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Making Market Rule(s)[*]
Introduction to themed issue of *Environment and Planning A*
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> "As we start to understand better how markets and marketplaces work, we realize that we can intervene in them, redesign them, fix them when they're broken, and start new ones where they will be useful. The growing ability in recent years of economists to be engineers is a bit like the epochal transformations that farming or medicine have experienced over the millennia." Alvin Roth (2015: 230)

Taking Markets to Task

In this age of "ubiquitous commerce" (McGuigan and Manzerolle 2014) where market logic seems to have infiltrated just about every aspect of life, and "public" goods are increasingly more memory than reality, market exchange is becoming a core research interests of human geographers. While other modes of both formal and informal exchange are important, markets are the dominant exchange mechanism of contemporary economies at least in the Global North. Possibly more important, markets are asked to do much more than efficiently exchange and distribute resources. They are enrolled to solve all manner of policy and broader socio-political problems. Markets and the information they produce and consume are entangled in increasingly pervasive systems of measurement, assessment, and governance. They are asked to transform (poor) people into efficient choice-making subjects, convert urban spaces into sites of accumulation, render ecological conservation into innovative business opportunity, and translate the politics of austerity into economic "reality". On top of all of this, financial markets are expected to regulate the global macro-economy and discipline "rouge" nations like Russia, Iran, or Greece. Put another way, contemporary markets seem to be doing many of the things Hayek dreamed of, and Polanyi feared—if not thought impossible.

This themed issue looks at this expansion of markets and market logic by focusing on the construction of market rules and regulation. The articles gathered here challenge the assumption of an operational separation of markets and regulation by investigating how regulations contribute to the rendering of market space. At the same time the articles

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disassemble the mesh that holds markets together as both material realities and objects of inquiry. They accomplish this by engaging with the contingent socio-economic, techno-political, and spatio-temporal relations that constitute, shape, and limit markets. The tension between these two approaches, what could be characterized as the formal and the substantive (see Peck 2013), are what we focus on in this introduction.

To illustrate this tension we start with a perspective on markets quite different from that of most geographers, although one that has drawn a bit of attention in this journal (Christophers 2012). For Nobel Prize winner, game theorist and self-styled "market designer", Alvin Roth, market construction is both a highly technical practice and an unproblematic necessity of contemporary life. In his recent book (2015), markets are for Roth like languages or what he calls, "human artifacts" (pg. 228). They are a trans-historical solution to human problems, and with the right design and "nurturing" (pg. 14), can remedy seemingly any social or economic obstacle. Roth moves effortlessly from discussing the design of "markets" for commodities, kidneys, university admission, online dating, and public school selection to name just a few. Accordingly, by Roth's definition, markets do not necessarily involve money or prices, but simply human decisions (pg. 10). Pretty much anything involving human desire is a market of some sort—he claims they "play a role in all the things we do and in everything we make…" (pg. 228).

For Roth then, market design is quite a mundane practice, although one often requiring expertise. From this perspective there is a straightforward job to do—find the best matches between people and the things they desire. And given the power of digital and algorithmic processing, with proper technical engineering, market rules can be applied to just about anything. For Roth, this sort of "good" design sets a market free: "When we speak about a free market, we shouldn't be thinking of a free-for-all, but rather a market with well-designed rules that make it work well" (12-13). However, while there is some mechanism to be set "free", we are never told what that mechanism is. In this Roth leaves us with a contradiction. On one hand the free market is a naturally occurring component of every human society. On the other, free markets must be constructed, and furthermore bounded and controlled in order to function properly. We will not attempt the genealogical tracings to resolve this seeming paradox, but we will use the remainder of this essay to explore three interrelated implications and challenges of Roth's conundrum, both for his field of "market design" as well as for researchers in human geography and proximate disciplines.

Rules of the Game

First is the obvious question surrounding the importance of market rules and regulations. For a game theorist like Roth, markets—like any other game—remain entirely undefined other than by their rules. We suspect that for many geographers this is a tough pill to swallow, but it raises the question of whether markets are in essence a system of technical guidelines or norms for human behavior, albeit rules concerned with economic exchange. If they are something more—which we suspect they are—there is an ongoing question of what is the mechanism at work in the reproduction of any particular market, and whether there are commonalities across markets. We think this question is severely under-researched in the social sciences. Either way, the mundane technical practice of rulemaking is essential to understanding the ways in which markets are a primary instrument of governmentality. We would suggest, however, that while there is great value in continuing to research neoliberal ideology and neoliberal subject formation, there is a dearth of research on the operational geographies of markets and market construction.

