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Economics of Conventions and the New Economic Sociology and our Understanding of Food Quality and New Food Markets and Trade Institutions

What are markets that pure economics does not know?

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1. Introduction

If there is something difficult to understand within economics it is markets[1]. While prices, producers, consumers, and even the state as regulatory authority, are economic agencies and subject of behavioural theories, something as a theory of markets and even a theory of commodities does not consistently exist. The word "market" covers a wide range of organisations and institutions making markets functioning (e.g.: enterprises, market places, information on price, legal guaranties) on the one hand, and on the other hand it is reduced to abstract mechanisms (supply and demand model). Property rights, law and institutions in general are seen as mere timeless constraints for conformity. While they are not for economics (except for institutional economics), markets are objects of research for History, Law, Anthropology and Sociology. Economic sociology is occupying this vacant theoretical space. It has developed with the critique of neoclassical theory as a starting point, and principally the critique of the inconsistency of its central notion of market, while instead the markets are relational or transactional spheres. Variety within markets is denied by the essential hypothesis of the perfect competition, willing the agents anonymous and omniscient. The ways opened by Chamberlin with the representation of markets as local monopolies, by Coase with the existence of costs of using markets (transaction costs), by Austrian economics with markets as processes of discovery of efficient designs, or by evolutionary economics interested in the way market structuring influences innovation, were broadly regarded as

[1] This explains the question we was asked to answer by the programme organisation of the IAAE 27th International Conference reflected in the title of the paper. I thank Johann Kirsten for this question which really concerns us, we would say as institutional economist, but which is much more important than our capacities to answer. We thank also Estelle Biénabe, Xavier Cincon, Benoît Daviron, Julie Labatut, Bruno Théret, Hélène Tordjman, John Wilkinson, Chloé, Antoine and N., who introduced us to some institutional components of markets we had in mind in writing this paper. Usual disclaimer applies.

heterodoxies, while empirical marketing studies were developing within management sciences, but not integrated in a consistent economic theory.

Economics, it is its value, considers economic exchanges as a whole, made by independent decisions, but independent for they are constrained and permitted by the price system. Historians see markets emergence when a "system of prices" establish itself, but in the historical vision, the system of prices is not independent of the actors' action, even if prices are performative. Economic sociology does not separate the system of prices from the social system of exchanges, which connects such entities as firms, industries, localities, trade circuits, national economies, in order to comprehend market varieties as historical systems.

As noted by Fligstein (1996) it is not enough to critic the lack of a theory of markets in economics, it is a challenge to provide one. While the economists following institutional lines refer to major classic political economy contributions, including those of Marx, Weber, Veblen, Commons and Hayek, prior to the triumph of utility economics (in the 1950's), economic sociology has developed in the last decades as a separated academic field to propose a theory of markets, even if not unified, considering that markets are social structures and cannot exist without authoritative rules to regulate exchanges. Inconsistency of the market economic notion derives from that under the basic economic model, markets have no duration and actors. Considering markets as social structures and processes, one major difference which opposes usual economic theory of competition and economic sociology is the issue of duration and stabilisation of market structures, making possible both individual calculation and collective action. For economic sociology, convention theory and in general institutional economics, the issue is on how market participants escape pure competition by "*co-opetition*" (Brandenburger, Nalebuff, 1996), in getting instruments to "know" and to control, and thus to a certain extent to stabilize markets.

Different authors have provided recent synthesis of the economic sociology project and toolkit allowing to compose a framework for analyzing markets. This is the objective of *section 2* of the paper. We first search for the substance and the place of markets, we find in the space of the "slack economy", as qualified by Hirschman; then we present market institutions, in particular following propositions made by Fligstein (1996) to analyse markets as "*control projects*". In *section 3* that is devoted to quality as an institution, we introduce convention theory and results from institutional economics. In *section 4*, we analyse some aspects of market dynamics by focusing on agriculture and food, and on trends and debates surrounding food markets emergence. We highlight changes in innovation and market institutional regimes. The *section 5* concludes.

2. Sociological and Institutional Framework for Analyzing Markets

Markets result from price systems orientating agents' decisions. But what are markets made of? What substance gives markets some reality in the social perceptions of the economic order? Certainly markets are perceived through the social implications and consequences of market struggles. For it is normative, the pure economic theory does not concern itself with the social consequences of competition, unlike moralist or political scientists. While it presses to continuously move up markets, it does not propose a theory of that movement. Furthermore, Nobel Prizes have demonstrated that, in following the core theory of "perfect competition", a market cannot exist if products resist to completely and certainly exhibit their quality (Akerlof, 1970), or is "inefficient" if information is costly (Grossman, Stiglitz, 1980);

conclusions which obviously do not fit with market developments observation[2]. Markets cannot exist both if there is "uncertainty", meaning unstable qualification (« Lemons Principle »), for the search of information is potentially infinite, and if information is perfectly transparent (there is nothing to know). These authors argue that it is precisely in no balanced situations that prices matter for actors, and it is why institutions matter, we can say to read markets. No economist will argue that the information is as perfect as supposed in the theory and all accept the existence of « market failures » and the idea that institutions shape economic life to a certain extent, but most economists will say that markets are almost perfects! Social market troubles are generally viewed as sand in the economic mechanisms. On the contrary, certain economists, as Joseph Stiglitz (2001), stress that a small imperfection can have profound consequences on the nature of the economic equilibrium and argue that if a theory of equilibrium were including adequate institutions to fill in market failures, it is still a "fundamentalist" view; a disequilibrium is necessary for action to pursue equilibrium strategy for that it is thus profitable to get information or to differentiate. It is not sufficient to say that *working markets are disequilibria*. A positive view implies to address duration and stabilisation issues, questions which unconcern economists in the pure tradition. Instead, institutional economics and economic sociology are related with the processes of market institutions building, stabilizing and changing.

2.1. Consistency and substance of markets

If markets are to be viewed as lasting, we certainly can imagine stable prices as reasonable abstractions, but can we imagine stable products and services, and stable ways of production or of delivery, meaning no innovation, and even no lapses in the actors' action and positioning? According to Hirschman (1970), there are two reasons for which economists have paid little attention to "repairable lapses" of economic actors. First, assuming fully rational behaviour, economists assume generally that a firm fails "for good reasons", due to external evolution of supply or demand or due to internal crash. The second is that

> "the recovery of any lapse is not really essential. As one firm loses out in the competitive struggle, its market share is taken up and its factors are hired by others, including newcomers; in the upshot, the total resources may well be better allocated" (1970: 1-2).

In this vision the reality of the firm as performer, or of any identified economic actor, disappears for economic resources and property rights are dismembered (perfectly mobile) and thus market competition is an un-emotive mechanism, the outcome of which is only normatively considered at a global level. There is no place and no time for markets given the timeless tension of the economy, which is supposed by the theory of pure competition. Any stabilisation needs that firm can in certain cases rescue from failing (from random failures). Hirschman concerns himself with the forces of recuperation from repairable lapses of economic actors. To reintroduce political concerns (meaning actors' concerns) related to the form and the social outcomes of competition, the theoretical problem is to give existence to actors and to their conceptions, and thus to market substance. But it is possible only by opposing to the "taut economy" assumed by the basic competition model what Hirschman calls the "*slack economy*". He considers the options available to customers confronted to the decline in the quality of products or services and perceived by firm managers. These are two: exit and voice. This perspective frames economic actors: escapers who favour alternatives, voicers who participate to alternative construction, be they internal or external voicers, and managers concerned with problem solving. Therefore it gives duration to market functioning

[2] These two economists propose alternatives theories: the "behavioural economics" (Akerlof, 2001) and "information economics" (Stiglitz, 2001).

and introduces the issue of action to transform markets. We can say that markets are institutional and concrete spaces of the action of Hirschman protagonists.

To pay attention to the “slack economy” is to attach sense to actors' experiences and initiatives in conceiving economic mechanisms. To give room to this economy, Hirschman proposition is articulated as follows: (i) while the world is far from perfect, the economy can be considered at all time (except great depression) as producing a surplus; (ii) not only the "image of the relentlessly *taut economy* has held a privileged place in economic analysis" (id.: 9), but it has acquired performativity in being rationale for economic policies; and "social behaviour is as simply and as rigidly prescribed and constrained as it is in a no-surplus, bare subsistence situation" (id.); (iii) the issue becoming the ways surplus is socially compensated, the hypothesis gives room to introduce delay, slack (Cyert and March, 1963), and time to fault and to learn. The slack economy is not an inefficient economy in comparison with the taut economy of normative economics; instead it could correspond to a more efficient economy by giving time to time and assuming action capacities and limitations (Simon, 1952). The perspective set up by Hirschman in introducing exit/voice mechanisms and integrating institutional change in a theory of the slack economy, explains contestable and fallible collective strategies and policies. Market participants, market products, and markets as social structures can be analyzed as active and lasting identities. Economic sociology can be considered as the main contributor in this perspective by abandoning the Parsons’ view of the divide between economy and sociology, and with the project to link social structures and economic action, and economics to politics. While there are several strands in this literature,

> “there is a great deal of agreement that markets are social structures characterized by extensive social relationships between firms, workers, suppliers, customers, and governments” (Fligstein, Dauter, 2007)[3].

A slack economy is populated by actors, by products (or services), the quality of which is not permanent or immanent, and by voices; all of them need spaces and media for action. While space is as inconsistent as time in the pure economic theory, empirical analysis is confronted with concrete spaces, products being heterogeneous in space and time, money having a variety of social uses (Zelizer, 1994) and various forms of composition of divergent interests making the actors non anonymous. It was notably the work of economic sociologists to conceptualize these spaces using the concepts of network (Granovetter, 1973) and social structure. For empirical studies, fuzzy notions are used to define parts of the economies as “systems”, as sector, as system of production and system of innovation, as food provision system, and so on. These approaches allow identifying relations and interests composition within the actors in the system, but not the substance of markets. While interests can be seen as giving sense to action in markets, the substance of market institutions is to permit actors to defend their positions and to orient their action toward the future. The substantial nature of a market is to "contain" competition, both in the sense of the structured space where market struggles develop, and in the sense of restraining the struggle. The general argument is that no actor can determine which behaviours will maximize benefits, and action is therefore directed toward the creation of stable worlds.

[3] We focus in this paper on the works related to the sociology of the markets to the detriment of other important pieces of work related to money (Zelizer), to social reproduction (Bourdieu) or to the pragmatist theory of action, which also deal with the issues addressed here. One of the difficulties we found is that, although compatible, different theoretical camps keep to their own conceptual language, leading us to make choices in the way to compose the presentation.

In presenting its version of "*the toolkit of Economic Sociology*", Richard Swedberg positions first the concept of *interest* for that "interests represent the primary driving force for human action" and that social life

> "entails the bringing together of individuals and their interests into larger forces, in the form of families, tribes, corporations, nation states and so on" (Swedberg, 2004: 4).

