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Note from the editors

Markets, market dynamics and market creation in Latin America

Aldo Madariaga and Felipe González

Our first issue devoted to economic sociology in Latin America was dedicated to three relevant and interrelated topics among economic sociologists and anthropologists in the region: money, finance, and debt. As an introduction, we asked ourselves whether we can talk of a Latin American economic sociology. The current volume is a continuation of this search but follows a different strategy and has a different locus. It aims at capturing a diversity of approaches and subjects through which social scientists in Latin America have sought to grasp the social life of the economy: markets. Markets are without doubt one of the key economic phenomena to study from a sociological point of view, and are certainly an area which economic sociology has developed into one of its strengths. Economic sociologists have typically studied the diverse social processes that constitute markets and help to create market dynamics and devices, such as institutions, competition, coordination, fields, and valuation (Helgesson and Muniesa 2013, Beckert 2010). Economic sociologists have also been interested in the art of crafting markets and the actors involved, particularly economists and the way they have imagined the operation of free markets and attempted to create them (MacKenzie and Millo 2008, Çalışkan and Callon 2009).

Latin America offers a locus where market dynamics and market creation are "overflowed" by their cultural, social, and political embeddedness. The contrast between traditional and modern values, between western and non-western cultures in a context of weak overall formal institutions, relative economic deprivation, and stark social, political, and economic inequalities, implies that marketplaces and market dynamics acquire a particular form. The social experience of inflation, the struggle over "public numbers", and the boundaries between marketization and indigenous cultures, to mention but a few secondary issues in mainstream economic sociology, are thus brought to the center of attention of scholars studying how markets operate in Latin America. Conversely, the free reign that economists were given to infuse domestic markets and institutions with their own visions of the economy under extraordinary conditions of low citizen participation and insulated democratic politics – or even outright military repression and dictatorship – allows investigating more precisely how the pre-conditions for the operation of modern markets are met, and how diverse social practices and devices emerge from the underlying processes of translation and interpretation by local economic agents making sense of these overarching transformations. This is perhaps one of the reasons why economic anthropology and its methods have acquired a particular importance in the context of research on Latin American economic sociology. In other words, the articles gathered here establish a direct dialogue with mainstream economic sociology, but their subjects of inquiry and major concerns relate to historical problems that are regionally bounded and the practices of research are themselves tailored to understanding these particular phenomena.

As editors, we would like to provide a very brief contextualization of the articles in this issue. We suggest locating the attempts to unveil the social life of the economy and markets in Latin America in the intersections between at least four coordinates: the role of the state, historical legacies, the rise of markets after the "lost" decade following the debt crisis of the 1980s, and the conflicts surrounding markets in the context of extractivist economies and indigenous populations.

The state and the market

Economic sociologists working on Latin America try to understand the disputes over creating, controlling, and governing official economic statistics in the public sphere ("public numbers"). This is true for countries like Argentina, with a long history of market instability, hyperinflationary crises and institutional weaknesses destabilizing the operation of markets – as the article in this issue by Heredia and Daniel shows – but it is also a reality that is present in other seemingly more economically and politically stable countries like Chile (see Ramos Zincke 2015). To a great extent, the dispute over "public numbers" reflects a broader issue that represents a key coordinate for locating economic sociology in the region: the extent to which the state can provide the institutional conditions for markets to operate, or the fact that Latin American states cannot always guarantee the enforcement of the law, let alone control those who are supposed to make it function. The capacity of the state to produce and communicate statistical data and to provide basic services, property rights, or sovereignty over territory has been a major concern of scholars beyond the field of economic sociology, and it certainly represents a cornerstone of the reflection about, among others, the emergence of markets in contexts of informality (Dewey 2018), the institutionalization of competition (see the article by Onto in this issue), or the issue of bureaucratic capacity and economic development (Soifer 2015). To make things more complicated, institutional weakness (or strength) differs even within states: as certain authors have underscored, there are variations in institutional strength that make institutions and markets work more or less effectively depending on the country and institutional domain we are talking about (Levitsky and Murillo 2012; Altman & Luna, 2012). This often implies that processes of institutional change are more punctuated and tend towards "serial replacement" rather than path dependency, reducing the certainty with which market actors act and conduct their businesses, and therefore generating a range of defensive responses from them.

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Institutional legacies and markets

The institutional context in which enterprises create, expand, and seek to monopolize markets is characteristic of the region. The overall institutional weaknesses are compounded by characteristic traits in terms of the structure of property, wealth concentration, and models of corporate governance to name but a few, representing key historical legacies that continue to shape the social foundations of markets in Latin America (Schneider 2013). Latin America has been historically characterized by income inequality and wealth concentration in the hands of a closed elite and economic networks constituted around kinship (North and Clark 2018). Barriers to entry into conventional markets and privatized public utilities are also enforced by a model of corporate governance that tends to organize around diversified and family-controlled business groups and the presence of large multinationals. Weak states tend to be lenient to these large business groups that represent the lion's share of enterprise profit and the countries' export production. This model, known as "hierarchical capitalism", reduces the incentives for innovation and reproduces inequality by prompting a sharp dualization in labour markets, a trend that European countries are only now beginning to experience. The consequences in terms of the operation of markets is the presence of large players controlling production and distribution, hierarchical rather than horizontal or cooperative relations between large and small companies and between employers and employees, and a large informal sector where a number of novel economic practices emerge.

