Fuck the market

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Abstract
The market is a foundational concept in economic and political thought. However, the dominant definition of the market has stripped out the role of place in the marketplace, which has facilitated markets being seen everywhere while increasingly existing nowhere. With markets seen everywhere, a societal discourse has been crafted that only serves to distort visions of economic relations – the market discourse.

This paper makes the case that a more limited definition of the market – including the role of the centralisation that a place provides – is possible but must be tied with an explicit rejection of the market discourse. Such a rejection clears the ground for building alternative concepts – competition, business autonomy and strategy, fragmentary centralisation, and economic power – that can be used to more accurately capture economic reality. Overall, the case is made that because the market without the -place doesn't work, can't be fixed, and actively inhibits our understanding of the world then it is imperative that it is rejected on the strongest grounds and other concepts, some of which are sketched in this paper, are deployed in its place. As such, this paper argues, fuck the market.

Keywords markets, competition, capitalism, discourse, power

Introduction

Contemporary political and economic discourse sees capitalist systems characterised as market economies, and references to both The Market and markets are ubiquitous; markets are seemingly everywhere. This situation is distinctly odd, as while economic relations have been more and more characterised as "markets", many economies have seen both the withering away of traditional marketplaces and the concurrent growth of hierarchically ordered non-market economic organisations (i.e. corporations).

The reason that markets can be both seen everywhere and exist practically nowhere is due to two points. First, "markets" have been defined according to abstract principles – often product similarity or price uniformity – that do not include place. While abstraction is not an issue per se, abstraction that cuts away from a central defining feature – in this case, the place of marketplace – is unhelpful. Second, the dominant definition of the market, stemming from neoclassical economics, has chosen exchange as the principle by which a market is defined; whenever there is exchange there is a market. Rendering "the market" as a synonym for "exchange" means that "the market" can be seen in all economic systems throughout the entirety of human existence and paints capitalist relations of transactionary exchange as universal, natural and inevitable; "in the beginning there were markets" as Williamson (1975: 21) writes.

The consequence of these two points is that we are left with an idea of the market that is non-instituted and non-socialised. Moreover, the latter definition of "the market" captures everything and so defines nothing. It is, however, possible to rescue a definition of "the market" by including a requirement of place alongside exchange, multiple sellers, and similar goods. Applying such a definition, however, renders markets a relatively marginal part of contemporary capitalism.

While this argument may appear to rest on pedantry, the consequences of labelling economic exchange as a market are huge due to the centrality of the market to economic discourse and imagination. Using the term "market" brings up the image of the bustling marketplace, bazaar, or souk where prices are subject to bargaining between buyer and seller, and sharp competition occurs between the many stall-holders. Calling exchange "the market" thus implicitly characterises the exchange as taking place in a competitive environment, with broad equality of bargaining power, and with prices dynamically responding to the laws of supply and demand. In this manner, the market-as-exchange definition smuggles in a whole range of other ideas; the definition is central to a wider, and politically hegemonic, market discourse.

The hegemonic nature of the discourse can be seen in the conceptual imperialism of the market, with the economic language of the market being applied to non-economic matters, which is only really possible due to the thinness of the market-as-exchange definition. Prominent examples of this imperialism are the "marketplace of ideas", the "sexual marketplace", and the "political marketplace" (Hodgson, 2019). In each situation, the point of adopting the market discourse is to stress the fairness and openness of the situation, a competitive element to the situation, and that outcomes of this situation are properly and unbiasedly arrived at. In the marketplace of ideas, for the most popular (and legally important) instance, the central thrust is that if ideas are allowed to compete, the best/most truthful ideas will win out (Blocher, 2007).

As the market discourse conjures the image of the bustling marketplace and advances ideas of dynamism, competition, and equality it also obscures many features of contemporary economic systems. The market discourse's focus solely on exchange means that things such as production, advertising and branding, financing, logistics, research and development, and various other actions that constitute an economic system are omitted. In addition to these economic factors that are missed, the role of the state, of the law, of discrimination, of culture, and of political power in constituting economic relations is missed. By excluding all of these elements through an exclusive focus on exchange the market discourse often erases the business corporation from understandings of capitalism.