Swedberg recalls the distinction made by Amartya Sen between "the interest consistency approach" related with rational choice theory (constitutive of the "taut economy" imagery) and "the interest correspondence approach", which relates the issue of the efficiency of action with the identification of interests, this last conception being more focused on the interests themselves than on the decision process. A sociological concept of interest was developed towards the end of the 19th century, by Georg Simmel and Max Weber:

> "An interest can be expressed in many different social forms, Simmel argued, and similarly different interests can be expressed through one and the same social form (…) Weber added an interpretative dimension to this argument – interests always have to be subjectively perceived by the actor – and also the idea that interests can only be realized through social relations. Weber's embrace of the idea of a plurality of interests as well as interests being social comes out very clearly in his famous statement about the relationship between ideas and interests:
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> > 'Not ideas, but material and ideal interests, directly govern men's conduct. Yet very frequently the 'world images' that have been created by 'ideas' have, like switchmen, determined the tracks along which action has been pushed by the dynamic of interest' (Weber 1947:280)" (Swedberg, 2004: 6)

The dynamics of interest shore up social projects, they are perceived through social representations of the future.

"*Economic order*" is another major concept introduced in the Swedberg toolkit, in accordance with the definition given by Max Weber and from which can be derived the concepts of norms, organizations and institutions:

> "An order, we learn from '*Economy and Society'*, can roughly be defined as a prescription for how to act that has acquired a certain independence in the minds of individual actors. (…) The fact that an order appears as independent of the actor makes it possible for him or her to orient his or her actions to the order – and in this way introduce a social element into the action, similarly to what happens when the action is oriented to another actor.

An order is valid or legitimate if it is seen as binding or obligatory to the actors. A *norm* or a *convention* is characterized as a valid order, which is guaranteed through disapproval.

> (…) It should be emphasized that the most important factor in making norms, organizations and institutions so powerful in social life (and thereby also difficult to change) has to do with their links to interests" (Swedberg, 2004:9)[4].

Jens Beckert focuses on the problem of the "*social order of markets*". To qualify the market order as "social" is both to stress the cultural and social (structural) factors, which intervene in shaping economic actions, and to refer to the social interactions through which action in markets develops. This order corresponds to:

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[4] Institutions (a term Weber did not use according to Swedberg) are generally viewed as what Weber calls an "order". As stated by Swedberg, "an *organization* is defined as an order that is guaranteed to be carried out by specific individuals: a head and often also an administrative staff with representative powers" (id.), but we do not follow him to say that "an *institution* can be described as an order that consists of a general model for behaviour, often enforced by a staff emanating from the political order" for institutions have not an unique way to be "enforced" and are not dependent on a "staff".

"the simple fact that the coordination of economic production and distribution through the mechanism of market exchange brings about a system of continuous high level of coordinated economic activity despite the heterogeneous motives and interests of the participating actors."

Beckert argues that "coordination problems can only be resolved if market actors are able to form stable expectations with regard to the actions of other market actors and future events relevant for their decisions, and if the expected outcomes are considered normatively acceptable, i.e. legitimate" (Beckert, 2007: 6).

Three types of *coordination problems* are analytically distinguished: "the value problem, the problem of competition and the cooperation problem". The "value problem"[5] refers to what we call conventions of quality. Beckert distinguishes two levels of analysis of the market order. Stable expectations formed by actors (by interaction with collectives) constitute the "building blocks" of market institutions while the notion of the "order of markets" refers to the institutional arrangements in which coordination problems find solutions, and markets can stabilize. Thus,

"the task of market sociology is to study both: the emergence and shaping of the social macrostructures relevant in the market context as well as the structuring of market action – and the distribution of exchange opportunities – by these macrostructures" (id.).

Market actors try to control sources of market instability. Actors here are the firms (or the farms) and the actors in the firms, the households, and the actors in various collective agencies and the states. Actors can take diverse forms including *social movements*[6]. It is the institutions which ensure the political mediation of market struggles, which constitute the *markets as institutional orders*. According to Fligstein, there are two forms of potential sources of instability in markets and two threats to market orders: (1) the tendency of firms to undercut one another's prices, which entails that the potential of price competition to undermine market structures is always there and (2) "the problem of keeping the firm together as a political coalition" (1996: 659). The same applies for a profession (Allaire, 2006). This second problem relates in its generality to "the tragedy of the commons" (as phrased by Hardin, 1968) if we extend the problem of the common resources to immaterial and intangible resources, including organisational devices for co-operative action and the institutions making markets functioning themselves[7].

"Stable" markets don't mean uniform worlds. As it is made clear by the "lemons principle", instability threat is undifferentiability. Not only markets for commodities are threatened to be dissolved by "uncertainty", capital engaged in productive settings is continually threatened by price competition to be liquefied, labour competences are threatened to be disqualified as mere workforce, and even individuals are always threatened to be absorbed in communities. Capitalist societies are concerned by all these threats. According to Aglietta & Brender (1984):

"the cohesion of a society is not to be found in an abstract and uniform general law. It is to be found in the uniqueness of its local structures, in the complexity of

[5] Two valuation problems (which are linked) are considered: heterogeneous goods within the "same market" and the value hierarchy between classes of goods. On this issue, see section 3.

[6] Social movements can be broadly defined as large informal groupings of individuals and organizations focused on specific social issues and which are active in political forums and participants in the carrying out or resisting a social change.

[7] Common-pool resources are characterized by the fact that the access is costly to restraint. They include local and global, tangible and intangible resources. See on this issue, the work of Elinor Ostrom (1990, 1999).

> relationships created between various behaviours, ways of producing and living; it is fundamentally to be found in the differentiation of its members".

The notions of "order" or institution (or institutional order) refer to the maintaining of social differentiation, and are instrument to analyze the varieties of markets and capitalisms, existing in mitigating these threats. Stability and markets development entail not only stable cognitive references for differentiation but depend on market dynamics conditions. Markets are dynamics for restructuring the real world as a result of the monetary exchanges; and therefore the notion of stability refers to *systemic effects* and to a *regime of coordination* allowing the elementary cycles of capital to maintain the differentiation of enterprises within a more and more complex productive system and "the continually evolving transformation of the undifferentiated mass [considered as workforce] into a differentiated class" (Aglietta & Brender, 1984).

2.2. Rules, actors, and market order

According to Fligstein,

> "The first problem for developing a sociology of markets is to propose theoretically the social institutions necessary as preconditions to the existence of such markets (…) These institutions-- what can be called *property rights*, *governance structures*, *conceptions of control*, and *rules of exchange*-- enable actors in markets to organize themselves, to compete and cooperate, and to exchange" (Fligstein, 1996: 658, emphasis added).

Institutions "as systems of established and prevalent social rules (…) make up the stuff of social life" (Hodgson, 2006). Market institutions distinguished by Fligstein "refer to shared rules, which can be laws or collective understandings, held in place by custom, explicit, or tacit agreement" (id.). While we follow here Fligstein's presentation of the market keys institutions, we will introduce more consideration for quality issues (see section 3) and include in the analysis the professional mode of organization of production which characterizes agriculture and food along with industrial organizations.

Property rights are social relations. Fligstein, as other economic sociologists, argues that the constitution of property rights is a continuous and contestable political process: "organized groups from business, labor, government agencies, and political parties will try to affect the constitution of property rights" (id.). As institution, property is neither the things that are owned nor the juridical categories that are only part of it in defining ownership status and importantly that are the entities which can account for ownership, and notably the right to alienate[8]. Property rights relate to all the rules, which determine who have claims on the outcomes of the assets engaged in productive activities. Regarding common-pool resources (a very current setting), property regimes are bundle of rights (from simple access to ruling, and alienation, see Schlager, Ostrom, 1992).

In modern microeconomics, the property rights issue is linked with that of the incompleteness of contracts (related with transaction costs) and the multi-functionality of assets. This theoretical perspective can provide a framework to develop the economics of the slack economy, in relation with convention theory (e.g. Favereau and Waliser, in Brousseau and Glachant, 2002). Whatever the reasons are for incomplete contracts, this conception of contracting not only gives room for organisational slack, it poses the problem of the borders

[8] John Commons identifies institutional economics with « *proprietary economics*", ownership being considered "in its modern meaning of intangible property, means power to restrict abundance in order to maintain prices; while the material things arise from power to increase the abundance of things by efficiency in production, even in overproduction" (Commons, 1934: 4-5).

of firms and suggests that economic activities develop in complex arrangements of contracts, assets and property rights. While incomplete contract theory was mainly developed to reframe the theoretical approach of the nature of the firm (Hart and Moore, 1990), it can also account for the superposition of property rights which concerns agriculture activity outcomes and the diversity of the social forms giving access to land to the peasants. While it seems to be ideal for those who make a living from agriculture, autonomous, fragmented and complete land property is not an historical feature. While in the modern times, the peasant classes progressively got rid of their dependence to local communities and landlords, this was to enter into democratic forms of land control which, beyond persisting local co-operative rules, entail state action in organizing property rights. This nowadays is far from being limited to closure and animal rambling arbitration, but includes both the provision to farmers of various public benefits in the form of rights attached to land and the control of the provision by farmers of ecological services.

Governance structures "refer to the general rules in a society that define relations of competition, cooperation, and market-specific definitions of how (production and distribution) should be organized." These rules define the legal and illegal forms of how firms can control competition. They extend beyond competition laws by including legal trademark systems and informal institutional practices or soft laws. Their content varies widely across societies in the type of capacities for cooperation and of procedures for enforcing competition they offer[9]. The enforcement and the judicial interpretation of market rules as well as the types of use made by the actors for which these rules are both constraints and resources vary in the time and are contested. They also vary between courts in federal states or across nations, even if a certain harmonization exists through imitation and explicit international agreements. These variations provide actors playing within national or international markets with opportunities to forum shop. Interesting accounts of such variations in legal framework implementation and interpretation, and therefore in actors' organizational strategies, can be found in the literature related to agrifood standards. Among others, Sylvander, and al. (2006) account for the change along the XXth century and within four European countries in the justifications of the laws protecting Geographical Indications in the case of foodstuffs, which can be related with competition laws (protection against usurpation and consumers misleading), supply control, regional development and public ecological services provision. Geographical Indications, which are Intellectual Property Rights (WTO, TRIPs agreement), also constitute per se a case of variation of implementation across countries, and notably between Europe and USA which advocate different governance structures to instrument this right[10].

Markets structures are also supported (generated) by de facto rules which, according to Fligstein, "are embedded in existing organizations as routines and are available to actors in other organizations." This definition is close to that of "convention of quality" (Eymard-Duvernay, 1989), in the sense that quality conventions are supported by cognitive devices (in the form of existing organizations) and transportable on several scenes[11]. That supposes some

[9] Market governance structures are termed “institutional forms of competition" by authors from "Regulation Theory". But the working of competition is also depending on other institutional orders constituted by the monetary system and the wage labour nexus as well as by the style of government and the international regime (Boyer, Saillard, 2001).

