

Workshop: Markets for Collective Concerns?

**December 11th and 12th 2014,
Copenhagen Business School**

Program Version 10/12/2014

Confirmed speakers:

[Daniel Breslau](#), Virginia Tech

[Liliana Doganova](#) & [Brice Laurent](#), MINES ParisTech

[Nicholas Gane](#), University of Warwick

[Peter Karnøe](#), University of Aalborg

[Philip Mirowski](#), University of Notre Dame

[Daniel Neyland](#), Goldsmiths, University of London

[Annelise Riles](#), Cornell University

Rationale

Despite the recent fall-out of finance, confidence in the market does not seem to be diminishing, but on the contrary, market mechanisms are becoming key instruments to deal with core contemporary collective concerns, including global warming and education (Mirowski 2013). This conference will be devoted to discuss the proliferation of markets that have been devised – not only to work *economically* – but also to solve collective issues in areas such as environmental pollution, security of supply of energy, quality of education, poverty and health care.

The workshop ‘Markets for Collective Concern?’ expects to gather and bridge a growing but dispersed community of researchers studying markets for collective concerns coming from at least three following branches. **Anthropologists, geographers and post-colonial scholars** tracing the practical enactment of markets devised to deal with collective concerns in areas such as housing (Mitchell 2005), micro-finance (Elyachar 2012) and financial regulation (Riles 2011, Cooper 2011) around the globe. Post-performativity research in **social studies of markets** wondering about the practical work and knowledge deployed in evaluating and repairing arrangements that are simultaneously markets and policy (Breslau 2013, Fariás 2014, Neyland & Simakova 2012). **Historians of social theory and economics** that have found that the notion of “solving collective problems with markets” implies an important displacement in the hegemonic discourse in economics (Mirowski & Plehwe 2009, Mirowski 2013) renewing the interest in reappraising the interactions and

conflicts between sociology, history and economics in the early 20th century (Gane 2014, Peck 2010).

Some of the issues that might be discussed in this workshop are: Do markets devised as “policy instruments” (Lascoumes & Le Gales 2007) have a civilizing potential to open new forms of technical democracy (Callon 2009)? What are the consequences of the diagnosed move in economics conception of markets for the dialogue between researchers from different social scientific disciplines studying markets? Are markets for collective concerns irreversible?

This workshop is organized by Christian Frankel, José Ossandón and Trine Pallesen and is a culmination of two years of activities carried out by CBS’s Markets and Valuation Cluster (former ‘Copenhagen Market and Valuation group’). The workshop is co-sponsored by the Danish Society for Education and Business ([DSEB](#)), the [Public-Private Platform](#) and the [Department of Organization](#) at Copenhagen Business School. **For attendance** (and questions) please RSVP with publicprivateplatform@cbs.dk. There are only limited places available and it is encouraged that participants stay for the entire duration of the workshop. More details on the program and registration will follow shortly in the workshop website: <http://www.cbs.dk/en/viden-samfundet/business-in-society/public-private/news/workshop-markets-collective-concerns>.

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- Peck, J. (2010). *Constructions of neoliberal reason*. Oxford: Oxford University Press.
- Riles, A. (2011) *Collateral knowledge: legal reasoning in the global financial markets*, Chicago: University of Chicago Press.

Program

Day 1: Thursday 11th December

13:00-15:00. Session 1: The intellectual roots of markets for public concerns

- a. **Philip Mirowski.** The Curious Trajectory of Market Design Theory
- b. **Nicholas Gane.** Why a Sociology of Competition Matters Today

Chair: José Ossandón

Coffee break

15:30 – 17:30. Session 2: Inscribing common concerns in energy markets

- a. **Daniel Breslau.** The market in the grid: the origins of locational marginal pricing of electricity.
- b. **Peter Karnøe.** Framing Concerns Into Market Arrangements: The Case of the Nordpool Electricity Market

Chair: Rasmus Ploug Jenle

17:30-18:30. Reception

Day 2: Friday 12th December

09:30 Coffee

10:00-11:00. Session 3: Market knowledge after the crisis

- a. **Annelise Riles.** From Comparison to Collaboration: Experiments with a new Scholarly and Economic Form

Chair: Christian Frankel

Coffee break

11:30 – 13:30 Session 4: Following controversies in existing markets devised to solve common concerns

- a. **Daniel Neyland.** Can Markets Solve Problems? Engaging questions of scale, normativity and accountability
- b. **Liliana Doganova & Brice Laurent.** Keeping things different: Coexistence within European markets for cleantech and biofuels

Chair: Trine Pallesen

Speakers Bios & Abstracts

Daniel Breslau: 'The market in the grid: the origins of locational marginal pricing of electricity'

Abstract

What are the distinctive features of the new designed markets? Neoclassical economics derives market equilibria from initial conditions. By contrast, designed, or reflexive, markets reverse this process, beginning with a desired equilibrium and then developing a market mechanism to induce that equilibrium. The paper examines the design of wholesale electricity markets in the Eastern United States since the 1990s, and in particular the historical origins of what is now called Locational-Marginal Pricing, or LMP. Using published and unpublished academic literature; records of regulatory proceedings, and interviews with central figures, the paper reconstructs the political and scientific process that led to what is now the standard approach to designing wholesale electricity markets. The emergent market design is based on algorithms developed by engineers at MIT in the 1980s, and involve the calculation of prices every five minutes in each of thousands of nodes on the grid. The market is coupled to centralized control of the grid, where engineers first determine the most efficient flow of power, and then derive prices that are consistent with that optimum. LMP succeeded over competing approaches by providing price signals that induced market participants to make the optimal trades demanded by the physical constraints of the system.

