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V. Vanberg

Markets: Anthropological Aspects

Markets are so routinely regarded as fundamentally economic institutions that long-standing and quite varied anthropological perspectives on them are often overlooked. Anthropological attention focuses on patterns of individual and small-group exchange relationships within specific markets, on institutional structures that organize markets, and on the social, political, and spatial hierarchies through which markets link social classes, ethnic groups, or regional societies into larger systems. Anthropological studies of markets analyze them as nodes of complex social processes and generators of cultural activity as well as realms for economic exchange. Anthropologists' interests in markets, therefore, are partially distinct from—although certainly overlapping with—the concerns of economists.

1. *Markets and Marketplaces*

The term 'market' is inherently ambiguous. Abstractly, 'market' refers to exchange organized around principles such as 'price' or 'supply-and-demand.' 'Market' may also refer to specific social relationships and frameworks through which economic transactions take place. Markets, in the first sense, are networks of economic processes and transactions which may occur without specific locations or spatial boundaries for the transactional universe. In the second sense, markets are social institutions, often located in geographically distinct places, which encompass specific social, legal, and political processes that enable economic transactions, but also extend far beyond them. Plattner (1989) makes a useful distinction:

> 'market' [is] the social institution of exchanges where prices or exchange equivalencies exist. 'Marketplace' refers to these interactions in a customary time and place. … A market can exist without being localized in a marketplace, but it is hard to imagine a marketplace without some sort of institutions governing exchanges. (p. 171)

Marketplaces embody a localized set of social institutions, social actors, property rights, products, transactional relationships, trade practices, and cultural meanings framed by a wide variety of factors including, but not limited to, 'purely economic' or 'market' forces. Of course, anthropological analyses of markets in the first sense are often ethnographically focused on marketplaces in the second sense.

Anthropological approaches to markets sometimes focus on the formal properties of exchange systems as frameworks for organizing behavior, relying on quantitative analyses of exchange relationships. However, anthropologists generally place such analyses within wider ethnographic contexts that see marketplaces as specific locations and social frameworks, characterized not only by economic exchanges in and among them, but also by their equally vital roles as arenas for cultural activity and political expression, nodes in flows of information, landmarks of historical and ritual significance, and centers of civic participation where diverse social, economic, ethnic, and cultural groups combine, collide, cooperate, collude, compete, and clash. Anthropological and sociological analyses emphasize this 'embeddedness' of markets in ongoing patterns of social organization and cultural meaning (Polanyi et al. 1957, Granovetter 1985); that is, economic behavior is not analyzed as an autonomous sphere of human activity, but as inseparably intertwined with a wide variety of social, political, ritual, and other cultural behaviors, institutions, and beliefs.

2. *Marketplaces as Ethnographic Sites*

Marketplaces vary enormously. They differ according to the local, regional, or global scope of production, distribution, or consumption of the goods and services they trade. Retail and wholesale markets are structured quite differently around the distinct activities and social roles of consumers, producers, and traders. Some markets handle physical commodities; others trade intangible financial assets. Many marketplaces are permanent, but in some societies markets are periodic, held at regular or irregular intervals, sometimes as one stop along regional circuits for peddlers who visit specific sites on a fixed cycle. (The tiny handful of ethnographic studies of markets listed in the bibliography give only a glimpse of the wide variety of anthropological analyses of markets, their internal structures, and their wider social and cultural contexts: e.g., Acheson, Bestor, Bohannan, Clark, Cohen, Geertz, Hertz, Meillassoux, Mintz, Polanyi, Plattner, Roseberry, Skinner, Smith, Trager.)

Many small-scale markets are socially embedded in communities, where producers and consumers deal face-to-face over the vegetables, chickens, or bolts of cloth that are the stuff of daily life, whether in a peasant community, an urban bazaar, or a farmer's market in a middle-class suburb. Local markets, as well as much more specialized ones such as urban wholesale markets of professional traders, are often organized around complex, multistranded relationships that intertwine gender, ethnicity, class, and kinship, as well as economic role.

Other very different kinds of markets (not marketplaces) embody diffuse, impersonal (and perhaps anonymous) ties among trade partners, such as in 'spot markets' where economic actors interact only through a one-time transaction, as in many real estate markets, labor markets, and global commodity markets for things such as sugar, coffee, or rubber.

Long-distance trade—both in exotic products and mundane commodities—may pass through highly specialized marketplaces that coordinate a regional or a global industry, such as Dutch flower auctions. Some long-distance markets are organized around small tightly knit communities of professional traders who transact business within networks of trust built on ethnic solidarity, such as New York's diamond exchanges or Ibadan's Hausa traders.