[10] The USA (with Canada and others) filed a complaint with the WTO against the EU regulation for GIs (European Council Reg. 2081/92). The panel report released in March 2005, that led the EU to revise its rules and notably to allow the recognition and protection of foreign GIs (EC Reg. 510/2006), confirmed the two models of protection (by the general IPR regulation or by a sui generis law).

[11] Hodgson (2006) notes that a convention is usually define as "a particular instance of an institutional rule", but that the French "*Economie des conventions*" school adopts a broad definition of convention that covers the

mechanisms and actors for the transmission of governing rules within organized institutional spaces; in this role are professional associations, management consultants, and the exchange of professional managers[12]. Professions are more than vectors of transmission; they are producing soft laws (professional standards)[13]; and vectors of transmission extend to all type of media diffusing popular recipes in many fields. All of these vectors by which governance structures extend their control are key issues in the process of change and of stabilization of governance structures.

Emergent market builds on existing markets, in others words existing governance structures are keys to analyze the social conditions in which new markets appear. All the markets do not emerge from the coalescence of private initiatives, under collective action and public control; some markets related with utilities and the provision of public goods can result from policy frameworks. Market design has developed as a proper field of economic activity for the provision of design models, and there is a developing interpenetration between this field and the formulation of standards for policy design. While new markets can rapidly emerge under private initiative as in finance, given the governance structure, it is not the same for markets, which emerge under public initiative or control (as in the field of the ecological services). Studying the emergence of this last type of market in the case of Carbon, Callon (2009) notices that for markets to function under complex arrangements, “the design of the arrangements therefore becomes a strategic activity in its own right” and that to install efficient markets some assessment process are needed[14]. Therefore for the development of such new markets, the issue of the organization of the assessment of the public outcomes is part of the governance structure. More generally, individual and collective actors, as states in control of markets, have representations and expectations on the global consequences of the functioning of markets, therefore accountability issues are related to governance structures.

Conceptions of control refer to understandings that structure perceptions of how a market works, that allow actors to interpret market world, make expectations, and act to control situations:

> "A conception of control is simultaneously a worldview that allows actors to interpret the actions of others and a reflection of how the market is structured." (Fligstein, 1996: 658)
>
> "Conceptions of control reflect market specific agreements between actors in firms on principles of internal organization (i.e., forms of hierarchy), tactics for competition or cooperation, and the hierarchy or status ordering of firms in a given market" (id.).

In our view, hierarchy of values (to refer to Beckert “value problem”) is reflected as well in the status ordering of products (or other economic identities) as in the "ordering of firms".

> "The goal of a conception of control is to erect social understandings whereby firms can avoid direct price competition and can solve their internal political problems (id: 659).

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notion of a rule (which is contestable and subject to interpretation). Storper (2000) underlines that "convention" is commonly understood to suggest at one and the same time: a rule which is taken for granted and to which everybody submits without reflection; the result of an agreement, such as a contract; or, a founding moment, such as a Constitution and thus refers simultaneously to three dimensions: "*Each of these three has a different spatio-temporal extent, and they overlap in complex ways at any given moment or situation.*"

[12] See DiMaggio and Powell (1983).

[13] See Savage (1994), Wolf (2008).

[14] The economic issue is linked to the fact that this type of market is subordinated to a public programme. The efficiency is not to be assessed primarily in terms of economic issues as the stability and the reasonability of prices, but in relation with the objective of the programme.

In linking (political) issues of organisation and action to stabilize markets, the conceptions of control combine a principle of efficiency with what Commons called the "principle of futurity". They imply what we call *conventions of cooperation* (stables to the extent to which efficiency comes with stability) and *conventions of qualification*. These latter reflect the collective understanding of the domain where cooperation is required and of the ways to rescue from cooperation failures, and they legitimate a principle of hierarchy of the economic identities (in this sense they reflect hegemonic power forces). Conceptions of control refer to hegemonic orders. The question is not only how to win against competitors, but how to succeed in leaving for them sustainable positions. As market specific institution, they are available competencies and capacities. Stable markets in this perspective can be described as "competition regimes" and "quality regimes".

Instruments of control include quality standards and productive “routines”, according to the notion conceptualized by evolutionist economics. As quality standards introduce institutions into a dynamic theory of exchange (see section 3), for “building institutions into (…) a dynamic theory of production”, Nelson and Sampat (1999) propose to consider: (i) “economic activity” so as “to recognize the multi-party interaction involved in the operation of most productive economic activity - interaction which sometimes goes on inside economic unit, and sometimes between them” (id: 40); (ii) how the activity is done in considering “physical” and “social” technologies, viewed “as constraints and as productive pathways” (id: 44); social technologies involving “ patterned human interaction” (id: 40) are assimilated to institutions. The social technologies being institutions, the “economic activity” the authors consider as a key building block of a theory of production does not refer to a unit of activity but a field[15]. They “believe that the language of routines, as developed in Nelson and Winter (1982), is a useful vehicle for characterizing social technologies” (id: 42). What we call a conception of control, referring to White and Fligstein, relates to the reproduction of the routines and their stabilization (or crisis), under the idiosyncratic ways in which they are performed and under the framing of the “social technologies”. In our view (and according to the developments made in the quoted paper), the institutions which govern routines are reflected both in the distribution of the competences involved in an activity, and in the definition and ordering of the skills and of the operators’ statuses that made the routines work.

According to Fligstein, "once in place, a firm-specific conception of control operates as a *corporate culture*" (id.). The same apply if we consider economic activities, structured by *industry cultures*, *product cultures*, and *professional cultures*, conceptions which are both functional and ethical. According to the industries, the nations or the periods, dominant conceptions of control combine diversely these cultures. The stress depends on governance structure. Change in governance structure corresponds with change in the dominant locus of stabilisation of the conception of control. Conceptions of control, both efficiency conventions and quality conventions, are "inspired solutions based in the pragmatics of experience" (Fligstein, id.). While, by imitation and adaptation process, the diffusion of actor's organizational solutions or quality understandings introduces coherence in the market functioning, the factors explaining that coherence are not articulated before the fact. They are identified only after they operate to produce stability for some collective arrangements, and

[15] As many other holistic notions, “economic activity” can refer to various organisational or societal scales, for the idiosyncratic specificity, which shapes models of action, comes at various scales. Economic activity and routines can be defined at the scale of a workshop or of an entire “value-chain” (according to the notion introduced by Gereffi (2003) to embrace the economic activity from the workshop to the final market and the varieties of distribution of knowledge and power within the chain). It can also be viewed as a “field” (à la Bourdieu) with its market of routines. Therefore there is no difference with what we call here a market.

reflected in "cultural stories that can be used over and over again to justify an action or produce a new one." (id.: 660). They become standards for action. Such standards for collective action are diffused and appropriated in the context of dominant economic cultures. The embeddedness of the conceptions of market control in cultures gives them resilience (and the possibility of institutional gaps), and the capacity to diffuse in adjacent markets or along a chain of markets. This resilience explains that the constitution of a novel conception of control revealed by the emergence of new markets, is generally the outcomes of changes in ideas and cultures going over a long period of time (Tordjman, 2004). These changes in conceptions occur and diffuse within lasting processes of change in governance structures, supported by public action, such as the creation of corporations, the professionalization, the schooling, the diffusion of scientific knowledge, and so forth.

"Rules of exchange define who can transact with whom and the conditions under which transactions are carried out" (Fligstein, 1996: 658). They are related to labour on the one hand and to commerce on the other hand; e.g., contract law; billing practices; banking and credit rules; insurance, health, and safety standards. They are market conventions in framing the borders of markets and quality conventions in articulating standards (see section 3).

2.3 Markets as Control projects

Market as politics and politics in markets

The "*market as politics*" metaphor developed in Fligstein (1996) gathers two arguments:

(i) The formation of markets is part of state-building; "modern states" create the institutional conditions for markets to be stable[16]. And,

> "once installed these "rules" of market building and market intervention are keys to understanding *how new markets develop in a society*" (id)

(ii) The dynamics of markets is given by *political projects* related to market institutions.

> "Processes within the market reflect two types of political projects; the internal firm power struggle and the power struggle across firms to control markets (…) The internal power struggle is about who will control the organisation, how it will be organised and how situations will be analyzed and responded to" (id).

In other words this struggle is about the design and development of the organisation competencies, including "how to interact with the firm's main competitors" (id). To name this struggle, Fligstein borrows the concept of "*control project*" to White (1992). In our understanding, and in the Hirschman perspective of analyzing the slack economy, "control conceptions", although they are in relation with cultural and political projects, are not external to the market economic order; instead prevailing control conceptions form the market institutional regime under given governance structures. *Conceptions of control* gathers *conventions of productivity* regulating the struggle for the organisation of productive structures (firms and also profit units in firms or productive cooperative networks), and *conventions of quality* which relate to the struggle across economic actors "to control markets". Convention theory involves in this struggle not only the actors in firms and firms as identities, but also the social knowledge from the final consumers-users of the variety of products and services, as well as all types of intermediaries translating qualities (setting

[16] Commons has developed such an argument in terms of capitalism "self recovery" against the vision of the capitalism crisis given by Marx in the "Communist Manifest" (1947). He saw this orientation developing from the middle of the XIXth century (in the USA) and stressed the role of the social movement in the form of trade unions, employers and business associations (Commons, 1925).

equivalences) within the market worlds, including public agencies and actors in them[17]. It offers a key to analyze the diversity of the dimensions of the quality issues and the political shaping of the markets.

When distinguishing the two levels of power struggles, within and across firms, Fligstein certainly had in mind industries dominated by big firms (he uses the steel industry in the US as a case study in the quoted paper). But, depending on the type of industry, on the dominant conception and legal form of entrepreneurship, and on the type of existing cooperation structure, there are other protagonists and multiple scenes where conceptions of control are confronted. Internal struggle between conceptions of organisation appears in any cooperative form of production, not only in a firm. Considering the case of peasant agriculture at the level of the village, we can observe that multiple collective structures of cooperation exist, and the "modernisation of agriculture" comes at this level of the community with developing debates on conceptions of co-operation and of market control. Several activities, including agriculture in certain periods and countries, but also pharmacy, medicine, and multiples services are organized according to a "professional mode of production" (Savage, 2004), which involves competences sharing; therefore all professional structures are places for conceptions of control contestation, and control projects appear as collective projects. On the "external" side, we can also see multiple committed actors that cross firm borders. Basic stakes of control projects are related with the access to various resources (property rights regime) and with the conception of quality as a global project for a market (quality regime) as well as with the coherence between the two issues. Economic sociologists, which develop "actor-network theory", stress the project dimension of quality conceptions with the concept of “socio-technical network” (Callon, 1986) and the political dimension of quality projects (Goodman, 2002).

