

Jens who?

- Beckert is Director of the Max Planck Institute for the Study of Societies in Cologne.
- Publications on market order and stability, social structures, Polanyi, value, inherited wealth, wine, empirical contributions to economic sociology.

Economic sociology (1)

Beckert follows a distinguished line from across the disciplines whose position is that rational actor theory is inadequate to explain market action.

Durkheim (1858-1917) studied the social implications of industrialisation.

Weber (1864-1920) traced protestant faith as a motivator in pursuit and accumulation of capital.

Parsons (1902-79) rejected idea that social stability comes *a priori* from pursuing self-interest. Norms and values also needed to integrate econ & society towards order.

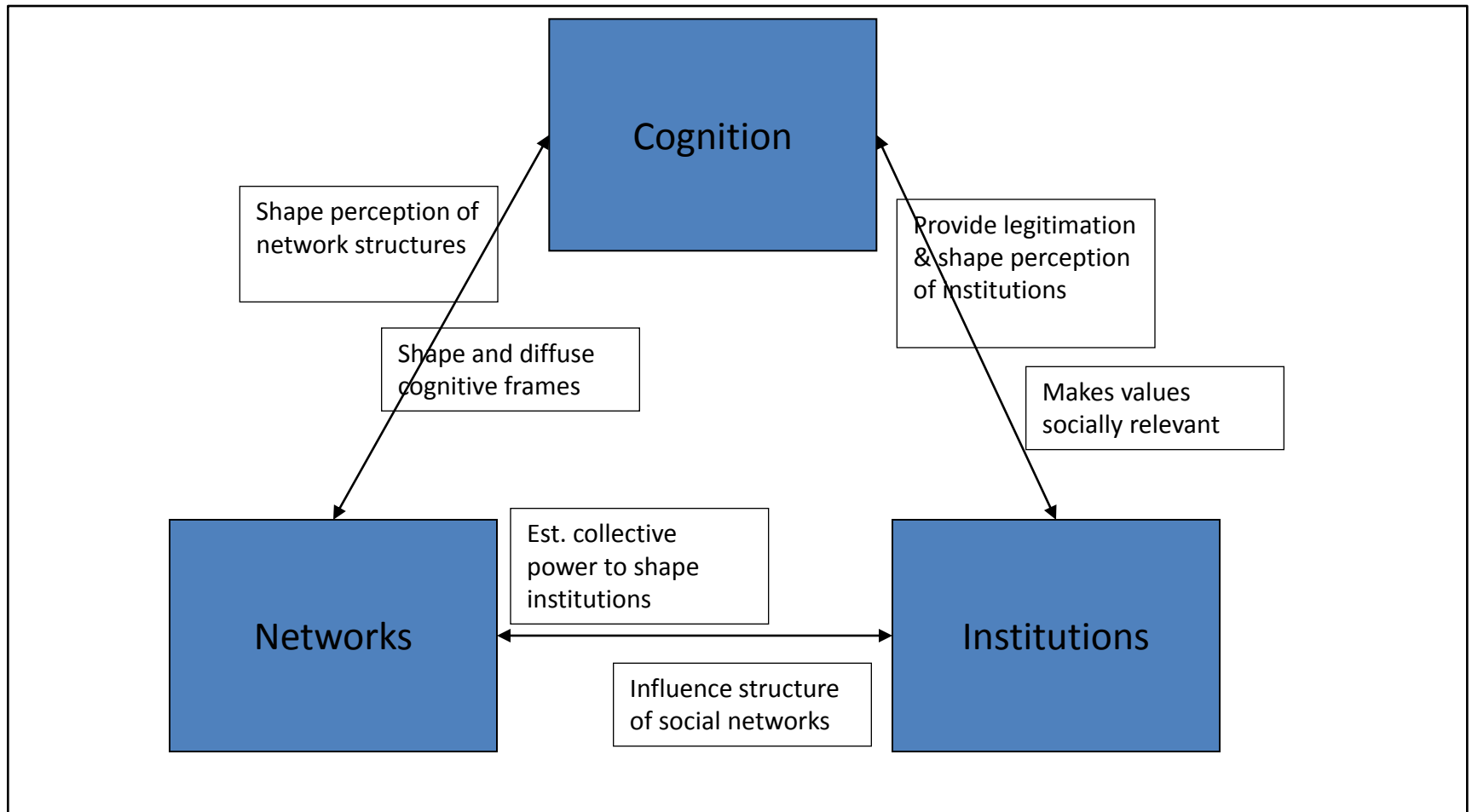
Beckert adds...