Daniel Breslau is Associate Professor in the Department of Science and Technology in Society at Virginia Tech and teaches in the Ph.D program in Science and Technology Studies. His research extends science studies frameworks to the social sciences and their

role in the constitution of state, society, and economy. Breslau's current book project deals with the science and politics of electricity market design.

Liliana Doganova & Brice Laurent: 'Keeping things different: Coexistence within European markets for cleantech and biofuels'

Abstract

Environmental policy increasingly resorts to market-based instruments in order to meet sustainability objectives. The "carbon market" instituted by the European Emissions Trading directive from 2003 is a canonical example, which has been described, and critiqued, as a delegation of policy objectives to market exchanges. In this paper, we examine the complex ways in which the operationalization of policy objectives and the organization of markets are intertwined, focusing on two other examples of European environmental regulation. The first one is the IPPC (Integrated Pollution Prevention and Control) directive from 1996, which defined the "best available techniques" to curb emissions in air, water and soil. The second one is the RED (Renewable Energy directive) from 2009, which introduced criteria for the definition of the sustainability of biofuels. Through the analysis of the design and implementation of these two directives, we identify a central concern for the coexistence of various objects, and various initiatives undertaken by European institutions, member states and private actors. We use the notion of coexistence to describe a European political and economic ordering that is inherently hybrid, and cannot be reduced to a mere delegation of policy objectives to the market, or a legal constraint imposed on all European actors. It grounds its political legitimacy and economic rationality on the distribution of roles and responsibilities across public and private actors, and on the ability to "keep things different" according to local variabilities.

Liliana Doganova is a researcher at the Center for the Sociology of Innovation at Mines ParisTech. At the intersection of economic sociology and Science and Technology Studies, her research explores the links between valuation devices and the construction of markets. She has worked on business models, the valorization of public research, and markets for bio- and clean-technologies. Her current research focuses on the history and use of discounted cash flow as a valuation technique.

Brice Laurent is a researcher at the Center for the Sociology of Innovation at Mines ParisTech. He focuses on the relationships between the making of science and the construction of democratic order. Adopting an approach based on Science and Technology Studies, his work analyzes the devices that connect research programs, the making of

technical objects and the production of various types of publics. The overall objective is to study the formation of political spaces through the analysis of sites (within regulatory, standardization or expertise arenas) where scientific objectivity and democratic legitimacy are questioned.

Nicholas Gane: 'Why a Sociology of Competition Matters Today'

Abstract

Under conditions of neoliberalism, market mechanisms are employed to address collective concerns by injecting principles of competition into seemingly all spheres of social and cultural life. But what exactly is competition, and how might we be critical of its operation and effects? This paper will provide a history of the concept of competition from the political economy of the mid-19th Century through a set of sociological responses at the outset of the 20th Century to the assertion by Mises, Hayek and others that marketised forms of competition work for the good of all. This paper will ask what we might learn from this history, and will reflect on why the analysis of competition is all but absent from the discipline of sociology today.

Nicholas Gane is Professor of Sociology at the University of Warwick, UK. He is currently writing a sociological history of neoliberalism. His publications include: *Max Weber and Contemporary Capitalism* (Palgrave, 2012); *The Future of Social Theory* (Continuum, 2004); and *Max Weber and Postmodern Theory* (Palgrave, 2002).

Peter Karnøe: 'Framing Concerns Into Market Arrangements: The Case of the Nordpool Electricity Market'

Abstract

In this paper I aim to open some of the black-boxes of the electricity market in Denmark. The Nordpool power exchange, that started working full scale in Denmark in 2003, replaced the non-market based 'bidding and production distribution model' for agreeing on pricing and allocation of production capacity in the Danish electricity system. Due to their complicated nature, there are very few studies that explicate the working of the Danish (and other electricity markets), and even if the directly involved actors know how it works, there is little public reflection about it. In this presentation I show how Nordpool, in the 10 years of history, has been organized and re-organized to accommodate various matters of concerns, not only of economic nature (price making), but also such concerns as physical

(load balancing), environmental (such as including policy-wise preferred renewable technologies), and tax-distributions (concerns of how to 'split the bill' among groups and sectors when financing the transition towards renewable energy in the electricity system). If markets are, and can become, more variable than normally assumed (Callon, Fligstein) then we need to make inquiries into how markets arrangements are made and how they work and make these variations and their sources visible. By exploring the case of Nordpool, this presentation will end up reflecting on how market studies may be important sources for experimentation and re-framing, a role often attributed to in-vitro experiments.