In relation with the issue of how market institutional regimes change and how prevailing conceptions of control and governance structures change, Fligstein resumes the "market as politics" metaphor by saying: "I use a social movement metaphor to characterize action in markets during market creation or crisis". The metaphor holds that, when markets are to emerge or are in crisis and transformation, the action in market is to promote and obtain adhesion on conceptions of market control (as in politics), therefore it holds also that social movements (as defined supra) matters. Some organisations, groups or collectives, which are parts of the social movements in such periods, are integrated in governance structures as holders of collective interests during the phase of stabilisation. It is the case for trade-unions, farmers’ or consumers’ associations and diverse non governmental organisations. The role of social movements in the reframing of food markets worldwide is today well acknowledged (Wilkinson, 2006). While this role is easily visible worldwide within the media sphere in the diet, nutrition and food domains, social movements are today also active in the reshaping of many industries and services, including energy, and even finance services after the financial crisis.

Control mechanisms

Current competitor-oriented strategies used to control price competition and to divide markets include constitution of cartels or alliances, price control agreements, creating barriers to entry, limiting production, patents, licensing agreements, quality standards, joint ownership of production facilities as it is frequent in the professional mode of production; instruments

[17] Convention theory (Thévenot, 2006) was used to analyse the varieties of food markets, particularly in France following in that domain pioneering works of Thévenot (1995) and Boisard and Letablier (1987). E.g.: Nicolas and Valceschini (1995), Ponte and Gibbon (2005) …

which all are costly or, in other terms, engage material resources. According to Fligstein, each strategy, once a conception of control is dominating, is a collective and thus fallible instrumental resource, which actors can use in expected stable, but murky worlds. Not only to create scarcity these instruments consume resources, but also strategic use supposes the capacity to evaluate these instruments by putting in equivalence various types of action outcomes. The state is involved in the institutionalization of these strategies by regulatory agencies or protective legislation, and in participating in international agreements.

Focusing on firm organization, for Fligstein, the actors:

> "simultaneously use two internal *principles* of organization to indirectly control competition: (1) integration and (2) diversification which is often accompanied by producing multiple divisions in the organization." (659, emphasis added)

Integration prevents price wars; it can be vertical (upstream or downstream) or horizontal (the merger with competitors). *Diversification* implies entering or creating new markets to increase the probability of firm survival; "to the degree that firms are not competing because their products differ, price competition will not threaten firm existence" (id); here Fligstein recall the classic Chamberlin (1933) argument on quality differentiation as process of creating markets applied to industrial organization: "firms search for new markets because there can be huge gains to the first mover"; "if markets fail to materialize or market conditions deteriorate, a diversified firm can exit a failed market without threat to the larger corporate entity"; "the production of multiple products introduces internal control problems and actors are constantly reorganizing around variations of the holding company and multidivisional form" (id.). Here are the principles to control competition (integration and diversification), and the devices are the institutionalized strategies mentioned above, which we can view as collective competences in a market regime. We argue for an enlargement of the analysis of the interplay of these two principles to all forms of economic organization including all type of collective arrangements where similarly they are at play to define strategies.

The two principles of *integration* and *diversification* go together. Generally, a small enterprise or a farm is not alone to engage in diversification; facilities are needed in terms of productive resources (specific inputs, skilled workforce, and property rights) or product selling. These resources are procured by markets if necessary markets are sufficiently extended or necessary resource sufficiently generic (meaning easily available and able to be integrated in current productive frameworks). For agriculture, artesian production or services sphere modernization, the role of the state in market building is related to this issue of the availability of innovative resources through a relevant extension of markets. It is not an old problem reserved to the first agricultural modernisation and the extension of capitalism, it is a permanent problem of market building, which for example applies nowadays in domains such as food service, renewable energy, and sustainable modes of house building or transportation. This issue is presently important with regard to the differentiation of services markets and notably personal services including feeding. But in no case, resources procured by existing markets are sufficient to innovate and differentiate even if they are critical in the modern world. Thus economic actors, being small and even big firm, being incumbent or challenger, are confronted with integration issues not only through merging productive units but also through joining collective structures to access innovative resources; and thus they are confronted with the issue of collective control of the integration to prevent the tragedy of the commons. In this sense, conceptions of control become "collective".

3. Quality as Institutional Order

While integration and diversification are tactics used by firms to avoid direct competition in merging and reorganizing productive settings, a growing part of these strategies consists of organising markets and value chains through standards and standard setting struggles to move the rules of exchange. Quality standards are common models and shared intangible resources for economic action. Their efficiency in organizing markets and coordination of market participants is depending on the key market institutions, i.e. property rights, governance structure and conceptions of control. While, for a specific market or for a stage of the market economy, standards reflect the conceptions of the most organized and powerful forces, they relate to a proper institutional sphere commanding to the rules of exchange and broadly called "quality". As markets, qualities are social constructions. Cultural and moral dimensions of quality are stressed by sociologists (e.g. Busch, 2000), but it is still generally considered as orthogonal to the economic quantitative features which are prices, although prices have no sense except to reflect qualitative scarcities. While generally economics considers quality as an issue of information distribution within market participants, economic sociology project is concerned by quality as institution. Recent trends of mainstream microeconomics related to Intellectual Property Right (IPR), standard setting organisations, and the valuation of standards addressed institutional issues making goods more complex but still in the end the market is seen as a pure adjustment mechanism making invisible collective action, networks and power structures and the pre-conditional rules for the functioning of markets.

3.1. Quality standards and quality orders

Quality control conceptions are ambivalent for they refer to a double differentiation of goods: by ordering the good verifiable properties and by the words identifying the goods. There are two *rational myth*s to integrate quality meanings and to form quality as institution: (i) one is the reduction of products to a set of knowable physical or functional properties, meaning the framing of product (or service) as a bundle of attributes (or characteristic) by some type of measurement and in relation with technical conceptions; (ii) the second is to identify quality with the *essential nature* of the product (or service) or its *identity*. By these two ways the potentially infinite manners to see things are reduced to identifiers (identifying concepts or representations) necessary to know, in the sense of being able to introduce things in classes. The first myth goes with the Lancasterian problematic, the integrator for quality choice being the informational structure of goods[18]. Within the second myth, which corresponds with a Chamberlin view, naming words are integrators. While the structure of the product attributes is articulated in formal knowledge, the product as a whole is present (even virtually) through appearance and being named. Appearance echoes aesthetic and imaginative experiences and it is generally through their appearance that things solicit attachment. The names introduce things in worlds of words structured by cultural and moral significations. The appearances of things and words for naming are not mere "signals" supposed to class the goods in common known ordering or nomenclatures but they are significations in orders.

Credence good and the moral economy

Contemporary researches in mainstream economics for food quality signalling build on a distinction between search, experience and credence goods. To the distinction proposed by Nelson (1970) on how goods convey information on their properties to the consumer (by direct observation or after experiencing), this framework adds goods which cannot be

[18] 'Goods are simply a transfer mechanism whereby characteristics are bundled up into packages at the manufacturing point … [and] opened up to yield their characteristics again at the point of consumption' (Lancaster, 1979 : 20-1).

assessed by experience. Certain authors made an additional distinction between “credence attributes” the observation of which is too costly to be carried out by a single buyer but who can rely on third-party assessments, and “Potemkin attributes” which are such “that neither the buyer nor external institutions are able to carry out controls at the end-product level” and for which assessment is needing audit related to the whole chain of production and its context (Jahn, Schramm, Spiller, 2007); of this last category are quality characteristics which refer not to the analysis of the product properties but to its origin or to the process and conditions of production, e.g. organic farming, animal welfare, fair trade and origin labelled products. Most of the food services which involve professional expertises can also be characterized as credence or Potemkin goods, from the master chef’s cuisine to the lunch school programme designed by a nutritionist or the advice given by a paediatrician. So-defined Potemkin attributes are not in essence different from the “credence goods” generally defined in reference to the work of Darby and Karni (1973) devoted to the analysis of markets in which sellers are also experts in domains the buyer is not, such as ‘*medical*, *automotive, and other repair services’*. The certification methods which in the previous definition give form to the so-called credence goods only provide consumers “with a substitute for the information and trust they lack” (Tirole 1989). If we look to that matter with a sociological or anthropological point of view, the “substitutes” can be of numerous types, depending on quality conventions. In usual buying, the buyer-consumer suspends quality questions s/he could have; as stated by Andersen and Philipsen (1998), “without the application of biases and highly simplifying heuristics, consumers would simply have to make a radical reduction of the scope of their consumption”. A “credence good” market is made possible by the reputation of the seller, and more essentially by the adhesion of the buyer to the market rules themselves; adhesion which displaces the credence issue to the various actors, experts or not, setting the rules. Credence good are not “produced”, they are market opportunities linked with the circulation of ideas, that standards formalize in various repertoires. Public, professional or third-party certification procedures are generally necessary support to competition control rules in large modern markets, but they only guarantee that the product, under certain conditions of buying and use, does conform to the quality description given by producers or sellers. The standard specifications are not themselves the signal used in buying practices (it is whatever mark), e.g. the buyer recognizes the conformity to market norms of a given product only because something is written in small on the package and think (in not having the idea in mind) that nutritional scientific experts, consumers’ advocates or state controllers have checked the nutritional facts, or again that the dominant interest of the seller is to sell products that conform to the standard rules. Moreover, to maintain an effective differentiation between markets in a situation of moving credence issues, the certification procedures themselves tend to differentiate and the certifying bodies to multiply. The consequence is that it is the instrument, the procedure of certification which seems to provide the quality prescription for a standard, but this only holds according to a dominant quality conception or quality convention, initially resulting from quality struggles (when voicers and institutional entrepreneurs are on the stage, see supra). With credence goods, we are confronted with several potential conceptions of quality, although the current economic literature generally addresses isolated food “credence attributes” and assimilates them to superior levels of quality. If the so-called “credence goods”, the markets of which are multiplying in the food sector, distinguish themselves, it is because they are standards to differentiate markets. All quality claim covers credence issue.