- Markets are social spheres where action is influenced by regulation, power, coercion, welfare, custom, place, acting like sheep...
- Beckert acknowledges the hierarchy within capitalism – private, state, third sectors. But he is concerned that the tools used by the subsidiaries (redistribution and reciprocation) are not adequately recognised as resource allocation mechanisms.
- Actors seek stability and social order so that they can make reliable predictions about the results of actions.

Beckert adds... (2)

- Exchange can only work if actors manage to co-ordinate the trio of inherent 'problems' in the market: co-operation, competition and value.
- The use of field theory allows insights into market dynamism, which has implications for market order.

Beckert and markets as fields



Field theory is, in this context

- A way to examine how social/market dynamics work and what happens when market actors try to coordinate their 'problems'.

Problems?

- Beckert never mentions the environment.
- Critics feel he misses a range of more conventional influences on market action, e.g. exchange and interest rates (Gemici 2011); or that historical and political developments define order more significantly than markets (e.g. Giddens).
- Power is used by some market actors to consolidate their market position. How does this sit with my interest study in social enterprise?
- Fligstein (2001) can be a helpful supplement (social skill in fields)... later.

Facing the leap

- If analyses of market relationships (based on efforts to balance co-ordination problems) provide insights into opportunities for social outcomes...
- ...might the same techniques prove useful in working out how market interventions could lead to new relationships...
- ...which result in a different environmental 'order' – the revival of struggling economic landscapes?

Summary part 1

- Beckert offers new ways to look at AFNs, rural social enterprises and the third sector. These have rich but sometimes highly normative literatures (esp SE – more shortly).
- There are parallels between inherent market tensions and social enterprise operation (economic and social objectives).
- Although I am proposing a conceptual adaptation, we can perhaps see that Beckert's analysis techniques could help in devising practical interventions.

Part 2: SE, Beckert and orchards

- SE is different from other types of business because SEs consciously juggle multiple goals (Keech, forthcoming).
- For environmental SEs that list of things to juggle is even more complicated.
- SE model and governance structures affect the juggling. I will now introduce 3 German SEs and look at two through the lens of field analysis.

Orchard social enterprises

- Reciprocal model – co-operative run by producers
- Networked market – registered association where SE facilitates changes within existing market structures
- Market building model – limited and unlimited companies; SE as competitor.

Bavarian Streuobstwiese



Picture: Buechele/Dagenbeck

What's the problem?

- These orchards may cost more to husband than they earn.
- Payment to farmer may be delayed until juice sells (cash-flow).
- Result: little incentive to manage orchards, which are neglected or grubbed out – ie. rich habitat is lost, biodiversity suffers. Economic and environmental logic clashes.

Solution: German SEs qualify juice, promote husbandry and redistribute money in the chain – 'Aufpreis'

Child labour?

Special needs primary
school buy/sell juice.
Parents & corner shop

Helps with maths

Profits: school trips

Lots of other class work
and field work

Pic: AV



Farmers deliver to press

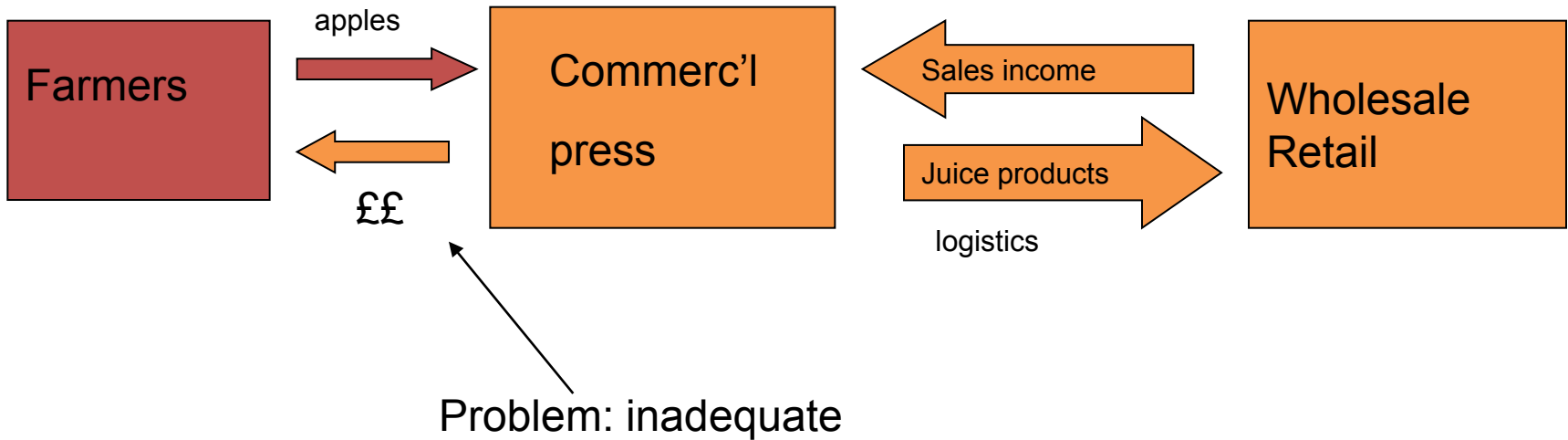
Deliveries by member farmers organised to keep fruit separate. This qualifies it.

