

The Economics of Singular Goods

by Pierre-Paul ZALIO

Economic theory makes the price the common measure of all goods. However, does it apply to singular goods? Is it the least help when we must choose a good restaurant, a good lawyer, or yet, the best evening course for our children?

Review: Lucien Karpik, *L'économie des singularités*, Paris, Gallimard, "Bibliothèque des sciences humaines," 2007, 384 pages, 26 €.

The economic theory according to which each product, in a situation of competition, may be differentiated by its price, each person being able to choose in consequence, does it apply when we are looking for a good interpretation of Beethoven's 7th Symphony, when we hesitate between two bottles of Beaune *Premier cru*, when we have to choose a *good* restaurant, a *good* lawyer, a *good* psychoanalyst or yet the best evening class for our children? In the negative response given by Lucien Karpik to this apparently trivial question resides the ambition of the *The Economics of Singularities*: to propose a theoretical framework capable of accounting for all the transactions pertaining to multidimensional goods of uncertain quality, which Karpik calls *singular goods*. One of the initial propositions of the book is that for these specific goods, in opposition to standard goods, the competition by the price is less determinant than the competition by the quality. To understand how, faced with the opacity of these markets, we succeed all the same every day in finding the *good* products requires that we have a toolbox. This is what Lucien Karpik proposes in this

book when he talks to us about *knowledge, judgment, confidence* and *qualifications*. Yet Karpik delivers more here since he intends to construct a general theoretical framework: a typology of coordination regimes capable of accounting for *all* contexts relating to the singular goods observable to date. Since this typology is inseparable from a set of empirical trials in concrete markets (great wines, luxury products, variety show music, legal and medical professional services, etc.), the book is anything but abstract. Furthermore, it illustrates what economic sociology is in a position to reply to the imperialism of economic theory: to construct a general *and* empirically founded theory of commercial trade. That is what the economy of singularities is all about.

For anyone who has followed the numerous research studies that have directed attention, not only to the social construction of the market and its embeddedness, but also to the conditions of possible market relations characterized by uncertainty over the quality of goods (be they persons on the labour market or products), these issues are not totally new. To be sure, for twenty years researchers in (heterodox) economics and in (economic) sociology have been asking themselves, in regard to all the contexts in which heterogeneity of goods and uncertainty over their quality subsist, how can market mechanisms succeed in establishing confidence in such markets? How is agreement reached on the quality of these products? What material, legal and cognitive equipment is required to overcome the uncertainty or to organize the meeting of the consumer and the product? Who are the professional actors shaping the market in this perspective? Geertz has asked these questions for a bazaar economy; Karpik personally made a decisive contribution by his research on lawyers first, then by extending his reflection to objects such as the Michelin Guide; conventionalists such as Robert Salais, François Eymard-Duvernay or Christian Bessy, who have constructed a framework of reflection on market coordination, as have the sociologists studying professional market agents and socio-technical mediations (Franck Cochoy) or historians of quality (Alessandro Stanziani). By choosing to bring back these diverse research efforts into qualities under the banner of an economics of singularities, Karpik therefore proposes to piece together in a synthetic theoretical framework a fertile stream of research. Let us see how.

First step in the demonstration: Karpik affirms that if we carefully review market theories (beginning with the neoclassical theory and examining its development from Chamberlin to Lancaster, without omitting Akerlof), one must recognize that all these theories stumble up against, not so much the lack of realism of pure and perfect competition (as is so often repeated) as the hypothesis of homogeneity of goods, and hence up against the problem of radical uncertainty concerning the quality - such that a specific universe of exchange exists, the universe of singular goods, which economic theory cannot analyze. Economic sociology should therefore propose the tools necessary to handle all those situations in which the transaction rests on the

existence of mechanisms of knowledge (these being labels of origin, quality labels, trademarks, critiques, hit parades, networks) and in which competition by quality takes precedence over price competition. Karpik's demonstration throughout the book is supported by successive empirical trials during which the tools will have to prove their capacity to *explain* the working of concrete markets; the book is therefore studded with examples of differentiated markets, from psychoanalysis to variety show music, from great wines to Lacoste shirts.

Second stage: Karpik constitutes his toolbox with the following notions: *judgment* (in opposition to the decision supposing calculation in a world of equivalences, judgment makes choosing between immeasurable entities possible), *mechanisms of judgment and of confidence* (they may assume the form of "consumers' delegates" and will link the consumer and the product: these are for example the networks, labels of origin, guides and experts, ratings) and the *coordination regimes*. In this way for instance, the Parker or Michelin guidebooks are described as genuine "machines of paper" that make their respective markets function under coordination regimes, which are designated as regimes of authenticity or of expert opinion. Facing the proliferation of products (linked to their differentiation and to the development of niche markets) and consumers' reflexive activism (but Karpik has the prudence of not accepting at face value the historicist prophecy of the new active consumer), these mechanisms are mechanisms of rarefaction. The economy of singularities therefore inverses the perspective of economists by starting from the principle that the problems to be solved in the market are not exclusively problems of rarity, but often problems of proliferation and of creation of rarity (in a word, the industrialists of luxury goods practice Karpik every day without knowing it).

