that simultaneously connects people who share or thereby acquire common traits and also segregates them in some regard from other people with

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whom they nevertheless maintain significant relations. Thus ostensibly ethnic faction fights often occurred in South Africa's mining compounds during the 1940s, but the actual identities assumed by rival gangs varied with the mix of origins within a compound, the consequent segregation of barracks, and the ethnic divisions of labor within the mine. African "boss boys" who drove underground work gangs frequently stirred up ethnic competition to stimulate production and maintain control. Police from Randfontein reported an April 1940 fight:

> The cause of the trouble originated underground the week before. Two Xosa [*sic*] boss boys assaulted a Pondo. The Xosas were charged with assault and released on bail . . . The assault caused ill-feeling amongst the Pondos. During the afternoon of 21.4.1940, Xosas, of which one section Bo[m]vanas, visited native huts on Panvlakte. The Bo[m]vanas assaulted 4 Xosas. The Xosas returned to the compound and thereafter attacked the Bo[m]vana section . . . A Pondo took advantage of the turmoil to avenge the assault by the Xosa boss boys on a Pondo the week before and fatally stabbed a Xosa . . . A Pondo was arrested . . . A party of Pondos demanded the release of the prisoner . . . [When this was refused] they replied that they would attack the Xosa unless the prisoner was released. Information was then received that the one affected section of the Xosas . . . of the night before, had joined forces with the Pondos to attack the rest of the Xosas. (Moodie 1994, 183)

Police assumed a major division between "Pondos" (that is, Mpondo) and Xhosas, with the latter divided into Bomvana and others, the Bomvana unaccountably defecting from their Xhosa category to ally with the Mpondo. In this particular situation, all three sets of miners spoke Xhosa, but the Bomvana, small in number, lived in their own section of a so-called Xhosa block, while the Mpondo lived elsewhere. On other occasions, Mpondo and Bomvana readily fought each other.

What was happening? Mine managers grouped workers and their African straw bosses by linguistic similarity, which then produced boundaries and categories over which young men were willing to kill each other. If we looked farther into the categories Mpondo and Bomvana, furthermore, we would discover that they too designated ties among locally distinguished aggregates rather than irreducible nuclei of solidarity, connection, and common culture. The Transkei migrant whom William Beinart identifies as M became involved in male associations called *indlavini* when he worked on a Natal sugar estate during the late 1930s and then carried that affiliation into Rand gold mines. "In certain contexts, however," reports Beinart,

> M's identity as an *indlavini* could be subsumed in the sense of belonging to a larger Mpondo group. There were, of course, men from many other rural areas in Angelo compound, but they tended to be housed along "ethnic" lines—as perceived by managers and many workers themselves. "There was one wing for Pondos, one for Bhacas, one for Shangaans, one for Zulus." Perhaps he exaggerated when he remembered that "groups like Bhacas and Pondos, Pondos and Zulus never mixed" in their living quarters. "If a Pondo goes to the Zulu side, the Zulus do not know him and they start abusing him and saying all sorts of things. They hit him and when he comes back to the Pondos then the Pondos start arming . . . That was what usually sparked off faction fights." (Beinart 1987, 292–293)

Locally available boundaries defined entire categories much more definitively than did common culture or long-term internal solidarities. Such boundaries took the form of dividing lines rather than complete perimeters. Yet once those boundaries stood in place, participants and observers alike attributed hard, durable, even genetic reality to the categories they inscribed. Wherever they came from, the categories had serious social consequences.

The same holds generally for ethnicity, gender, race, community membership, and other categories sociologists once lumped together as ascribed statuses. They do boundary work, defining ties and locating distinctions between members of different categories more reliably than they create internal solidarity,

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homogeneity, or connectedness (see, e.g., Smith 1995). They do the work of distinction, more or less as Pierre Bourdieu defines that work. Once any of these categories exists, nevertheless, it lends itself to serious relational work.

Categories support durable inequality when they combine with hierarchies—ties between social sites in which the connections are asymmetrical and the sites systematically unequal. Each reinforces the other, for a relatively impermeable barrier reduces the likelihood that equalizing relations will form across it, while asymmetrical relations based on unequal resources justify the boundary and render it more visible. Racial inequality seems natural precisely to the extent that all transactions across the boundary occur asymmetrically and dramatize the disparity of resources on either side. Only when inconsistencies occur—privileged members of the ostensibly inferior category, disinherited members of the ostensibly superior category, persons straddling the boundary, open competition for the same positions between members of both categories—do vigorous, violent mobilizations from "above" and "below" become likely (Olzak 1992; cf. Patterson 1995).

Institutional economists have indirectly recognized the practical importance of categories by stressing the comparison of markets and hierarchies: markets lending themselves to spot interchanges having low transaction costs, hierarchies facilitating interchanges where high transaction costs prevail. Thus they account for the prevalence of bounded firms, which in idealized markets have no rationale at all.

While acknowledging the advantages of hierarchy in circumstances where coercion rather than shared commitment or direct compensation makes the difference between success and failure, I suggest that the boundary itself has an effect. It contains local knowledge, channels flows of mobility, limits liability, and affords leverage to those who control membership in the organization, hence access to its benefits. A clear boundary greatly facilitates the exercise of collective property rights. With a well-marked boundary present, not only organization members but also third parties such as governments can adopt low-cost rules of thumb for the reinforcement or denial of claims to deploy an organization's resources or occupy its dedicated space.

Concepts are tools. Their values depend on whether they do the job at hand. Just as a crystal shovel looks lovely but remains useless for digging coal, elaborate concepts sometimes glitter alluringly but break down when put to work. Crystal or steel? The task at hand is to explain the emergence, survival, and change of categorical inequality and then to ascertain how much of what appears to be individual-to-individual inequality actually results from categorically organized differences. Let us see how well the tools discussed here—scripting versus local knowledge; payments as gifts, entitlements, and compensation; a basic set of network configurations including chains, hierarchies, triads, organizations, and categorical pairs; and the four mechanisms of exploitation, opportunity hoarding, emulation, and adaptation—can help us do the explanatory job. In a first excavation, they seem to dig deep into inequality's subsoil.

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