Although it is currently admitted, the distinction between three (or four) “categories of goods” is ambiguous: if “confidence” or adhesion is present, certified labelled products become search goods as well as after direct experience. The abstract notion of “good” makes the framework apparently coherent, but this only holds in the Lancasterian vision where preferences are related to attributes which can be isolated. This implies that the marketable goods (products or services) are perfectly decomposable sets of capacities and that the world of words is reduced to market nomenclatures. From an anthropological point of view, the Nelson categories are related with the first way of knowing things in properties (before or after using, according to past experiences), while the credence issue does not concern properties but their causes (sources) or their effects in their entirety. So called credence "attributes" are not a certain type of properties but they are transcendent in qualifying a product from outside, including it in a value ordering. Qualification "from outside" means that the product is judged as a whole, this transcendent qualification giving it its identity (Allaire, Wolf, 2001). A buyer of organic food, for example, have confidence in the certification scheme for organic products, else the market for organics would not exist (and the credibility of certification schemes is clearly a marketing issue), but this is not the reason why s/he buys organics, which is related with "saving the planet", with the representation of the causes of health or of illness or with political convictions. The credence issue is in the adhesion to such ideas and in the legitimacy of the media which transport them. Media for credence issues include professionals as well as advocates of various causes. It is with this meaning of a media expertise that the term credence was initially introduced in economics by Darby and Karni (1973). In the expert services that they consider, the credence issue is related to diagnostics which engage the future or solutions supposed to have global and durable effects. In the example of organic food, credence is related to the expertise of the producers in the saving of the planet, perfect example of creed that cannot be evaluated in the entirety of the claim, although agronomists and other scientists propose diverse criteria to measure the contribution of different types of agricultural production setting or of food chain organization according to legitimated global objectives. In situations where experts can cheat, fault, or simply fail by lack of knowledge, reputation and certification mechanisms intervene to guarantee the expertise in term of capacities of the experts to which is translated the credence issue. But while market functioning relies on standards and expertise control procedures, the issue of credence for market development is not there but in the sharing of beliefs and ideas related to control projects between "experts" or other opinion providers and market participants for a specific market.

Quality crisis

The stabilization of creeds in legitimated and shared heuristics is a key aspect of the stabilization of quality conventions. Stable markets act according to Lancaster view: standards as working rules combine the two types of evaluation once nomenclatures are stabilized and legitimated. But the heuristics which sustain standards can fail for the dynamics of markets makes it impossible to come up with a permanent solution to the problems of classification of quality values that would ensure perfectly stable market nomenclatures. Actors' evolving experiences are always there challenging shared values ordering as well as the price competition is always there challenging cooperative arrangements. While the transformation of quality heuristics can be incremental over a long period of time by acculturation mechanisms, certain movements of the opinion can provoke rapid reversing of values putting the concerned market in trouble. The role of ideas, in various circulating forms, becomes visible when the discovery or revealing of new properties or of past or future consequences associated with a given product or service production or use, changes the representation and the value of that good. With any heuristic criticism, the ambivalence of market knowledge reappears, what we call *quality crisis*. Quality representations, which are embedded in cultural, moral and political signification, have resilience in quality conventions, but can be immediately but temporary dissolved in a critical moment.

While certification provides information in the sense that given properties are explicit, it can also completely fail in this role when concerns of buyers are substituted. Certification tools are generally submitted to legal control, and they are legitimated by public rationales and scientific attributes; but while states directly or through international or multilateral agreements are concerned with stabilizing market standards ruling system, the whole quality governance structure associated with a type of standard can equally fail. Certification systems as collective and public arrangements tend to diversify and to compete on reliability. In the food and agriculture sector, as studied by Busch, Hatanaka & Bain (2005), various actors are increasingly using tierce-party-certification (TPC), including quality scheme under state control and private ones. Large retailers have begun to require certification of their suppliers. One of the most prominent networks is the Global Partnership for Good Agricultural Practice (GLOBALGAP), formerly known as the Euro-Retailer Produce Working Group Good Agricultural Practice. GLOBALGAP was originally established by a consortium of leading European supermarket chains. While the legitimacy of TPC is mainly based on its claimed 'independence', the authors' findings indicate that:

> "TPC exhibits organisational, but not operational independence and is "embedded in social, political and economic networks. In other words, TPC is a socially mediated institution where actors often pursue their own benefits and/or agendas. This, in turn, may affect the outcomes of TPC."

Food scares that have developed in Europe during these last decennia demonstrate that the whole system is challenged when quality crises occur.

As noted by Jahn and al. (2007), there is a "trade-off between generality and effectiveness in certification systems", for the action of certification is twofold: it potentially closes the question in giving a name that has generality to what is certified, and it deliver an (open) list of specifications that costs to be acquired, and that gives to the standard its effectiveness if this list makes sufficiently distinct the name. In our view, clearly that issue reflects the trade-off between the two ways of knowing in properties (specifications) or as transcendent integrative identification (name). Not any procedure can rely on perfectly decomposable methods and any generality introduces potential organizational slack. Failure does not happen for a recognized property or a stabilized procedure, but for emergent concerns in particular in crisis situation; and it is only the progression of the crisis that reveals the nature of the failure. For example, the "Mad Cow crisis", in Europe, started with the revealing of a critical emergent property of certain "mad" cows and not knowing which ones; the problem initially comes not from the failure but from the lack of standard. A first solution was to isolate on the market the source by labelling the origin of the animals. But, because polemics developed on the causes and the transmission of that disease, the solution did not work. When tests became available (due to state action), the material organization of the market chain had to be reorganized; and finally it is the whole European system of control of sanitary standards that was changed due to the developments of that crisis. Markets globalisation enlarges the scope of quality crises.

Based on previous developments, we can say that markets exist and are "efficient" between the two extremes where they are not. One is the axiomatic perfect transparency of the information, and the other is the unreadability of market differentiation, which generally is imputed to too many claims that result in lost signification. But if the differentiation in markets is inefficient, it is not a direct consequence of the number of standards per se, but the consequence of a lack of integrative capacities and a default in the governance structures or in their hierarchy, which are symptoms of a crisis of the dominant conception of control and of the regime of building markets. What threatens market readability, i.e. the proper functioning of standards, is the variation of opinion. While a standard diffuses by some imitation process, it works if its use is legitimated, if the diffusion of the standard carries signification at the same time. A standard does not have a signification alone, but in relation with a conception of quality and market control. If the signification is weakening, a standard loses its efficiency or its value. But if signification disappear or if signification is not there (lack of knowledge), imitation can abruptly turn to panic as food scares demonstrate that “opinion crises” and panics are not a speciality of the finance but threaten all intangible qualities exhibited by credence goods.

3.2. Quality standards, property rights and governance structures

Kindleberger (1983) identifies standards "*as public, collective, and private goods*". According to him, standards combine an effect of transaction costs control through their heuristic capacity with performative implications. These implications are not mere “externalities” corresponding with the standard specifications, for when considering external effects produced in a given system of production as defined objectives is thus to consider such things as the framing of collective or public objectives. Technical standards concern technical compatibility, which is a collective stake and even a public one when markets expand. While a technical standard appears as politically neutral, at least until the public is not aware of the consequences of its diffusion, a quality standard related to the mode of production or of delivery and to credence issues is generally associated with political rationales for collective and public action. The issue is the incentives and supports the producers have within the market to adopt the standard for obtaining the aimed effect. Such standards convey significations given by standard setting organisations competing to make the world better (Brunson and Jacobson, 2000) and providing ideals, which extend to global politics. For example, the ideal of “fair trade” set up in the consumption sphere is not a modern form of charity although it can encompass that dimension, but it also includes the political project of sustainable development in empowering locally organized producers. Different and overlapping moral economies develop not only throughout the acts by which consumers identify themselves, but for such acts are encapsulated in institutional arrangements derived from the property rights regime and governance structures. Hence, the issue becomes the processes by which standards acquire transactional meanings, and how they are transferred or translated between sites of production and sites of consumption. When standards become strategic instruments for public goods provision, stakeholders/users, and not mere purchasers/consumers, are coming on the stage. While the diffusion of standards is conditioned by private utility, in their collective and public dimensions given by collective/public standard setting organisations or by networks mobilized around moral projects, they become instruments for collective strategies or public policies. When such type of standards functions, the common quality representation on the market assimilates the specifications and the standard heuristic, giving it both its strength and its fallibility. But because consumption is reflexive, identity and ideal can be challenged by accountability issues. To "frame" public or collective problems, or to set up public policies or shared strategies, actors are confronted with the problem of decomposing into accountable issues transcendent notions such as "origin", "local", "green", "organic", "natural", “fair”, and therefore to compose on an attribute conception of these qualities. In the reverse, decomposability is challenged by remaining non decomposable pieces of knowledge, and it is not a marginal but a central problem.

The largest firms and the most organized economic actors are the most likely to impose “their” standards, to influence media and to obtain state support for ruling standards. In agrifood chains, the organized actors include co-operatives and hybrids productive networks. In modern societies where large sets of rules for market standard control have developed, strategies involve collective interests in the control of reputation mechanisms and are dependent on the property right regime for given markets. Reputation for products, experts or firms is embedded in collective structures. When individual producers are not traceable in certain aspects of their activity, collective reputation for a type of quality or product attribute can develop, generally associated with collective marks, professions or the place of production (this is the case of "Geographical indications"). From an economic point of view, the reputation of a product can be seen as a type of common property resource and the "tragedy of the commons" framework (if there is unrestricted access to a natural resource, agents perceive its shadow value to be zero and extract it too rapidly) can be applied to collective reputation, as do Costanigro and McCluskey (2007) in the case of GIs,:

> "an individual firm has an incentive to "extract" from the stock of reputation in the sense that it sells low-quality products at high prices determined by the high past levels of quality. Alternatively, a firm could build on the group's reputation if it provides a product with a quality level which is higher than the expected level of quality".

Without legal protection for minimal specifications of a collective standard, individuals do not have the appropriate incentive to supply high quality[19]. But, under an appropriate protection design, if the market positioning of the standard is stable, firms participating in the collective reputation can have incentive to build on and differentiate themselves by doing better than the minimal specifications, aiming to attract a better return from the collective resource. For a producer to follow such tactic, its production has to be clearly identified to the collective specific claim of the class of products of the same qualification (part of the standard), and its individual adding to the standard has to be visible. Hence, the working rules of the control conception of that standard have to include, in addition to the definition of the minimum characteristics, the normalisation of a classification system of qualities within the standard (as it is generally the case for wine geographical indications, these systems being more or less readable in large markets). In such a conception of quality control, if efficient, the first instrument is for the generality of the standard and the second for its specificity, which covers a range of significations. In such an economic and institutional situation, it turns out that the leading investors in R&D and marketing, if they succeed, enhance their individual reputation while maintaining and developing the collective reputation. While this tactic entails transaction costs associated with the building of the standard ruling instruments and with the participation to a forum and to alliances on which is based the recognition of the collective reputation[20], the outcomes in enhancing the collective reputation benefit to the other stakeholders, such as participant small firms that cannot afford large marketing expenses. This type of institutional successful equilibrium is observed in the case of the well known spirits with protected names such as Cognac, Scotch Whisky or Tequila, but such features are described more generally in current rural or food chain settings where collective interests and credence issues are at stake, for example in settings such as "Localized Agrifood Systems" (Muchnik and al., 2007). While the producer tactic based on both cooperation and complementary individual differentiation can succeed, it can also fail, and unsuccessful individual innovation can jeopardize the collective reputation in blurring standard specifications or the classification system of the standards attributes. For this reason, in

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[19] The following argument is inspired from the results of the quoted authors, but it is here generalized to all types of collective reputation and inscribed in the institutional framework proposed.