Marketing remains with commercial players – press, wholesale, retail, catering trades.

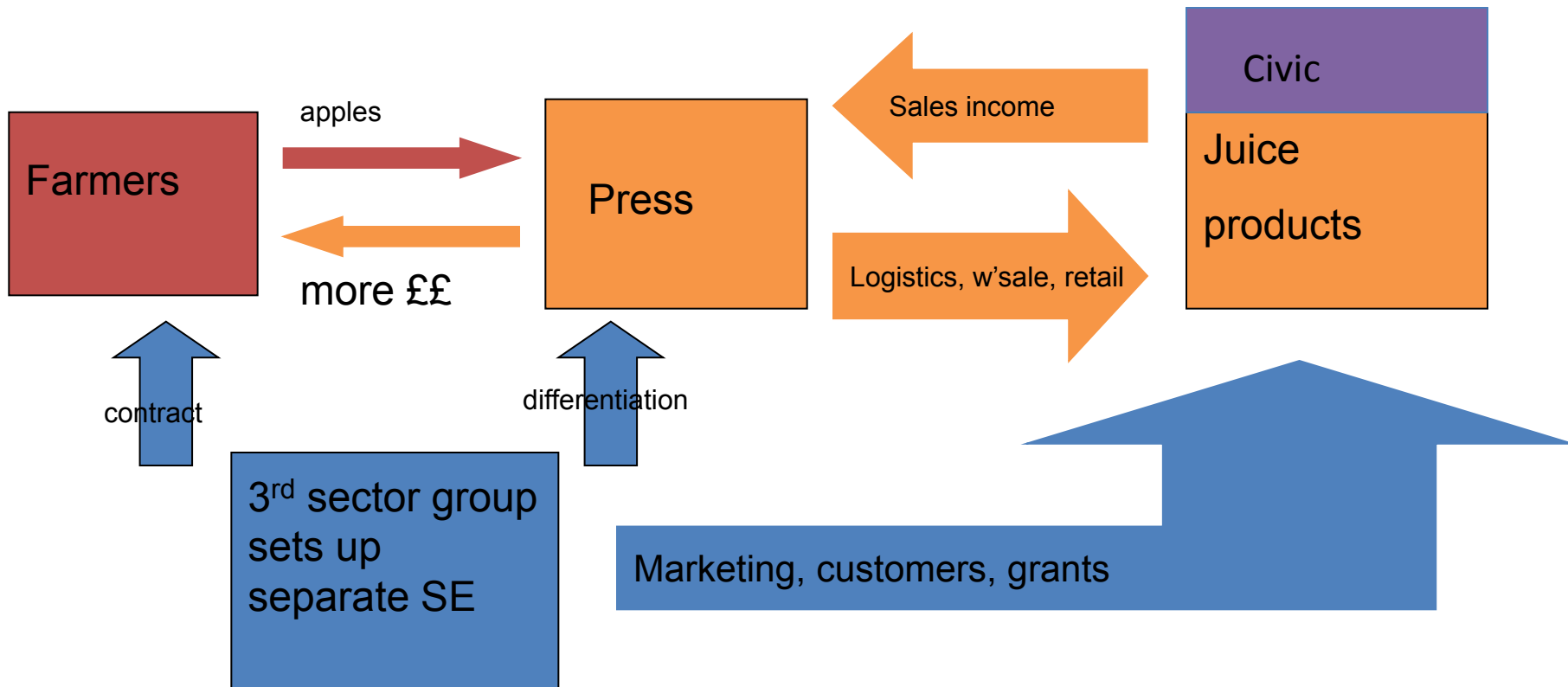


