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### *Abstract*

In conventional economic theories competing firms are assumed to act independently. Economic sociology, on the contrary, describes competition not as a set of antagonistic moves of independent actors but as a social action oriented toward others. It implies that competing firms which are not supposed to transact with one another establish social ties and maintain complex institutional arrangements to sustain in the market.

Accepting these sociological insights, we have to avoid oversocialized concepts of competition. It means that the idea of social embeddedness of competitive actions should be tested empirically. It is also important to investigate a variety of existing forms of the interfirm social coordination. In this paper I suggest a taxonomy of social ties. Using empirical data, I reveal the scope, multiplicity, and intensity of these ties among the competitors, and examine conditions which could facilitate or derail coordinated actions in the market.

Data were collected from 500 managers of retailing chains and their suppliers in five Russia's cities including Moscow, S.-Petersburg, Yekaterinburg, Novosibirsk, and Tyumen in autumn 2007. The sample includes transnational companies and Russian firms of different size operating in food and electronic sectors of the consumer market.

*Keywords:* competition; social ties; embeddedness; retail.

## New Translations

*David Stark*

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### *Abstract*

The first chapter of "The Sense of Dissonance: Accounts of Worth in Economic Life" by David Stark is about the challenges of contemporary organization and internal organizational changes happening as the answer to these challenges.

One of the key problems facing modern organization – is the challenging search questions. The fundamental challenge is the kind of search during which you do not know what you are looking for but will recognize it when you find it. In terms of John Dewey, this constitute perplexing situation. However these situations also provide new possibilities.

Instead of avoiding perplexing situations, organizations can embrace them. Instead of merely responding to external situations as they happen to present themselves, organizations can foster organizational forms that regularly and recursively produce perplexing situations within the organization itself. Stark asserts that often this is taking place in reality.

Such organizational form that differs from a hierarchy of command and a conceptual hierarchy of cognitive categories represents a heterarchy.

Multiple evaluative principles are typical to heterarchy. Where the organizational environment is turbulent and there is uncertainty about what might constitute a resource under changed conditions, contending frameworks of value can themselves be a valuable organizational resource. Entrepreneurship then, in this view, exploits uncertainty. Entrepreneurship is the ability to keep multiple evaluative principles in play and to exploit the resulting friction of their interplay.

Two key features that are at work with regard to heterarchy are discussed in this chapter. In contrast to the vertical authority of hierarchies, heterarchies are characterized by more crosscutting network structures, reflecting the greater interdependencies of complex collaboration. The other feature of heterarchy is that there is no hierarchical ordering of the competing evaluative principles.

The results of the empirical application of his approach Stark presents in the following chapters.

*Keywords:* organization; value; worth; uncertainty; heterarchy.

## **Insight from the Regions**

*Tatyana Zhuravskaya*

“Free Trade Area”: The Competitive Situation and Business Strategies in the Local Market of Blagoveshchensk ..... 90

### *Abstract*

The Blagoveshchensk’s local market is characterized by a high level of competition, which is not typical for cities with such a low number of residents. One of the key factors is a town’s transboundary location (Blagoveshchensk is close to the Chinese border with the town Huai He across the Amur river) which entailed a formation of the so-called “free trade area”. It is characterized by a considerable number of new sellers entering the market, expectations of chain store companies’ invasion, reduction of the number of residents in the region, and relatively loose administrative control. The conducted research revealed a variety of business strategies in the food market and the market for household wares and consumer electronics including diversification and survival strategies. Many market sellers tended to copy successful trading formats due to fast information diffusion. And major trends observed in this distant region follow general trends developing in the central parts of Russia.

*Keywords:* business strategies; competitive situation; local market.

## **Debate Studies**

*Maria Malkova*

Formal and Informal Strategies for Decreasing Risk: Insurance vs Accumulation of Social Capital ..... 109

*Abstract*

In contemporary Russia there are some important factors restraining the development of voluntary insurance. Some standard patterns of financial behavior are rejected. Informal strategy of a reliance on social networks successfully competes with the formal insurance programs. Reciprocal relations prove to be an efficient instrument for a distribution of risk among households. The author compares formal strategies of risk reduction implying that individuals address an insurance company with the informal strategies implying that individuals rely on resources mobilized from their social network and the use of social capital.

*Keywords:* insurance; risk; formal and informal strategies.

**Professional Reviews**

*Kristina Nikutkina, Arina Privalova*

Quantitative Research on Freelancers: A Professional Review ..... 98

*Abstract*

The second half of the XX century was marked by a dramatic change in the information sector of the economy, which led to the serious transformation in traditional labor relations. There have appeared new forms of mass employment such as freelance and telejob. However in Russia this subject has not been studied yet while there is a large number of relevant empirical and theoretical studies carried out in the developed countries. The paper presents a review of Western quantitative studies devoted to freelance and conducted since the beginning of the 2000s. The following issues are reflected upon: elaboration of new terminology, cross-country freelance statistics, advantages and disadvantages of freelance, motivation of freelancers, structure of work process; relations between freelancers and their customers; and professional communities of freelancers.

*Keywords:* labor relations and labor conflicts; labor markets; telework; freelance; information technologies.

**New Books**

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