Third stage: Karpik exposes at length his construction of a typology of coordination regimes with precision, and here again with numerous examples that are mobilized, not as illustrations but as authentic tests of the explicative force of these tools in concrete markets. By distinguishing the *impersonal* mechanisms (which do not require knowing anyone personally to acquire the knowledge necessary to find a good product, but which are based on a knowledge at a distance – by reading a guidebook for example) from the *personal* mechanisms (which conversely necessitate personal relations to gain access to this knowledge); then by distinguishing according to the breath of the market (a *restricted market*, such as for great Burgundy wines, does not rely on the same mechanisms as an *extended market*, such as for luxury ready-to-wear clothes); afterwards distinguishing the mechanisms that analyze the *contents of singularities* (the Hachette wine guide) and those that *class singularities* (literary prizes, hit parades); and finally distinguishing the forms of *consumers' engagement* (depending on whether the consumer, active and autonomous, seeks to satisfy confirmed personal tastes, or, inactive, follows the tendencies proposed by the mechanisms), Lucien Karpik ends up with a typology in seven coordination regimes.

So be it: the regime of *authenticity* (example: the market for great wines, restricted market and active customers), the *mega*-regime (example: the industry of luxury goods or the cinema industry of blockbuster movies, which must integrate the contradictory elements that are volume and rarity, succeed in holding together aesthetic criteria and profitability), the *expert opinion* regime (when in a restricted market, a consumer relies on advisory mechanisms such as literary prizes or choices of concept stores such as Collette), *common opinion* (hit parade in the variety show music or how an industry with more than 300,000 titles can build its profitability on 4% of its catalogue...). Lastly, the three coordination regimes based on personal mechanisms all rely on the insertion of the consumer in a *market network*, be it a regime of *conviction* (I choose my violin because I share the same passions as my stringed instrument maker...), of *professional coordination* (studied by Karpik with respect to attorneys), or of *inter-firm coordination*.

The work comes to an end on two questions. The first consists in asking whether a sociology that concerns itself with markets in which competition by quality takes precedence over competition by price has nothing, thereafter, to say about price, abandoning price effects to economists alone. An answer in the affirmative would risk founding a new Yalta, separating economists from sociologists – a *Pax Karpikiana?* –: to the first, standard goods; to the second, singular goods. Now, Karpik does his best to convince us that the economics of singularities are not predicated on a separation of goods. By choosing one's guidebook, one chooses a judgment apparatus; thus, according to whether one follows the *Diapason* guidebook (based on musicality) or the guide of the specialized department store *Fnac* (based on technical measures) for purchasing a hi-fi system, one selects a different logic for action. It is necessary to understand that diverse representations of a product can be assimilated to different products. In addition, the economics of singularities has much to say about price each time empirical work is capable of linking the forms of equilibrium through price with the hierarchy of quality. As an example (instructive for a university professor), to draw from empirical work on stars a "principle of disproportion", which states that the difference between the price of singularities is all the greater when one finds himself at the summit of the hierarchy of qualities, is a general result which, without necessitating long monographs, is applicable as much to the great Burgundy wines, as to football players or to the overpaid professors in certain American universities. In short, Karpik reminds us on this occasion that sociology should not limit itself to particular interpretations of singular facts, but set its sights on *comprehensive* theorizations, meaning general, empirically founded and adjusted to specific questions that are, as Weber would say, interesting.

The second question consists in examining if singular goods, as non-standard goods (with cultural goods as the archetype), are necessarily threatened by mass culture, the extension of the commercial sphere and the globalization of markets. Karpik

responds with a nuanced answer whose great merit is to leave behind the pessimism inherited from Adorno and Horkheimer (culture necessarily being killed by the market) without for as much falling into a prophetic mode of a post-Fordism promising an abundance of singular goods for all due to the indefinite differentiation of products.

Here then is an important work, notably for daring to propose to us a strong theoretical framework without forcing us by a general market theory toward ambitious projects of reunifying social sciences. For that matter, in the context of a redefinition of social sciences to the benefit of economics, some people will not fail to blame him in this respect. On this subject, Karpik furthermore strived in a brief but incisive interlude in the form of response to recent criticism of economic sociology by the supporters of the economics of convention (abuse of the notion of market embeddedness, programme dispersion, absence of general theoretical ambition, de facto acceptance of the neoclassical paradigm's validity) to defend the virtues of comprehensive sociological theorizations. A dash of Weberian realism never does any harm.

Does not the economics of singularities, as a result, shape for itself a framework that is a little too... singular? It might be asked if the passage from an economy of qualities to an economy of singularities has not been bought at the price of an excessive attention to certain types of goods, whereas Karpik intended to refer singularity to mechanisms and not to intrinsic product qualities. Likewise, it might be asked if, by too great a focalization on the question of exchange and on the mechanisms organizing the *encounter* between commercial supply and demand, the questions of labour, production and trade might not risk being evacuated.

It remains that the work, in addition to the innovative theoretical framework it proposes, opens up numerous paths to researchers, beginning with the genesis of judgment mechanisms, thus opening the gates to a history of the market whose centre moves away altogether from the study of embeddedness and from the critical and pessimistic denunciation of the "merchandisation" of the world. By emphasizing the centrality of judgment (with respect to decision), Karpik also clears the way to a reconsideration of the meaning of the notion of preference: taking this question seriously is not only to oppose the offensives of economists (neo-Beckerians and others) but also to lead to an economics of the plurality of worlds (with the entrepreneurs, equipment and metrics necessary to make the goods circulate between these worlds). Karpik's optimism with regard to the future of singularities (and therefore of cultures) does not conceal any less the fears that an informed music lover might have facing the effects the economic and political powers have on the real freedom of the most authentic consumers: "Must we contemplate in a state of indifference that unheard-of event: the disappearance of the possibilities of recording,

except for a few stars, for musicians of our times, and the eventual vanishing of the possibility of having access by records, in the name of private interests, to one of the most precious creations of humanity?" (Page 338).

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