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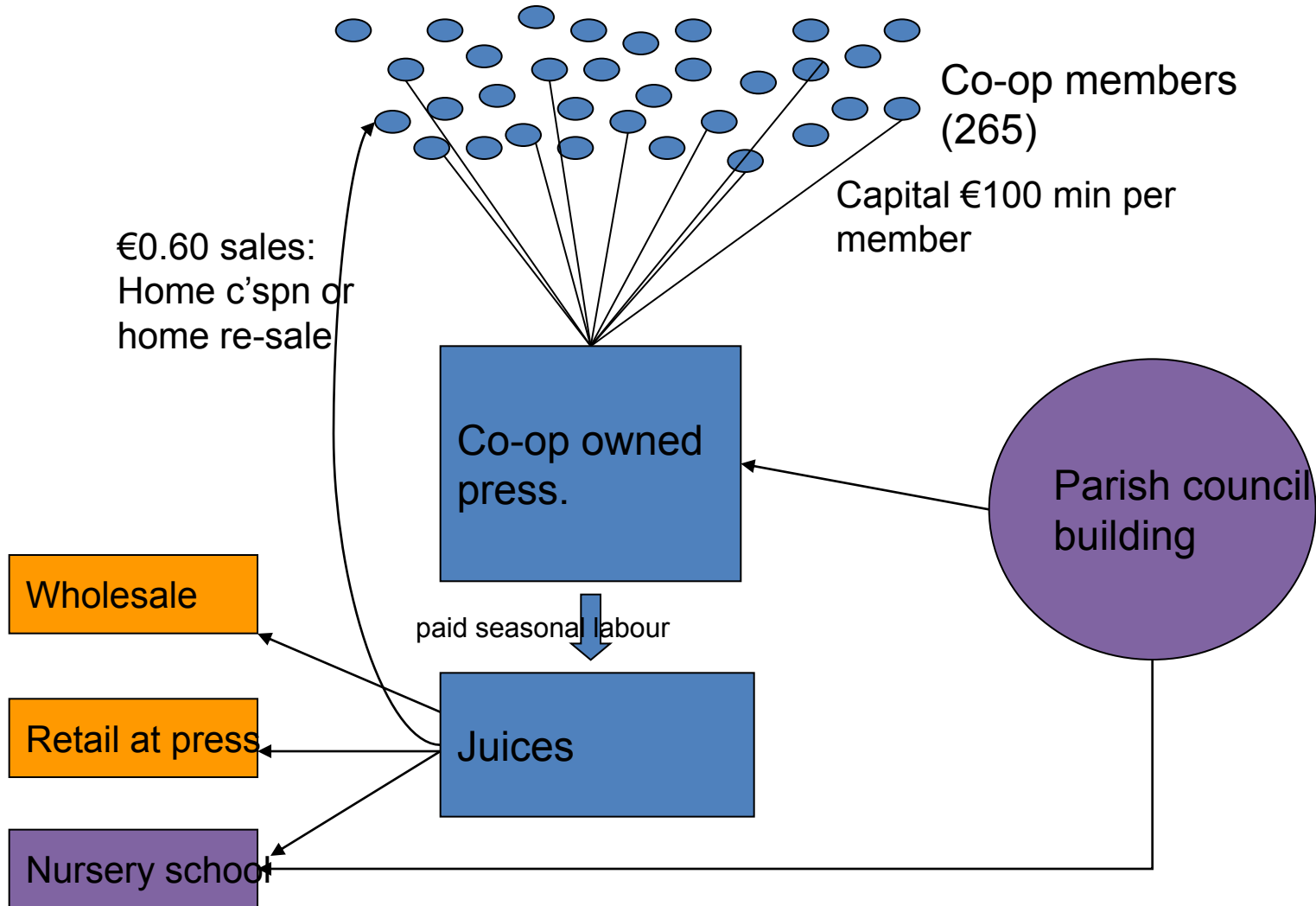
Disorder in the juice market