Markets exist along continua between the most informal sectors of society and the most highly regulated. Some markets are organized through informal or quasi-formal institutions (open and above board, but outside the realm of legal or political attention), while others are 'gray,' 'black, ' or entirely illegal. Other specialized markets for professional traders are organized within tightly regulated institutional frameworks that govern access, terms of exchange, reporting requirements, or public accountability; some examples include stock markets, commodity exchanges, and other financial markets. Whether informal or formal, the frameworks of regulation that encompass the smooth functioning of any market usually mix self-regulating mechanisms created by market participants themselves with those imposed by political or legal authorities. The social, institutional construction of trade and markets is evident in the widely varied price mechanisms—bartering, bidding, haggling, setting posted prices, or negotiating contracts, as well as discounts, rebates, or kickbacks—that are established in various markets, reflecting and shaping very different balances of market power among buyers and sellers.

3. *Markets as Institutions*

Anthropologists focus ethnographically on the social structure of markets as institutional systems, the transactional behavior of market participants, and networks among trade partners or among markets (Plattner 1985). They emphasize how economic activity is embedded in social institutions and relationships which structure solutions to economic problems (sometimes conceptualized as 'transaction costs' (Acheson 1994)). These costs, which any market or enterprise inevitably faces, are not only direct overhead expenses on specific exchanges. More generally, the economic and social costs of exchange include those of establishing trust and reliability among trade partners, soliciting or extending credit, guaranteeing stable sources of supply, enforcing compliance with agreements, recruiting labor, distributing profits, monitoring employees, obtaining information on market conditions, creating or enforcing property rights, managing risk, and so forth (Geertz 1978).

Various patterns of social structure that enable markets to form and economic transactions to occur are often conceptualized—by anthropologists influenced by institutional economics and sociology—in terms of 'governance structures,' the institutional structures that organize, constrain, and coordinate economic activities, that sanction some behaviors and provide incentives for others. Different governance structures—different forms of market relationships, different forms of business organization—provide different solutions to the challenges of achieving social and economic integration over the 'transaction costs' that all economic institutions must bear. Governance structures are, therefore, social institutions and systems of norms familiar to anthropologists in many other contexts and subject to similar kinds of social and cultural analyses.

Governance structures range along a theoretical continuum, from 'market governance' to 'governance by hierarchy.' In the former, an economic actor relies on the competitive forces of a spot market to obtain the goods, services, and trustworthiness it requires; in the latter, an economic actor controls goods, services, personnel, and reliability through direct ownership and administrative fiat (as in a vertically integrated industrial corporation). Midway between these extremes is governance by 'relational' or 'obligational' contracting, in which partners in ongoing exchange relationships agree, formally or informally, to do business with one another over time, relying on the strength of personal ties (such as trust) to overcome problems that may arise in the relationship because not all the terms and circumstances of trade are (or can be) specified ahead of time.

Anthropological analyses of markets often focus on the social and cultural patterns sustaining this middle form of governance, such as frameworks of self-regulation, the management of common property, the structural relationships between producers and buyers, the disposition of market power, or the political dynamics of trading communities. Other studies examine the creation of personal ties of trust and reciprocal obligation, and the microlevel transactional behavior among individual traders and other market participants. Some studies place market relationships within a broader cultural milieu of interpersonal interactions; still others examine negotiating, bargaining, or haggling as a transactional game through which traders form what Plattner calls 'equilibrating relationships.' Implicit and explicit decision-making models used in daily trade have been collected ethnographically to illustrate how economizing strategies are embedded in culturally or socially specific contexts. Information costs and transactions costs have been analyzed within what Geertz (1978) calls 'bazaar economies.'

4. *Markets and Urban Life*

Throughout history, cities and markets have sustained each other, the former providing location, demand, and social context for the latter; the latter providing sustenance, profit, and cultural verve to the former. In many places, towns and marketplaces grew up together, with marketplaces as centers of economic and social life (and eventually political life as well) and as the institutions through which towns and cities were linked to their hinterlands and to other communities. Markets mediate connections and conflicts among very different segments of an economy or a society: across divisions between rural and urban, peasant and capitalist, premodern and modern, colonized and colonizing, or informal and formal sectors. These mediating roles have been examined in urban markets (in the diffuse sense, as in labor markets) and marketplaces (in the more specific sense, of geographically situated hierarchies of trade (Meillassoux 1971)). Within commercialized economies, distribution channels and markets that connect large-scale business to small-scale family firms are another example of market linkages across social and economic sectors.