The papers collected here focus on market design, but at first glance they have little in common with a game theory account. The market rules explicated here are more contingent and problematic, often requiring socio-economic struggle. In fact one of the common themes of these papers is the *politics of market construction*, whether in a more explicit form such as manufacturing democratic consent (Cohen and Lizzote) or think tank led urban governance (Akers), or in more implicit forms through bureaucratic and legal finesse (Muellerleile), or the politics of technocratic categorization (Cooper). Each of these papers explores, as Polanyi famously quipped, "laissez-faire was planned", but at the same time at least two of them (Muellerleile, Cooper) demonstrate the technical manipulation of systems of ordering, and through this the market rationalization or seeming de-politicization of the discourse of market construction. Seen this way, there are similarities between the papers here and Roth's more mundane account of market construction as a technical practice of economic engineering—something that is perfectly rational, if only in the context of market hegemony.

In other words, the papers collected here, as well as elsewhere under the rubric of "geographies of marketization" (Berndt and Boeckler 2012) take seriously the specificities of techno-culturally assembled and institutionally situated markets, including their contingent processes of construction through everyday practice (Jones and Murphy 2010), and various invocations in political debate. In the process however, both here and elsewhere, *we wonder to what extent geographers have abandoned any notion that there is a thing called the market*, or that there is some sort of essence of marketness. Whatever the answer, it is important that this growing community of scholars debate what, if anything, should constitute the conceptual middle ground for a Critical Geography of Markets. If nothing else, the empirical cases in the papers collected here lay the groundwork for a discussion about the importance of the market as a concept.

What Market?

Placing the market front and center, however, is not easy. Among other things, identifying "what kind of subject" the market is, is not a simple matter (Jones 2011). Assuming some sort of price mechanism into existence is not an option for most human geographers in the way it is for many neo-classically influenced economists. Making things more complicated, markets often acquire a simultaneous character of presence and absence (Jones 2011) in the face of politics, crisis, and inequality. In the most vulgar simplification—although one not far removed from the editorial perspective of a publication like *The Economist*—"the market" as an abstract concept is a force that only promotes human welfare, making it quite easy to attribute positive outcomes to this mysterious power. On the other hand, when things go wrong the market usually vanishes, subsumed by exogenous factors. This is not just a problem of popular (neoliberal) discourse. It is also a methodological problem for social science. There is a thin line in research between lending the market too much agency or analytical permanence, and dissolving the market into its constitutive parts.

And here lies a difference between the approach of a game theorist and that of a human geographer—at least those represented here. Even a market constituted by its rules is a problematic concept and mechanism, one imbued with history, struggle, power, and location, and one that should in no way be assumed to inherently unleash some force of socio-economic fairness. These contingent factors are at the forefront of the critical analyses of markets presented in this issue.

But we should not assume that all economists see the market as an inherently positive force. In fact, despite its contradictions, one of the interventions of Roth's book is its unequivocal rejection of the belief that the best markets are those left to regulate themselves. The book reflects the growing acceptance among liberal economists post-2008, and more recently "post-Piketty", that markets are a more ambivalent force that require constant care and feeding. As Berndt points out in this issue, the growing influence of behaviorism and experimentalism in economics and public policy demonstrates a growing "middle ground between the interventionist state and the self-regulating market". Put another way, even within neo-classical economics, more scholars are asking whether "the market" is an "empty signifier—that is, a placeholder in need of conceptual elaboration" (Diskin 2011: 459).

We can see the empty signifier problem in Roth's account where even though it requires proper design, the undefined "market" is dissolved into any and every instance of human desire and choice. This has at least two insidious effects. First, it precludes the political contestation of market rule[1]. If most every familiar part of life is already a market, there is hardly controversy in constructing new markets and new privatized goods to be exchanged in them. Second, assuming that some market force exists *a priori* makes it easier to mandate that people participate in markets[2].

For scholars more critical of markets, like those gathered here, the under specification of the market results in other challenges. Consequently, theorizing the market itself presents a number of challenges, including for the authors gathered here, First, it requires researchers who are interested in advancing a "positive" research program (Peck 2012, Hall 2012) to "reinvent the wheel" in every instance. And second, it makes it more difficult to critique neo-classical notions of the market in neo-classical terms, although the desirability of this latter point is contentious. Third, and possibly most important, it makes it difficult to argue that any particular social effect is attributable to a market, even if only as the crucial actant in an assemblage. All four of the papers in this issue react to this conundrum in various ways. That is, how to sufficiently ontologize "the market" while resisting the sort of reductionism that allows too many economists to ignore the contingency, unequal power relations, and innumerable instances of market failure.

Our point is that studying markets presents a significant challenge to a discipline like geography, which derives much of its explanatory power through contextualization of complex and contingent processes. That is, how to make more room to define and interrogate formal market concepts? If nothing else, the formal notion of a price mechanism that produces and consumes information about economic life—if not producing marketized social orderings—deserves to be seriously interrogated by geographers. This property of markets may be most legible in finance, but increasingly the digital economy is dependent on all sorts of reflexive price mechanisms trading and speculating on the most ordinary aspects of everyday life. We would warn against fetishizing the formal market, but to ignore the possibility that actually existing markets may have some common characteristics across space and time, whether as a price mechanism or otherwise, will leave this project underspecified and incoherent. In other words,

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1 This is admittedly an oversimplification. The micro-politics of neoliberalism, or the politics surrounding affect (Massumi 2015), are increasingly theorized as central to market relations.