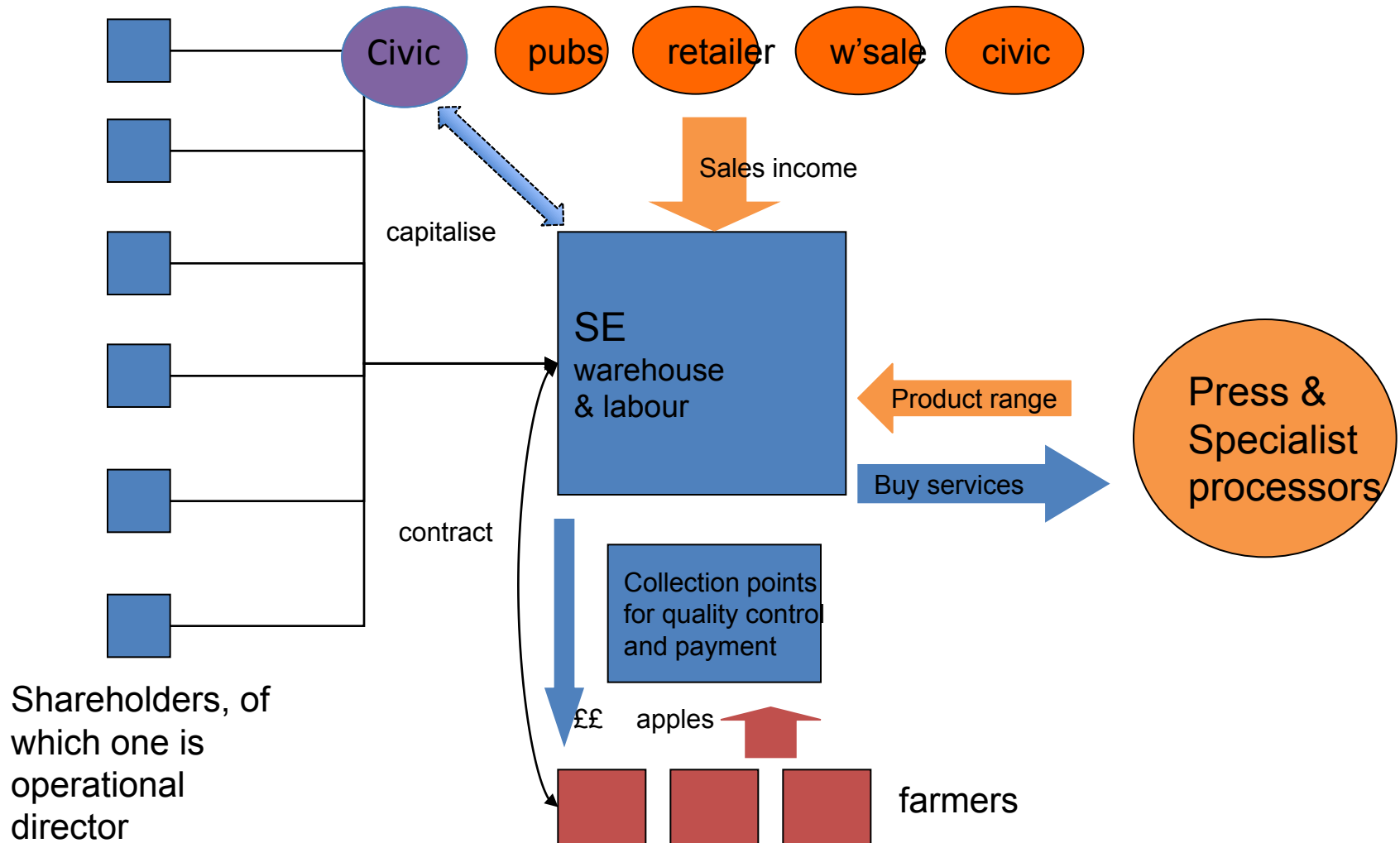
Networked market