Market hierarchies have themselves been a major topic of study. Central place theory analyzes the spatial distribution of markets within hierarchies of settlements ('central places'), and within anthropology has been applied to peasant marketing systems and to interrelationships among urban markets. Alignments of trading patterns within market systems have been shown to be important indicators of a wide variety of other social, political, administrative, and ritual aspects of local, regional, and national organization. Also known as 'regional analysis,' this approach was developed in anthropology by Skinner's ethnographic and historical research on China (Skinner 1977), and by extensive studies in Meso-America and elsewhere (Smith 1976).

The cultural environment of trade and marketplaces is also a central aspect of urban life. In the repertoire of crucial social relationships and roles filled by urbanites, Hannerz (1980) includes 'provisioning relationships,' which necessarily involve people in exchange, within and outside of markets. In a spatial sense, marketplaces can be analyzed as a distinctive kind of urban place with economic as well as many political, social, and ecclesiastical functions, but most anthropologists situate marketplaces not simply in spatial terms but within the wider cultural milieu of a society's values, norms, and texture of relationships (Geertz 1979).

Markets do not just organize sources of supply; they also satisfy (or create) demand and desire, as stages upon which consumption is rehearsed and displayed. Many studies of consumption take Bourdieu's perspectives on 'taste,' 'distinction,' and 'cultural capital' as points of departure for examining the cultural force of markets in shaping contemporary urban life. Studies of the logic of market capitalism and how it permeates one's experience of shopping and consumption echo Simmel's perspectives on market mentality as the quintessential condition of urban life. So too, did Redfield and Singer's earlier formulations of 'the cultural role of cities,' which placed the marketplace at the heart of the 'heterogenetic city,' a city that links itself to a wider world and, in the process, transforms the city, the rural hinterlands with which the city is interdependent, and society at large.

5. *Markets and Globalization*

More recently, sweeping transnational economic, political, and social forces have eroded the separability of societies and perhaps have disestablished the primacy of cities as nodes of exchange, but have accentuated the importance of markets. Since the early 1990s, proponents of globalization as a distinct type of social transformation have emphasized markets (in their deterritorialized sense) as central to this change. Globalization, in this view, is the expansion and ultra-integration of markets on an unprecedented scale, creating markets that incorporate societies, social sectors, and commodities that had formerly resisted or been outside market spheres of exchange. This process presumably has weakened nation-states, and has been facilitated by the increasing speed (or fluidity) of communications, transportation, media, and flows of goods, financial assets, and people, all sustained and accelerated by major technological breakthroughs in electronic media and information processing.

Of course, new patterns of global integration formed around markets are themselves nothing new. Anthropologists and sociologists have examined trade and market hierarchies as they establish linkages throughout what Immanuel Wallerstein conceptualized as the 'world system.' Within this expansion of Western European societies to incorporate most of the globe into their spheres of economic, political, and military hegemony, markets have been critical organizing principles for economic, social, political, and cultural phenomena on regional and national as well as global scales. The political economy of the contemporary world system can be seen through complex networks of 'commodity chains': the links, stages, and hands through which a product passes as it is transformed, fabricated, and distributed between ultimate producers and ultimate consumers (Gereffi and Korzeniewicz 1994). Such chains connect far-flung components of the 'global factory,' the international division of labor among societies whose specialized niches in the world economy may center on resource extraction, low-cost fabrication, transportation efficiencies, or highly developed consumer markets.

Commodity chains are useful for understanding the widely dispersed industrial production characteristic of contemporary transnational trade as well as the fluidity of the circulation of agricultural and other commodities between producer societies on the global periphery and consumer societies of the global core. Sugar, for example, stands as a commodity at the intersection of imperialism, the colonization of the Caribbean as a region of plantation-slave societies, and Western European industrialization (Mintz 1985). The contemporary coffee trade in the Western Hemisphere reflects North American hyperconsumerism and the skillful marketing efforts of mass-market 'boutiques' for 'yuppie coffee,' which form new structural linkages between producer and consumer societies within systems of cultural symbolism and identity based on consumption style (Roseberry 1996).