[20] For that reason collective reputation is a common intangible property and not an open access resource for who wants. Always the maintaining of collective reputation need material as well as symbolic resources and that process create a status for the participants, even if informal.

specific quality production systems and value chains, the incumbent actors control innovation and the rules for differentiation of attributes under a collective name. There are three crucial parameters for this control, the property rights providing collective protection and access rules, the governance structure of the standard, and the rules of exchanges when the market enlarge in new settings.

Numerous empirical studies related to GI value chains or other types of local value chains suggest that, in situation of market up scaling, differentiation of products bearing collective reputation can become unreadable and standard specifications and classification systems can lose their efficiency for losing significance in a larger space. Solution to this problem cannot be individual when the rules orienting differentiation within spaces of collective reputation have to be reframed; this holds not only when incumbent actors are at stake in reframing competitive projects, but also when challengers are in action. The opposite situation is also possible when a product sold on an international market is faced with evolving local markets. Permit us to think about Champagne (Champaign), this French sparkling wine that has attracted huge credence value worldwide for being "bon gout" choice in festive circumstances. A threat for the Champagne position on festive wine market is not the price competition with competitors in the same international market, but emergent competitors in separated domestic markets on which Champagne is distributed[21], because they challenge the dominant model of control from outside, and that can lead to an internal crisis if relevant responses are not found. While firms are in control of the "international market" as long as it is working under the convention of quality and the network that they control, on various domestic markets they can be challenged by different types of quality conceptions. For example when on a particular national market domestic wines benefit overall from a better reputation, threat can arise notably because of the imitation adaptation of the quality schemes prevailing in Europe (e.g. this could be a threat for Champagne in Brazil), or because a divergent quality conception becomes dominant in a particular national context (e.g. this could be a threat in countries as Australia where high value is given to integrated pest management in agriculture). For now, considering this example it is excessive to speak about a market crisis, but it could be a good example of a market conjuncture which can imply radical change in a dominant conception of control. Thus comes on a scene a paradox which is the opposite of the opportunism generally seen as a cause of collective action failure; instead when change implies several levels of coordination, a strong collective organisation with state support (as is Champagne) can paralyze individual initiative (viewed as threat for the collective control model) until change occurs both in state directives and the local agreement.

Fligstein (1996) stresses that the governance structures and the other key institutional market structures can enter in crisis and change in a context of "great societal crisis", i.e. war, depression, revolution for the accession to independence, or the European "socialist countries" collapse, or even integration in international alliances and regional trade organisations, but once installed these rules of market building and market action are keys to understanding "how new markets develop in a society". We can say the same for quality conventions, which are part of the institutions controlling markets. The political dimension of standards is subject to struggles and change in the context of quality crisis, as it is nowadays with substantial changes in the responsibility regime for food quality as we will see in the following section.

[21] This issue poses the question of the relevant market borders. It is an empirical question regarding court decision in case of action based on law competition, but is also a pragmatic issue in institutional analysis.

4. Genealogies of markets

In this section, we address some issues of market dynamics, developing our argumentation in relation with agriculture and food issues. Historically, the development of markets for commodities has resulted in division and specialisation of the workforce both at the household and social levels, being permitted by the development of commerce infrastructures and networks. Industrialisation of agriculture needs changes that separate from the household the farm as productive capital and the workforce as capacities. According to the national, context and the period, and the product chain, more business or professional oriented projects for agricultural markets shaped the institutions and policies. Two processes in the history of market development can be distinguished: (i) the separation of the activities for market industries (including the modern agriculture and services) from the household activities and local markets; and (ii) the deepening and enlargement of the world of markets by differentiation and integration. The first source of creation of markets is going over a long period of time and is still at work while worldwide the subsistence of households is more and more requiring monetary earnings (trade and wages, including through international workforce migrations).

We focus this section on the following dimensions: (1) the relation between structural and institutional change that impacts markets and innovation regimes; (2) the social construction of the economic actors to understand market building and stabilisation; (3) the role of the state and market regimes, and we conclude this section with a debate on the world disenchantment and re-enchantment.

4.1. Structural trends and institutional innovation

Social structures are not all institutions. Structural trends notably related to demography shape economic opportunities and market developments. We illustrate this point by considering variations and convergence in agriculture and food production and market structures. The theory of "induced innovation" developed by Yujiko Hayami and Vernon Ruttan (1971) explains the orientation of innovation in agriculture and the corresponding market creation as a global process for a region or a country based on the relative scarcity of the two factors of production: land (and water) and labour. Innovation here includes individual strategies to adapt productive frameworks to upstream and downstream market opportunities as well as public policies and institutional changes. Factor scarcity leads to reallocation of collective and public resources (including agronomics) for capacities and market building. The inductive effect is both systemic (convergence of knowledge, assets and action models) and institutional. The systemic effect results from the application of the principle of efficiency in economic action, while the institutional induction results from the selection of meta-rules or "reasonable values" (according to the term used by Commons). Scarcity reflected in the factors' costs corresponds with structural constraints to which innovation responds. The analysis corresponds with the dynamics of modernization of agriculture and industrialization. The first ideal-type formulated in the thesis (Hayami, Ruttan, 1971) corresponds with settlement agriculture in North America in which labor is rare and land structurally in extension (according to the historical conditions); structural factors disposition which has oriented innovation toward mechanization and the rise of labor relative productivity. The second ideal-type formulated corresponds with Japan agriculture, with small holdings and high population density ratio and even increasing in rural areas, implying structural trend of reduction of available land per worker, structural factors disposition which has oriented innovation to resources rising the land relative productivity by provision, for example, of water installation or selected seeds. From the principle of efficiency, confronted to different structural trends, economic actors follow different strategies, and if convergent strategies solve the structural issues, efficient market arrangements can result. However, market strategies can be unable to solve structural constraints. If, in the second ideal-typical model, the rising of land productivity does not compensate for the reduction of the quantity of land per worker in regions or periods where demographic pressure is high, due to family strategies keeping on land resources or to lack of wage labour opportunities or barriers to migration, the solution to the structural problem is still inefficient, and markets are not likely to develop rapidly. Similarly, structural constraints limit the efficiency of the first ideal-typical model if the rising of labour productivity does not compensate for the reduction of available workers in certain regions or periods, the total production being falling. It is not rare that a region or a national economy combines the two models. The persistent duality of the agricultural sector where large and small farms coexist that can historically be found in several countries is not a contradiction to the thesis of induced innovation through factors allocation, while this fact was opposed to it by critics: due to organizational forms, labour costs can be higher on large farms than on small ones, and the reverse for land. Different classes corresponding with different historically inherited productive factors distribution can be constituted in different groups of interest and that can be considered as a general case. The conflict of interests leads to more or less sustainable differentiation of agricultural systems of production at the sub-regional and sub-sectoral levels, which is persistently reflected in institutional layers. The induced innovation thesis helps to understand the complex geography of agriculture and food resulting from a long period of industrialization, which was marked in its history by a first internationalization of certain commodities markets at the end of the XIXth century, by the Great depression and the New Deal, the wars and the liberation movements.

The historical development of the industrialization of agriculture (which diffuses since the middle of the XIXth century) exhibits a paradox stressed by Chandler (1977): while in general the vector of the industrialisation is the building of large firms and cartels, in agriculture it comes with the "triumph" of family agriculture and the regression of the latifundium mode of production inherited from the colonial past. This issue has generated a huge literature that we cannot recall in the scope of this paper. It was notably argued that the cost of monitoring subordinated work is higher than in a manufacture due to the spatial dispersion of agriculture activity (e.g., Hayami, 1996). It has to be added that, due to the nature of the activity, which rests on life processes, ordinary tasks include facing continuous repairable lapses in the functioning of a farm, which give unpredictability to the tasks organization. Beyond this structural dimension of agricultural work, there are institutional preconditions for agriculture modernization. Major market control stakes for modern agriculture (when markets are the main way for exchanges) are: access to land, to bank credit, to knowledge and intangible resources, and to public resources (subsidies and rights, laws regulating professional activities, public standards). In *modernisation crisis*, there is a struggle within the rural social classes to access these resources; but for stable markets to emerge, agreed sharing of resources has to be made and maintained under governance structures such as a profession or a local productive institutional arrangement or a functioning type of value chain integration allowing variety of components. For example, a dominant conception of control in agriculture can limit either competition for land or for the access to market at the level of the primary production when generic agricultural products are concerned, competition being therefore placed on the control of techniques of production; and in this example, the actors concerned with land control are not necessary the same as for product control. This observation stresses the complex architecture and geography of markets, in which control projects develop for productive arrangements.

While the paths of agriculture development were diverse according to the geopolitical context, there were transversal technologies and institutions that boosted agriculture development since the 1920's and notably after WWII, constituting the "*green revolution*" model. This «intensive» model is essentially characterised by generic techniques (chemistry, mechanisation, automation….) and *generic technical knowledge,* based on the generalised use of the experimental method that requires the breaking-up into factors of the processes of production, and that is related to the concept of the limiting factor. The 'artificialisation' of agronomy and the technical standardisation make possible to enlarge operational production unit, to standardize prescriptions and to reduce knowledge costs. These evolutions generate systemic productivity gains. The process of modernisation and intensification in agriculture has been based on the development of farmers' individual and collective skills, which enabled farms, not only to adopt innovative techniques, but also, to a large extent, to design and develop them. Intensive "models of production", as conceptions for factors market control, were jointly constructed from downstream industrial development, from research in agronomy and from the farmers' collective experience restitution. The differentiation within professional competencies and the formation of professional organisations generally have characterised the industrialisation and the integration of agriculture into the market regime of industrialized food. These professional competencies were shaped by the "industrial order" conventions of quality, which allowed a common representation of work and status consistent with the whole of the "wage labour society" to develop within technical advisors and farmers.

While the diffusion of agricultural generic knowledge and the enlargement of markets of generic inputs has enhanced agriculture productivity, separate food production chains as product based technologies and competences had first developed on the basis of the inherited food geography. Thus structural constraints for innovation in the growing food industrialisation appeared to be related to that diversity, which blocked the formation of macro industrial complexes by downstream integration. Several researchers saw in that context innovation as oriented by a new generation of transversal technologies prolonging the green revolution in the food sector. The co-called biotechnologies (combined with informatics) appeared to give the way to generic processes allowing for ready substitution between adjacent and not so adjacent products to shape final consumption (among others see Goodman, Sorj & Wilkinson, 1987). On the agriculture upstream side, separation also existed between industries providing farms with modern inputs, energy, chemicals and seeds, and at the same time, the same technological trend was entailing integration and merging, revealing convergence within macro-complexes, particularly related to energy, chemicals and biotech. While the scope, according to the region or sector, or globally, of the change in the food economy induced by biotechnologies related transversal capacities and firms restructuring which intervenes since the end of the XXth century is still discussed in the research community, at least it corresponds with the building of new conceptions to organize markets, developed by leading industrial actors, the constitution of which had changed. According to Wilkinson (2007),

> "to the extent that specific know-how and competencies no longer provided strong entry barriers to the different commodity chains, leading firms were no longer constrained to follow the value-added vertically down the chain and gave priority to diversification strategies across chains, leading to the first wave of mergers and acquisitions."