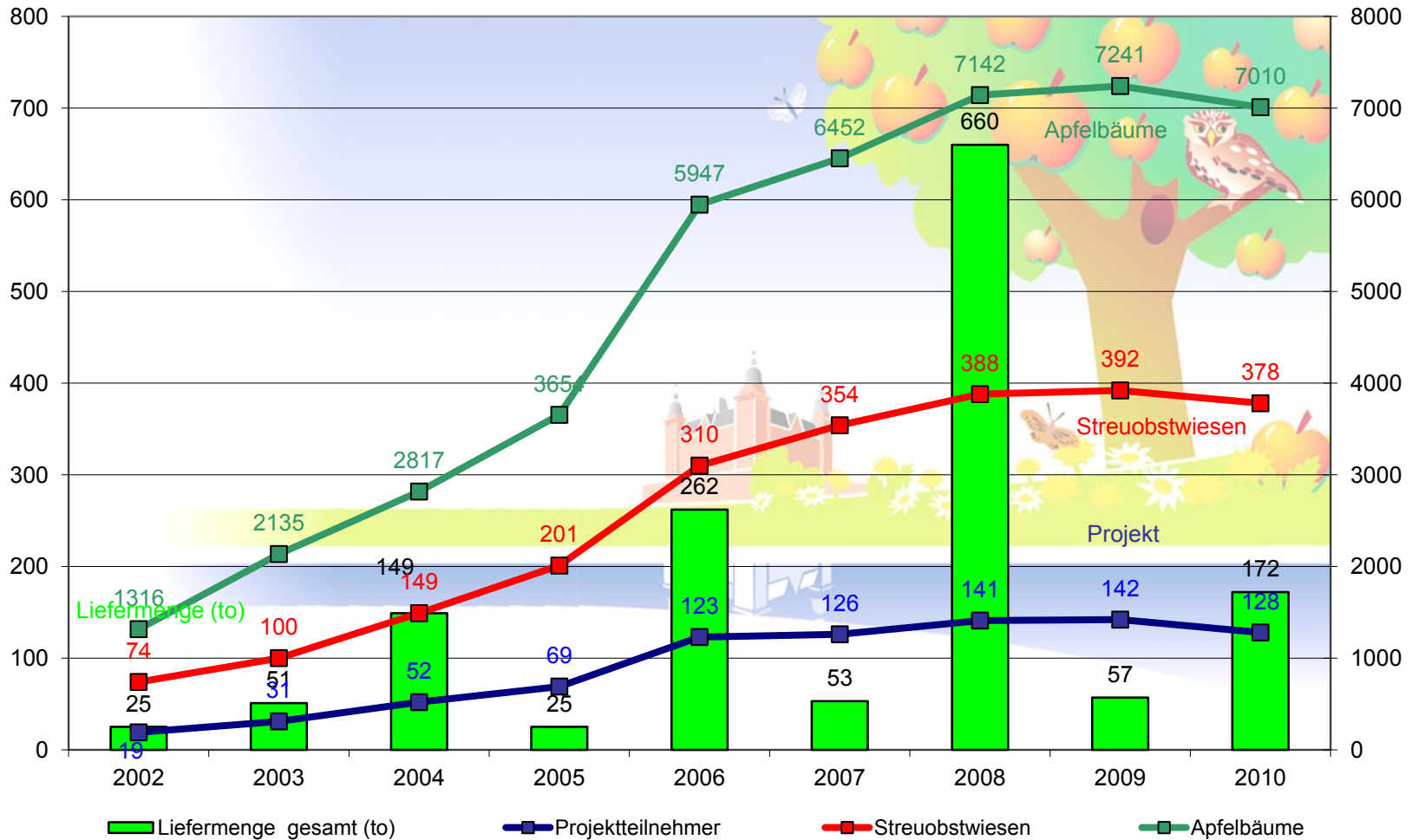
Reciprocal model



Market building