Against a backdrop of globalizing markets for commodities, people, assets, and images, Appadurai (1996) proposes that contemporary ebbs and flows of transnational culture be conceptualized as 'ethnoscapes,' 'technoscapes,' 'finanscapes,' 'mediascapes,' and 'ideoscapes.' Very roughly, these refer to the complicated tides and undertows of people(s), of technology, of capital, of media representations, and of political ideologies that concurrently link and divide regions of the globe. These 'scapes' resemble diverse and intersecting markets that exchange items and images across the globe, and across domains, creating value and the possibility of exchange through unexpected juxtaposition and disjuncture. Appadurai's vision of global integration (or disintegration) implies a deterritorialized world in which *place* matters little, but the fluidity of exchange is everything. These loosely coupled domains are organized around particular processes (migration, investment, representation, or consumption), and a varied repertoire of influences may travel quickly, in many directions almost simultaneously, across these domains. The center or disseminator of influence on one 'scape' may be simultaneously the periphery or recipient of influence on another. This decentralized, deterritorialized global culture is a world of many markets (broadly conceived) but few marketplaces, few specific central places of interaction. In contrast, Hannerz (1996) locates these processes (or markets) in world cities, nodes that receive, coordinate, and disseminate cultural content and creativity to locally synthesize global elements into diverse, multiple patterns of regional culture.

The trends that created this 'global cultural supermarket' (to use Stuart Hall's phrase) involve markets more than just metaphorically. The commodification of human bodies in global flows of guest workers, sex workers, and refugees involves markets of hope, desire, and misery. Global industry's ability to shift production from place to place has created markets for 'pollution credits' among different jurisdictions. The development of deep-sea diving equipment has reinvigorated debates over ownership of the seabed, and has vastly extended property rights regimes over global oceans. Electronic media have created commercial forms—online auction sites, for example—that raise familiar questions about trade partnerships, rules of trade, and principles of reliability. Global financial markets can now operate 24 hours a day, further transcending spatial and temporal (and hence political) limitations on their operations. The digitization of information into electronic form has created new forms of property rights (patents and copyrights) based on the value of—and the exchange rights inherent in—retrieval systems rather than underlying information. Common cultural heritage has been converted to 'content,' a commodity with which to fill information delivery systems. Biotechnology has created new crop species, and hence questions about the ownership of both new and existing species and the digitized information on human and other genomes as they are decoded. Increasing exploitation of natural resources raises questions about the common property rights of nations and communities over ecosystems, as well as about the ownership and marketability of indigenous knowledge about local biota, itself a source of valuable data for bioprospecting.

The fundamental issues of anthropological interest in markets and exchange (what is property? who can own it? how can it be exchanged?) are not issues simply of trying to understand small-scale, isolated societies in antiquity and the recent past. How markets are constituted, who has access to them, and how they affect the social order as a whole continue to be current issues, affected by the transformations now taking place on a global scale, creating new integrations of local and transnational market systems centered around new forms of property and new media of exchange. Anthropological analyses of these markets address cultural and social issues as fundamental as those raised by analyses of traditional patterns of exchange in peasant marketing systems. Anthropological interest in markets will continue to focus on emerging practices of capitalism as a global cultural and social system.

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T. C. Bestor

Markets: Artistic and Cultural

A market is a forum for exchange between buyers and sellers. The concept has been broadened in its application to the artistic and cultural realms to refer to systems for the production and distribution of the arts. These systems differ from a purely atomistic market in that actors (buyers, sellers, and intermediaries) can be organizations as well as individuals. When the art form is produced by profit-seeking firms, the system is known as a culture industry (see *Culture, Production of*). The term marketization is used to indicate that a type of culture once produced and distributed in nonmarket settings has moved into market (or market-approximating) ones. Broadly, the term also indicates that a business-world way of thinking, referred to in the UK as 'enterprise culture,' has pervaded settings that used to be 'pure.' Key concepts involve the effects on art and culture of uncertainty, the laws of supply and demand, and the responsiveness of markets to buyers' and sellers' desires.

1. History

1.1 Markets for the Fine Arts

The classic study of market effects on artistic and cultural products, by economists Baumol and Bowen (1966), focused on the performing arts. Their much cited finding is that over time the performing arts become increasingly expensive relative to the cost of living, because the number of personnel needed for performances—the musicians in an orchestra, say, or actors in a Shakespeare play—is difficult to reduce. As a result, the performing arts do not see the productivity gains realizable in manufacturing industries. Performing arts, like other service industries, face increasingly expensive payroll bills. Thus, the performing arts always struggle to find external funding, charge higher ticket prices, or suffer cuts.

At about the same time, White and White (1965/1993) published their sociological study of the transformation of the French art world from an academic system to a dealer-critic system, which occurred at the end of the nineteenth century. Successful for more than two centuries, the former system was rigidly controlled by academics. It failed when the number of aspiring artists in Paris vastly outnumbered the rewards (prizes and academic appointments) available through the academy. The surplus artists wanted an outlet for their work and a means to make a living, so they turned to dealers, people who would sell their works directly to the public. Critics were a key component in this new system, as they worked with dealers and artists to create an aesthetic system that

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