In the same period, a second trend of restructuring of the food economy, which partially converges with the previous, is related with serviciarisation of food and individualisation of food services. Serviciarisation goes with "credencisation" of food, meaning various standards for designing items by the service they deliver, such as "convenience" foods. We develop the issue of serviciarisation in the following sub-section, but it is worth pointing out that this trend entailed a shift of the leading actors, from the industries to the retail firms controlling final markets.

4.2 Actor identity and responsibility

The slack economy is populated by *transcendent entities*. We stressed in previous arguments that *products* in their identity, and *standards* in their meaning, are such entities, for each type of quality attracts credence or transcendent attributes. The same applies when productive arrangements are realized that we call "firms" or "professionals", and for the emergence of any type of social group which bears an identity, idem for places, regions or nations when considered as global realities. While the notion of "standard" essentially applies to goods and services, the notion of "quality convention" explicitly covers people (e.g., producers, sellers, buyers, users, voicers, managers) and collective entities. For its part, "actor-network" theory considers as network ingredients both human and non-human actors (other forms of life, artifacts and texts essentially). The actor being the network, the issue is how networks condense in identities, meaning that they are able to see themselves from the exterior, which implies what we called transcendent capacity. Murdoch and Miele (2004) note that "*while, on the one hand, networks might appear to be increasingly mobile, that is, increasingly disconnected from given spaces they also, on the other hand, act to condense space (and time)*"; and in their analysis, to distinguish how networks condense space, they use the register of quality conventions from Boltanski and Thévenot (1991). The issue becomes what are the vectors and the institutional conditions for network condensations.

Michel Callon has conceptualised economic actors as constituted of socio-technical "*agencements"* (Callon, 2002): collectives of human beings, technical devices, algorithms, and so on. An economic actor is neither an individual human being nor a human being "embedded in institutions, conventions, personal relationships or groups". These arrangements are economic entities considered from the point of view of their "capacity to act and to give meaning to action". Actors do not have inherent properties: "(Re)configuring an agency means (re)configuring the socio-technical *agencements* constituting it, which requires material, textual and other investments" (Callon and Caliskan 2005, pp. 24-25). Briefly recalled here, this school of research helps to understand how markets emerge not through external processes of rules selection but again through the emergence of the economic actors, which are their participants. In this perspective, genealogies of market participants correlated with genealogies of market devices help to understand market changes. While this sociological school made significant contributions related to emergent markets in domains such as health, food (see Callon and al., 2002) or finance, in our view it could also be used for the analysis of emergent actors in the processes of agriculture modernisation at different historical periods. Conceptions of control for agricultural innovation and property rights reframing (which is a crucial and permanent aspect of agricultural policies, which deal with the mobility of production factors) are negotiated under a professional order. The issue becomes that of the emergence of the actors of that order, professions of farmers, land managers, agricultural traders, and so on, as modern economic actors, the borders and the role of which vary according to cultures and countries. National policies aiming to regulate markets for agricultural commodities and those aiming to mobilize factors ("modernisation policies") imply identifying the beneficiaries, which is a critical stake for control struggles, for these policies shape the property rights regime. This identification in this sense entails the building of classes of agricultural actors; it consists of the rationale behind the definition of who is eligible in the various public actions, the instruments to select them and those to express their collective interests.

Identification and qualification of the modern peasants, from a sociological point of view, entails the creation and the ordering of a social status and the condensation of the modern conceptions of control for resources in a professional status, which together constitute the profession as actor and the power hierarchy inside professional networks (Allaire, 2006). The institutionalisation of professional statuses at the same time implies and relies on the individuation of people, sustained by the development of education and scientific knowledge. Family as institution is also undertaking changes in this process, which allow for the separation of the individuals in the household regarding time, activity and budget in monetary terms, and introduce the possibility of life insurance market (Zelizer, 1978). Turning to food, the industrial brands are not mere private property rights; they are "agencements" including related rules of exchange. Active and identified "agencements" emerging with the industrialisation of agriculture and food extend to immaterial ones, such as those associated with genetic resources and techniques. They are part of control mechanisms, for the diffusion of such resources introduces differentiation between the users and the others (marginalized by economic competition or engaged in alternative ways), and they participate in the formulation of collective or public problems and agendas. All the previously evoked actors participate in the formulation of productivity conventions. Productivity is linked with the representation of progress in the ways that agriculture intensification and food industrialisation provide food security, given industrial conventions.

On the side of food consumption, the economic approach of the food pattern evolution (the substitution trend entailed by the reduction of domestic time) has certain relevance if we consider that a common understanding of its advantages exists; the "modern ways of life" in developed economies after WWII was benefiting from such a consensual image, when consumption awareness and skills were strengthened by information or messages delivered by advertising, social workers, magazines, and consumers organisations. And, more than being an image, this understanding of what modern life is had the power to frame (or integrate) emergent individuals as modern "consumers", which are "agencements" including all the devices and media which instrument buyers' behaviours on new market scenes such as supermarkets, mail-order selling, and now internet, and all the devices and media which relate these scenes with the sites of production. As actor-network the modern consumer can be incarnated in several figures, which can be described with the register of conventions. Quality norms as ISO 9000 introduce the consumer in production control procedures as a formal character that Franck Cochoy calls "the figure of the client" (Cochoy, 2002); consumers association, social movements, reflexive forums and what we called credence issues are elements of various figures of modern consumers.

In the early times of food industrialisation, food marketed products were still ingredients for the family cuisine following local particular cultures. But external knowledge on nutrition came in with industrial food, and progressively modern consumption patterns based on expertise and acculturation developed on a large scale. Assuming a stable preference for the reduction of domestic working time of individuals, Becker theory of household consumption suggested opportunities for innovation that allows for substitution between services of domestic nature and commodities (Becker, 1965). The substitution trend was sustained by socio-economic changes, which allowed for private control of individuals over the use of their 'own time'. When services are at stake, the time/goods substitution concerns personal consumption: eating out as well as professional or personal training, entertainment, and care services (non exhaustive list). The inclusion of the peasant class into the urban consumption model is an essential aspect of the modernisation of agriculture. In developed economies, schooling facilitated a homogenisation of life styles, whereas various forms of public intervention stabilizing monetary incomes facilitated the adoption of new behaviours. It is through this individualisation that health issues related to consumption became a large public concern.

The change of *innovation regime* we have described under the name serviciarisation corresponds with a change in *responsibility regime*. Concerning the responsibility of feeding, industrialisation have introduced a separation between three spheres of activities having their own dominant model of responsibility control: (i) the professional agriculture providing generic commodities graded according to technical properties in line with industrial uses, but depending on knowledge remaining in part acquired in the family or community circle; (2) the industrial complex providing differentiated manufactured food products, industries having the responsibility of an 'industrial' quality (homogeneity and hygiene), under administrative or professional control; (3) and the household communities, which delivered to their members the final food service, the mothers keeping the responsibility on family health (with a limited direct access to relevant generic knowledge). Displacement of accountability for health and care to market food services providers is certainly the most important consequence of the so-called "quality turn" in food provision. The development of credence quality standards can be analysed as an institutional response to accountability issues. And, while diverse actors are involved in condensing product networks in credence standards, the gigantic retail network-firms (Wal-Mart, Carrefour, Metro…) have replaced product oriented industries in the control of the capacities of setting standards. This shift does not at all mean the emergence of an unique way to control food. The two alternative paradigms for differentiating food products and services distinguished by Allaire and Wolf (2004) as rational myths, embraced and pursued as projects by competing networks of farmers, agribusiness, policy makers, financiers, investors, scientists, media and consumers, can help to analyze projects associated with network condensation and to characterize alternative conceptions of control, which extend beyond organisational or quality issues to scientific and policy forums. They distinguish between the "decomposition paradigm", which gives valuable representations of innovation premised on the collection of highly detailed data through continuous automated monitoring at all stages of production and marketing and the "identity paradigm", which corresponds to a transcendental form of knowing as stated above. We find the two paradigms at play in framing standards as well as in the struggle for the standards setting rules, what Tim Lang and Michel Heasman call the "*food wars*". There is today a consensus in the specialized scientific literature on food on the fact that these food wars are about the ways of change from the industrial conventions (the "productionist" model). Land and Heasman (2004) distinguish between a "life sciences integrated paradigm", which refers to the first myth (from GMOs to fortified food, including the "precaution principle" as a policy instrument introduced after the food scares of the 90's), and an "ecologically integrated paradigm", which refers to the second myth. Supermarkets contribute to enlarge "alternative" products claims in terms of the second myth, which, even as niches, became under standards part of their market. They impact food representations beyond their own market position. The place of alternatives, such as organic, fair-trade, community support initiatives and cuisine tourism, in popular media is reinforced due to the fact that they cover proactive behaviours of lay people and provide entrepreneurs heroes, which make attractive stories. While, with these alternatives come up challenging institutional entrepreneurs, they do not replace leading actors but are integrated in the reframing of quality control conceptions. A crucial aspect of this reframing goes with the up-scaling movement, controlled by large firms and contractual arrangements that substitute for the lack of international price regulation. In fact, it is not surprising that the dominant actors in food markets are also dominant in reframing standards linked with the development of food services, and new voices.

The identification of market actors will not be complete if we involve only "positive" or proactive actors participating in the design of quality; market participants include also "negative" actors. We are not talking here about the brigands, the speculators and the cheaters who populate the novels as well as economics. We think from flood risk to the prion, the agent of the “mad cow” crisis, which had revealed the displacing of accountability issues and the instability of quality knowledge. Other narratives could be invoked to describe the agencements of these actors and the framing of the problems related to such global challenges, which are on the international public agendas, by using the concepts introduced in previous developments.