model



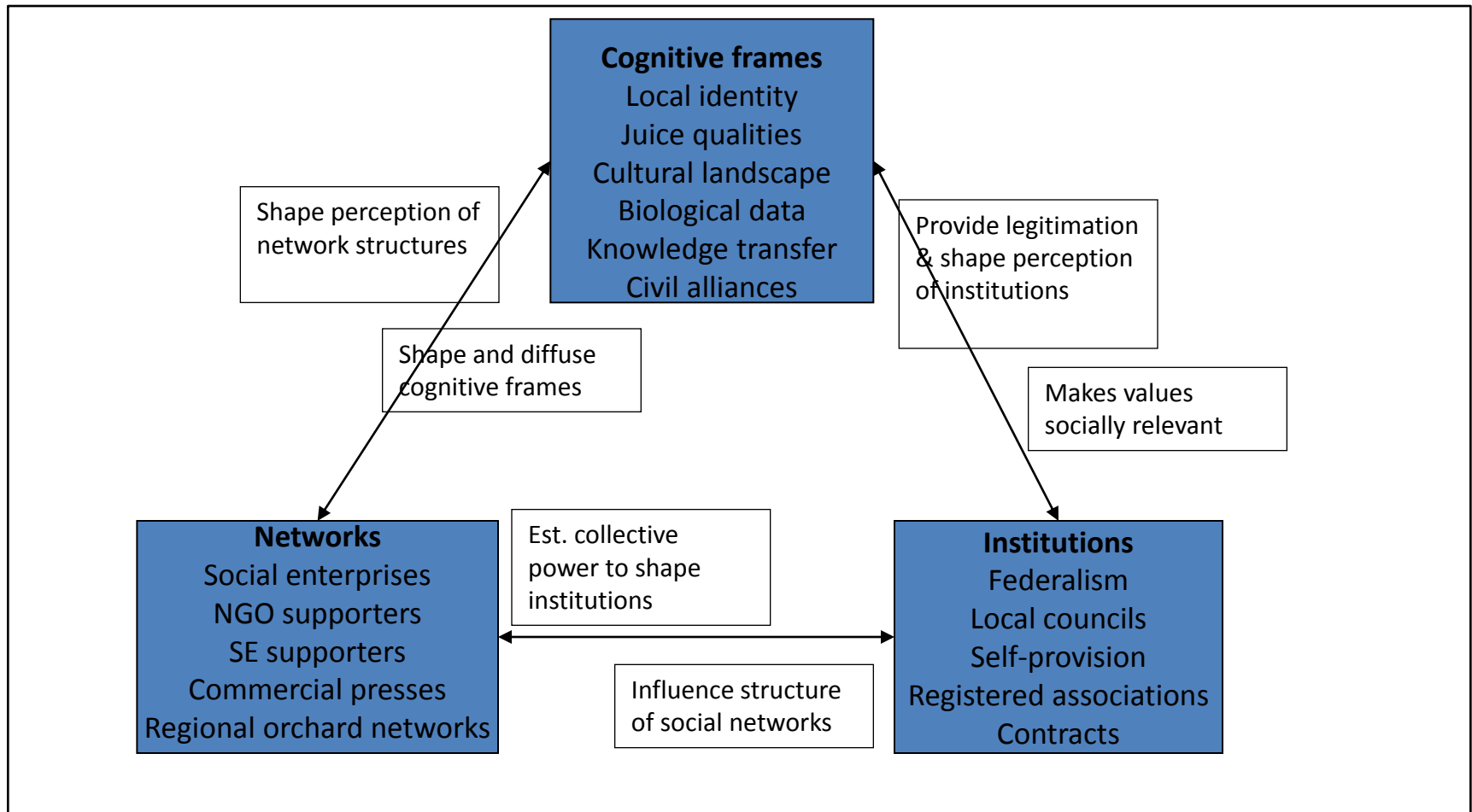
Numbers...