Peter Karnøe is professor Aalborg University Copenhagen, Denmark, associated with the Center for Design, Innovation, Sustainable Transition. He researches technological entrepreneurship as distributed socio-technical practices and proposed the concept of path creation to focus on emergent agency in innovation. His current research studies valuation work in to clean tech innovation, and the disruptions and possible transformations in electricity markets with high shares of wind power.

Phillip Mirowski: 'The Curious Trajectory of Market Design Theory'

Abstract

The premise of this conference that markets could be turned to collective concerns presumes both an understanding of and an ability to construct boutique markets to order for specific policies. No one believed such a thing prior to the 1970s. This lecture locates the impetus to develop such a capacity to reactions to Neoliberalism in that era, and briefly describes some of the stranger developments in that tradition down to the present.

Philip Mirowski is an historian and philosopher of economic thought at the University of Notre Dame, Indiana. Some of his books include *More Heat than Light*, *Machine Dreams*, *The Road from Mont Pèlerin*, *Never Let a Serious Crisis Go to Waste*, and the forthcoming *The Knowledge we Have Lost in Information*. He has appeared in Adam Curtis' BBC documentary *The Trap*, and in a series of filmed lectures from INET.

Daniel Neyland: 'Can Markets Solve Problems? Engaging questions of scale, normativity and accountability'

Abstract

In areas that were once described as the 'public sector', market-based interventions are continually positioned as the basis for resolving otherwise complex problems. Such interventions frequently invoke notions of competition, forms of ranking and metrics, league tables, contractual bidding and tendering processes, modes of outsourcing, and new monitoring processes. Many of these ways of intervening involve the constitution of new actors, (market) places and devices, alongside the reformulation of more established institutions, ways of understanding problems and public concerns. These moves to intervene are clearly neither neutral nor straightforward; they can be consequential for a broad number of people and organisations and have thus been questioned in terms of, for example, the problematic consequences that are said to follow marketization, corporatisation and privatisation. However, other types of question have so far been under-explored. For example, market-based interventions involve complex inter-weavings and attempts to hold steady a scalar politics of connection between policy-makers, publics, private companies and beneficiaries (to name just a few participants). Market-based interventions also appear to institute a particular kind of right and wrong in regard to the nature of newly constituted or related entities – a kind of market onto-normativity. And these normativities are tied to the distribution of accountability relations – who and what ought to take responsibility and be judged for accomplishing market rights and wrongs. These three questions of scale, normativity and accountability will be explored in this presentation, drawing on fieldwork from the study of market-based interventions (in the fields of health and the environment). The presentation will argue that addressing these three questions provides one means to hold onto the strengths of Science and Technology Studies' up-close engagement with markets, without losing sight of the politics that emerge through market-based interventions.

Daniel Neyland. My research engages with governance, accountability, ethics and markets in forms of science, technology and organization. I mostly draw on ethnomethodology and Science and Technology Studies. My current project investigates markets as solutions to problems of security, health, the environment and education: www.marketproblems.com

Annelise Riles: 'From Comparison to Collaboration: Experiments with a new Scholarly and Economic Form'

Abstract

In both the academy and the economy, a new direction for research and practice is emerging: collaboration. This article analyses collaboration as a modality of scholarship and economy and indeed a wider template for social and political life at this moment. I consider

the theoretical and practical reasons for its importance at this moment, and its implications in particular for the disciplines of comparative law and legal anthropology. I argue that the very ubiquity and mundanity of collaboration discourse and practice in law and policy suggests that a response cannot simply be critique from outside — it must entail doing something with and within this template. I work through these claims through the example of a transnational and transdisciplinary collaborative intellectual project I am directing, known as Meridian 180.

Annelise Riles is the Jack G. Clarke Professor of Law in Far East Legal Studies and Professor of Anthropology at Cornell, and she serves as Director of the Clarke Program in East Asian Law and Culture. Her work focuses on the transnational dimensions of laws, markets and culture across the fields of comparative law, conflict of laws, the anthropology of law, public international law and international financial regulation.

Organizers & Chairs

Christian Frankel, Associate Professor Department of Organization, Copenhagen Business School. His work focuses on the intersection between markets, organizations and politics, in particular European integration and technical standardization.

José Ossandón, Assistant Professor Department of Organization, Copenhagen Business School. His current subjects of interest are the role of cards and other calculative devices in finance and how markets are organized, evaluated and tamed.

Trine Pallesen, Assistant Professor Department of Organization, Copenhagen Business School. Her current research is about the construction of markets for renewable energy, in particular, the valuation of wind power through market devices such as the 'feed-in tariff', as well as the making of zones for wind power development.

Rasmus Ploug Jenle, PhD Fellow Department of Organization, Copenhagen Business School. His thesis is on the roles of the electricity market in the integration of renewable energy in the Danish energy system.

Nanna Helene Jensen, Events Officer, Copenhagen Business School.

Julie Munk, Research Officer, Public-Private Platform, Copenhagen Business School.