The art of crafting markets

The history of Latin America is full of experiences of economic engineering and "money doctors" aiming to stabilize the economy (e.g. Centeno and Silva 1996; Drake 1989). This acquired a new significance in the context of authoritarian regimes and/or democratic ones that insulated policymakers from the pressure from their populations and from electoral considerations in the 1980s and 1990s. Two related processes of reform were said to be key to putting Latin American economies on the right footing: stabilization and structural reform. In this context, what economists tried was not only doing policy, but more importantly, crafting and creating markets from scratch, following their own theories and imaginaries about how they should function (see Ossandon in this issue). With regards to the first, the process of stabilizing the economy implied creating the conditions for markets to operate as the economists' theories predicted. Essentially this meant looking after the stability of prices to enable economic actors to take their maximizing decisions in full, putting inflation at the core of the efforts of different governments. Conversely, structural reform referred to the institutional pre-conditions of markets. Most importantly, economists saw the need to reform and redistribute property rights in order to create entrepreneurs eager to participate and invest in market dynamics. An important part of this process was the privatization of social services and the creation of what were called "quasi-markets," that is, institutional spaces mimicking the operation of markets in domains where market relations and dynamics were typically prohibited or reduced (see Maillet 2015). Various authors have narrated this process as part of the rise of economists and the way they came to hegemonize not only the discussion about public policy but even the very policymaking decisions at the highest echelons of government (see Dezalay and Garth 2002; Montecinos and Markoff, 2009). At the same time, economic sociologists and anthropologists devoted themselves to understanding the responses of different economic actors to these overarching processes of stabilization and structural reform.

Social conflict surrounding markets

Finally, Latin America is still a region where the economy is based on extractive economies that rely on the exploitation of natural resources. This was strengthened after the demise of import-substituting industrialization and the reconsideration of the idea of comparative advantage. In this context, the market logics of profit-making and land grabbing collide with both environmental concerns and indigenous populations that claim rights over territories that belonged to their ancestries. Alongside the resistance to trade openness and the privatization of social security and land (Wilson and Crowder-Taraborrelli, 2013; Cupples and Larios, 2010), social movements and organized communities in Latin America have sought to restrain the commodification of cultural goods such as indigenous spirituality and indigenous culture (Gómez-Barris 2012, Wilson 2003, see also Vereta-Nahoum in this issue).

Overall, resistance against market logics during the last two decades in Latin America need to be contextualized in a broader historical trend that scholars termed a "post-neoliberal turn" (Yates and Bakker 2014). The twenty-first century in Latin America witnessed a turn to the left that brought into question the role of markets in society as a whole. Leftist candidates won elections by hoisting the flags of wealth distribution in a continent historically shaped by the concentration of income and land (North and Clark 2018;

Levitsky and Roberts 2011). In this context, the international commodity boom of the early 2000s not only deepened the extractivist logic but also provided these governments with sufficient revenues to carry on their progressive programs, expanding the provision of public goods, and in some cases changing the institutional setting in which markets operate (namely, the countries' political constitution). In this context, the conflict over natural resources, the deepening of extractivism, and the enclosure of the commons have been pivotal to the configuration of the relationship between markets, the state, and society (Arsel, Hogenboom, and Pellegrini 2016).

The articles in this issue may be located in the intersections between these four coordinates, and they represent different approaches to the operations of capitalist markets in the region. Heredia and Daniel offer a historical approach to the establishment of one of the most important pre-conditions for the functioning of markets in Argentina: the taming of inflation and the consolidation of public economic statistics to process market signals in the public sphere. Vereta-Nahoum explores the tense relationship between indigenous culture and markets, contrasting experiences of the commodification of cultural elements of Amazonian natives in Brazil. Drawing on both ethnographic fieldwork and a systematic study of media articles, he tackles "the potential, dilemmas, tensions, and challenges of selling cultures." Onto, on the other hand, offers a micro-approach to anti-trust regulation in Brazil. Analysing the interaction between analysts and "anti-trust artifacts" (maps, indexes, photographs, charts, and visual representation of statistics), Onto explores the role of materiality in the conceptualization and regulation of market competition. In this way, he opens the black box of anti-trust bodies and develops an alternative angle to classical institutional approaches to anti-trust regulations in economic sociology. Finally, Ossandón develops a broader reflection on the "crafting of markets" and economic experimentation, which became common practice among economists in contexts of authoritarian governments in the region and has now become a well-established field worldwide. In particular, Ossandón pays special attention to cases in which markets are conceived as policy-instruments that aim at solving public problems and the specific expertise required to undertake such task. In the light of empirical developments in the economics profession, the question that Ossandón raises is whether "a new type of economics that conceives of itself in terms of 'market design' calls for a new type of economic sociology."

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