4.3 Markets building and keeping for enchanted worlds

State building and market regimes

States are essential for the creation and enforcement of property rights, governance structures, conceptions of control, and rules of exchange. Fligstein stresses that “modern capitalist states have been constructed in interaction with the development of their economies, and the governance of economies is part of the core of state-building." (1996: 660). The rules for market building are inscribed in authoritative rules and in state policies. Efficiency and protection of markets for food have been from long time a major strategic concern of the state. Markets are also governed under international agreements. Agricultural and food trade is from long time controlled by international norms for consumers’ protection for hygiene motive and for avoiding quality misleading. The FAO is in charge of the “codex alimentarius” where agreed definitions of the food marketable products are recorded. While agriculture was set aside from the GATT agreement after WWII allowing national agricultural policies, these policies in developed countries were built on similar objectives and principles but varying in their instruments according to national politics and actors’ political configuration. International trade agreements were set up product by product, including product standards (e.g. coffee, sugar, cotton). Since 1994, WTO includes agriculture, but this corresponds with a change in the policy of existing multilateral governance structure, such as the World Bank, the FMI or other agencies under the UN. The change in the international governance regime, broadly called “liberalisation”, can be related (without intending to reduce such a complex issue) with the globalisation of food markets (agricultural commodities markets being globalized since the XIXth century), with the concentration of the retail firms, and with the formation and diversification of standards setting organisation and social movements at the international level.

As for a single market life (emergence, stabilisation, and transformation), phases or stages of the economy can be distinguished considering the historical process of markets building. Schematically and classically, three stages are formulated: (a) *pre-industrial stage* characterised by local markets and peasant society even if long distance trade for agricultural products is an important part of the international trade linking separate economies; (b) the *industrialisation*; industry developments starting with the replacement of domestic and local production and with the provision of chemical and mechanical inputs for agriculture, the major activity of the time; and then amplifying when industrial innovation served the industry development itself and the creation of new markets; (c) the phase of *serviciarisation*, meaning that the development of services opens new opportunities for service markets as it was for the industries; while in capitalist industrialized economies, services was administrative services, utilities under monopolies, bank and trade intermediaries, insurance and instituted professions, the logic of development turns to the externalization of services from the firms, the banks or the administrations, and to the expansion of new service offers within domains related with the living conditions of individuals; in this stage, many intermediary functions related with the conception of productive frameworks (productive designs or use recipes), and informal knowledge, which was stuck on separated local settings, being them workplaces and firm units, professional groups, household, relatives and derived communities or villages, start circulating as market goods in a globalised economic space; strategic designs and quality standards become marketed giving the illusion of infinite capacities of differentiation, but the inflation of virtual markets in a domain such as capital markets tend to escape to control as the recent financial crisis demonstrated, and several economists are afraid that the inflation of quality standards might lead to such type of crisis, meaning unreadability of markets (see section 3). Although WTO and others multilateral treaties do not replace states, they allow for open coordination and extension of property rights framework and conventions of quality. The new standardization regime, which relates products with credence issues, is characterized by several levels of (fallible) coordination: international agreements subsequent to the setting-up of the WTO but which remain incomplete; multi-actors initiatives to set up global norms by type of products that tend to constitute entry conditions for certain markets (see among others Bernstein and Cashore, 2004); and by the renewal of marketing strategies at the various stages of agrifood chains. Henson and Reardon (2005) show that the development of private standardization associated with public standardization may bring about potentially varied and contradictory effects: positive effects (complementarities with public policies, assistance in bringing firms up to standard, head-starts for some leading businesses) and negative effects (capturing of public good by private interests, lobbying effect dragging quality down).

Distinction can be made in considering *institutional regimes of market building*, as the "merchant, industrial and media market regimes" proposed by Allaire and Daviron (2006). The current transformations in the agrifood sector can be construed as a shift away from an industrial market regime towards a “media regime”. From local markets and from the merchant companies or associations, which were assuring long distance trade, with the industrialisation of agriculture and food processing, the competences to qualify products have moved to professions and modern state administrations. Several institutional conditions are needed for the diffusion of industrial models; not only the principle of standardisation of trade grades and future markets, which appeared for corn in Chicago in 1848 (Cronon, 1991), but also the adequate distribution of resources to diffuse that form of organisation or to adapt the principle of grading to enlarge markets. The nationalisation of markets, both in the sense of an enlargement of markets nationwide and of the installation of national trade barriers, corresponds generally with the organisation of productive sectors on which governance structures and dominant conception of control are anchored and in which professional competences and administrative competences are articulated. In the new “media regime”, these competences are distributed in hybrid networks, mingling various sorts of knowledge. In the last decade, numerous researches in the field of food stressed a “*quality turn*” diversely linked, according to authors, with the serviciarisation, the transformation of consumers, the change in trade structures and food policies, and new technologies for food processing and provision. In the framework that we develop in this paper, we see this “turn” as a turn in the working quality conventions, prompted up by processes of market enlargement, and related to the trend of individualisation of consumers and differentiation of intangible services and credence goods.

Credence and enchantment

It is not possible to conclude this paper without mentioning the important sociological and philosophical debate on the development of market and the disenchantment of the world (or not). In the Simmel tradition, while the emergence of the modern society goes with the sacralisation of the human being, on which rest the forms of individualization of individuals in statute laws, the money and "the market" (as an expression of the monetary relations) are viewed as the cause for individualism, and for that reason a separation is introduced to frame the market borders and protect virtue. As stated by Zelizer (1978): "for Simmel, money the equalizer became money the profaner" (1978: 591). In opposition, her study on Life Insurance in the XIXth century, in USA, shows that:

> "the monetary evaluation of death did not desacralize it; far from "profaning" life and death, money became ritualized by its association with them. Life insurance took on symbolic values quite distinct from its utilitarian function, emerging as a new form of ritual with which to face death and a processing of the dead by those kin left behind" (id.: 594).

Following the same idea, we argue that the monetary evaluation of the intangible quality of the Champagne does not profane the magic bubbles… But it is the same for the mere French Fries that a kid is eating in a fast-food place when he is playing with them (even if this play is integrated in the business model). While the first rational quality myth decomposes the world under a methodical scalpel, the second re-enchants the world with credence issues and the identities they provide to products and services (even virtual). Quality conceptions are linked with the movement of ideas.

From an anthropological point of view, the diversification of the uses of monies (Zelizer, 1994) reveals the extraordinary symbolic plasticity of money, for it incarnates a transcendent sovereignty principle (see Commons, 1934). It is finally all the mystery of the mingling of markets and moral economies. Through the imagery of quality, goods have infinite plasticity as well. In other words, as argued by convention economics and the economic sociology project, markets are as politics, and political issues and moral issues are in the markets, in the sense that any assessment of the market functioning raises such issues; but the quality as matter for anthropology pertains to a sociology of the sacred world of the commodities. To finish by invoking a sacred produce, we want to say a few words on the honey, in Ethiopia, where it is produced in important quantity for it is a sacred produce for rituals. Honey production in forest (a relatively small part of the production) was recognized as a good practice for forest sustainability and therefore was engaged on public policy agendas and in scientific controversies. In this context, NGOs have introduced in England Ethiopian Honey with an organic, fair trade labelling of the type "save the forest", it is under way for France and Germany and that will be with a type of label "sustain small producers" (Pankhurst, 2009). Credence has plasticity, and honey is sacred in Ethiopia.

5. Conclusive considerations

To bring a response to what is the contribution of sociological and institutionalist approaches in the understanding of markets functioning, emergence and transformation, we adopted a presentation of the economic sociology programme (including convention theory) as a theoretical framework to construct and analyse market institutions, which include property rights, governance structures, models of co-petition (models of control), and rules of exchange. A first issue is the nature of the economy in which markets take place and collect participants. Only a conception of the economy as slack dynamics (as evoked by Hirschman) allows to conceive markets, which refer to situations of interaction that cannot be said 'at the equilibrium", but which need stable institutions to develop. Therefore markets are made both to allow competition and to escape from brutal completion which eliminates all the competitors, and thus they are not free from power, politics and ethics. Drawing from recent syntheses in economic sociology, we have introduced key theoretical building blocks of a theory of market dynamics: the logic of interest, the conceptions of control as stakes of market struggle, the integration and differentiation as strategic mechanisms.

Co-evolution of institutions in market orders implies the circulation of common representations (or conventions) of the market order and of the conceptions of control of market ruling and of the qualities engaged in it. Firms, as well as social movements and institutions as professions and communities are involved in the circulation of conceptions of market control and of quality, for which they are proactive media.

Rules are of cognitive nature, meaning that they are implemented through interpretative procedures. But rules and competencies are not only of a cognitive nature. They have a political dimension and they put in action tangibles resources. People involved in transactions are driven by beliefs and values. These latter are "collective" in the sense that they are supported by dominant representations of the productive organisation in its complexity including its relation with nature, of the products in their variety, of the institutional environment, of the state of an industry, etc. and by conceptions about the ways to manage private or common affairs and businesses. Those representations structure policy making processes as well as collective initiatives and firms' strategies. Recent changes in the governance of markets and in coordination/competition among actors in food chains institutes several types of forums where products specifications and credence standards are confronted and negotiated among various types of actors, private or governmental, scientific experts and NGOs representatives. Shifts and focus on accountability issues introduce social movements within the markets drivers, with two implications: the revealing of politics and ethics into the market institutions and the introduction of a specific type of crisis, the *quality crisis*. The present times cumulate food prices crises linked with classic production circles, with the impact of the finance crisis and therefore of the global economic crisis which follows, and the quality crisis and food scares which nowadays develop at the international level.

The institutionalist analysis of market institutions articulates two analytical levels: one holistic, using concepts such as political principles, structures and modes of governance or status hierarchies, and the other giving room for actors' behaviours in given circumstances rooted on collective competences. It addresses two types of questions: (i) related to the market order as a global institutional fact, the notions of emergence and market building, crisis, transformation are identified at this global level; and institutional changes can also be identified discriminating between market regimes; (ii) related to models of action which orient investments and pricing. Both the trend to the service differentiation and the trend to individualisation of individuals introduce knowledge diversity and new politics inside the market while the industrialisation was (and is) instead a reduction to generic products and techniques to satisfy growing urban quantitative demand. The conceptualisation of a paradigm shift putting to the fore front intangible assets and displacing responsibility for food and accountability issues is not to say this the change is well and universally completed. Stressing this change is also to highlight failures and resistances as well as the inequalities in the distribution of the competences to control markets, and the contingency of institutional changes.

The economist colleague, who followed us until the conclusion, is legitimated to ask about the place of economics in the framework for analyzing market life and dynamics we have presented. As usual, it is twofold. To address the formation and the conditions of success of the actors' tactics for pricing, investing in market control, and in the creation of collective integrative structures, behavioral, information, (incomplete) contracts and knowledge economics are required (list no limited). But, economics, in its "political economy" version, is really concerned by the issue of markets stabilization, both at the level of one market or at the level of an economy, which cannot be addressed only in terms of the social building of the market institutions. While it is through slack dynamics, markets are oriented by competition principles, and the stabilization of the markets implies the establishment of a stabilized economic regime, in consideration of the whole economic movements, which notably is depending of the monetary system. Markets stabilization or markets instability (as it is at the moment) have material and political implications on the social life, and on the dynamics of markets building.

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