2 Like other economists, Roth discusses "repugnant" markets, or those where some people make moral objections to employing markets, but this discussion is largely framed as one of cultural difference, or simple preferences.

in its embrace of pluralism, the geographies of marketization project may sacrifice sustained engagement with proximate disciplines (Muellerleile, et al. 2014)

Balancing on embeddedness

This challenge plays out in one of the oft-employed methodological frameworks in critical market studies, that of embeddedness. The issue with embeddedness in this context is that to privilege what the market is embedded within is to necessarily de-emphasize the market itself as an operation or mechanism, or as a semi-autonomous device or assemblage with the power to influence socio-spatial relations. This problem is perhaps best captured by a debate between Daniel Miller and Michel Callon in the early 2000s (Miller 2002, Callon 2005). Miller argued that in many, if not most cases, "market exchange" was not about a market at all, but the reproduction of deeper socio-cultural relations that systems of exchange are entangled with. Callon broadly argued that market assemblages became their own social framings and as such became socially effective independent of what Miller saw as the deeper social context.

From a different perspective, the notion of embeddedness can be criticized for not engaging deeply enough with a theory of capital. As Christophers (this issue) points out, it is often necessary to frame the market in a theory of capitalism and the powerful firms that exert so much control over the markets that are crucial to circulate the fruits of capitalist production. The potential tradeoff in this approach is that the processes of capitalist production and the firms that control commodities' entry into the market, become the main object of study as opposed to the market itself.

Karl Polanyi, who coined the notion of embeddedness, argued that the market and economic relations more broadly were necessarily embedded in political and social institutions and that any proper economic analysis must take account of the broader extra-economic processes if one wanted to make sense of, let alone change an economy. The limits to this perspective, at least the ways it has often been employed, is that it sets out to find the "real" foundation or limits of the economy in politics or socio-space, in opposition to the "fictitious" market foundation that neoliberal minded thinkers hope will be transformative (Cooper and Konings 2015). In other words, it creates a separation between politics and economy, or society and economy, and argues that economy is "always" embedded in society (Block 2003), and as such argues that the privileged object of research, not to mention socio-economic change, should be society.

This perspective is challenged to explain a situation where markets are rearranging the basis of society and economy. For instance, it has a difficult time dealing with a situation where the emotional and affective constitution of social relations are increasingly entangled with speculative, anticipatory, and market based institutions (Marazzi 2011, Massumi 2015, Konings 2015). In other words, the embeddedness paradigm is challenged to deal with a society that increasingly seems to be everywhere already marketized.

We see these economic imperatives play out in the four research papers collected here. In Cohen and Lizotte's account of the privatization of education, the power of the discourse of choice repeatedly undermines the possibility of solidarity around non-market based solutions. In Akers's account of the restructuring in Detroit it is as if city officials are incapacitated without clear indications of the exchange value of property. In Cooper's account of carbon offsets, the imperative to measure and construct equivalence goes "all the way down" in reformatting the chemical composition of the atmosphere into marketable commodties. Muellerleile demonstrates that state regulation of early financial derivatives markets was first and foremost contingent to the ongoing reproduction of those markets as opposed to any particular social or even macro-economic objective.

In the face of the market imperative, the economic performativity thesis attempts to overcome the problem of embeddedness by suggesting an anti-essentialist socio-economy, one constituted by economic assemblages of performed knowledges and logics, economic or market devices, and other market "prostheses". Caliskan and Callon (2009, 2010) extended this intellectual project further in developing their processual account of economy and market, coining the idea of "economization", or the process of making things economic. There is quite a lot of room in economic geography for this "techno-cultural approach" to markets (Christophers 2014, see also Berndt and Boeckler 2012, Muellerleile 2013, Hall 2012), although it comes with its own challenges. The difficulties here surround the possibility of including power and politics—or in other words, to speculate why some markets are performed and others are not, or why non-market exchange systems are increasingly left behind. Furthermore, if the analytical object of a research program is the *process* of economization or marketization, one must ask whether there is any commonality between different processes? The danger here is of a tautology, where the market becomes what the marketization process does.

The papers in this special issue do not solve these problems. But they do demonstrate the ways that a geographic approach allows researchers to navigate various analytical frameworks, and strike a balance between them. On one hand, each of these papers demonstrates just how reliant markets are on urban space, politics and technicalities, constructed and reproduced categories and classifications, and the manufactured will of democratic governance. On the other, these papers present the market as a semi-autonomous mechanism capable of constructing its own context and deeply influencing those with which it is entangled. By focusing on market rules and the mundane practices of making market rule these papers open avenues to understanding the actual work of markets and their "entailments" (Kozel 2006) in the contemporary moment.

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