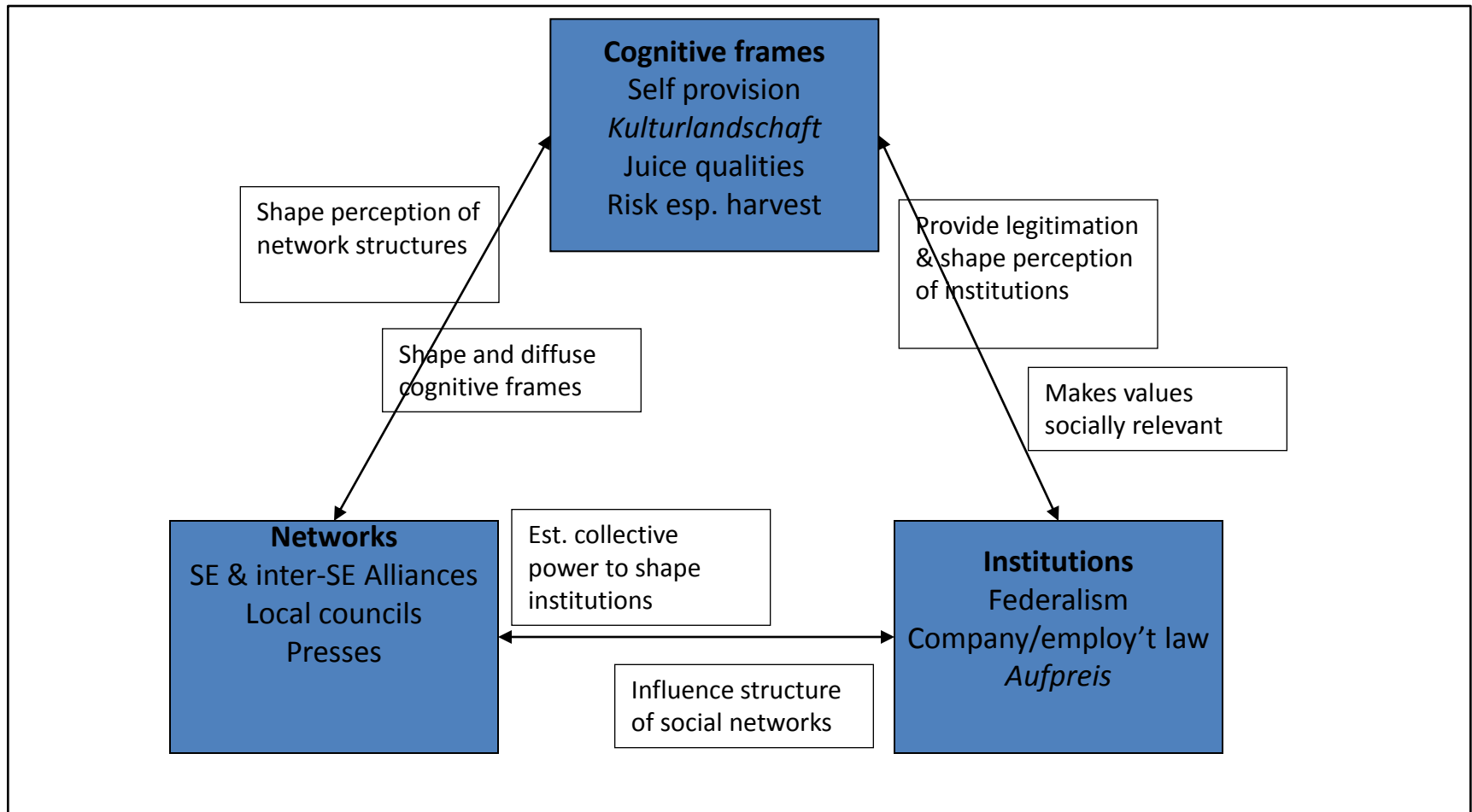
Some summary points

Model	Output (litres)	Some key points
Reciprocal	30,000 – 70,000	<ul style="list-style-type: none"> • Development of new infrastructure • Overlap between consumers, producers, stakeholders • Economic value of juice is multiple – w/sale, home-retail, public procurement, self-provisioning • Environmental gain unclear
Network	15,000 – 600,000	<ul style="list-style-type: none"> • Stimulation/negotiation of existing market relations • Mobilisation of supporters to create demand • Increased sales create higher supply price • NGO link helps create civic support • Expansion of commercial <u>organic</u> production
Market-building	40,000 – 80,000	<ul style="list-style-type: none"> • Co-option of competitors • Differentiation on basis of product range and fruit variety, client base and price ranges • High level of market research • Retention of <u>traditional orchard</u> management

Field analysis of networked market SE



Field analysis of market-building SE



Discussion (1)

- In a market building model, the risk associated with harvest failure is big. Alliances with networked models are a clever mitigation.
- That alliance means that *Aufpreis* becomes an environmental institution not just a commercial technique.
- Creating marketable qualities which stimulate 'social skill' (Fligstein 2001) in the local market (co-operation), ties customers and suppliers to environmental production (orchard conservation), whether they are interested or not.

Discussion (2)

- By contrast, in the networked market, SEs intervene but seek no power and actively avoid competition, concentrating all their efforts on value (supply price and juice qualities).
- Though they depend on existing market structures, they succeed in constructing 'civil' supply chains which support the conservation of orchards.

Conclusions

Despite the problems outlined, Beckert's ideas can be usefully adapted to:

1. Explain the operations of different SE formats in rural markets.
2. Empirically unearth new arrangements of cognition, institutions and networks.
3. Expose the influence of third sector organisations in creating supply chain, civil, co-operative and civic alliances bound together by local and regional environmental concerns.
4. Potentially assist decision-making for those wishing to conserve orchard biospheres and their species.

How d'ya like them apples?



Photo: Common Ground

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