In addition, while oft-discussed in the market discourse, the concept of competition has been massively overshadowed and consequently underdeveloped; not least because the idea of "perfect competition" is a non-competitive situation. To see beyond "the market", it is necessary to shine the light back on the concept of competition, and this article lays a groundwork for doing so. However, it also cautions against developing competition into a master concept – similar to the market – as competition always relies upon a system of rules undergirded by a normative framework that outlines how competition should be conducted and the point of competition.[1]

To lay this argument out in full, this paper is split into five parts. The first part goes into different definitions of "the market" and sketches a workable and limited concept of the market by highlighting the importance of centralisation of exchange in a virtual or physical place. The second part shows the importance of including an explicit rejection of the market discourse when using a more limited definition of the market. With the market taken off of its pedestal, the third section disentangles the concept of competition from the market and sketches what an empirical conception of competition would look like. The fourth section tempers this empirical conception of competition by focusing on the problem of product heterogeneity, making the case that economic competition is always an analytical creation

[1] Sports provide a useful way of thinking about this point. The rules of the game – no use of the hands in football, no forward passes in rugby, no running holding the ball in basketball – are fundamental to making the game and defining how to compete. You can also see new rules – recently safety-based ones concerning tackling in a host of sports, but also things like the backpass rule or the offside rule in football – changing the nature of competition within the game.

based on its contextualisation and that the investigation of competition within contemporary capitalism should focus on industry-level competition. The fifth and final section sketches three further factors and ideas related to corporations – business autonomy and strategy, fragmentary centralisation, and economic power – that can be seen without the market and which offer potential routes to understanding the economic and social world once market-tainted glasses have been discarded.

The market concept – a definition

Despite the centrality of the market to economics there is not a well-developed economic literature focusing on the concept and its definition, which has left a situation whereby the market is not missing, but is "implied rather than explicitly discussed" (Swedberg, 1994: 257). In contrast, similarly important ideas in political science, for example, – such as power, democracy, or the state – have extensive literatures debating the meaning of the concept and many, varied, and competing conceptualisations of each concept. That the market concept is lacking a diverse and deep literature is perhaps not surprising, as economists have long favoured mathematical precision while giving scant attention to conceptual precision (Hodgson, 2015: ix).

This point about the lack of attention given to the market concept is not new and has been recognised by prominent economists. North (1977: 10) noted that "it is a peculiar fact that the literature on economics and economic history contains so little discussion of the central institution that underlies neo-classical economics – the market". Similarly, Coase (1988: 7), whose work on the theory of the firm highlighted the firm as an alternative to the market, wrote that "in modern economic theory the market itself has an even more shadowy role than the firm…In the modern textbook, the analysis deals with the determination of market prices, but discussion of the market itself has entirely disappeared".

Historically, economic definitions of "the market" started by moving away from identifying the market with a physical marketplace and instead make the market an abstract idea. As Cournot (as quoted in Marshall, 1920: 324) explained "it is well understood that by *market* economists mean, not a certain place where purchases and sales are carried on, but the entire territory of which the parts are so united by the relations of unrestricted commerce that prices there take the same level throughout, with ease and rapidity". While Cournot's definition allows for some reflection on the institutional foundations of a market, Marshall (1920: 325) dropped this element by focusing more on the latter part of Cournot's definition in his own definition whereby "the more near perfect a market is, the stronger the tendency for the same price to be paid for the same thing at the same time in all parts of the market." The market or, more correctly the perfect market, then becomes the area to which an abstract principle – the law of indifference or law of one price – applies.

Marx and Engels in the volumes of Capital use both an abstract idea of the market and also an idea of the market as a place. In book 1, the market is both a place that covers a geographic area that goods are brought to, and an abstract placeless thing (as per Cournot) – as "the sphere of circulation" (Marx, 2015: 120-123). In book 2, with the former understanding they talk of "already existing markets" being in "great centres of production and population" (Marx and Engels, 2010a: 152), and with the latter understanding abstract markets are split according to the product/service first broadly – labour market, money market, and commodity market – then more specifically – of the "various commodity markets" (ibid: 55).[2] While in book 3, they begin to clarify when they are talking of actual and abstract markets,

[2] The language also shifts slightly. In Book 2 they talk of things "thrown" on to the market, rather than brought to market.

they also work with abstract actualised markets – "the world market", "the home market" – by blurring the geographical boundaries within which a market is located.[3]

Later economic authors would further abstract the market, but unlike Marshall would stress exchange over price as the abstract principle that defines a market. Friedman (1962: 13-14) refers to the market as a technique of co-ordination through "voluntary co-operation by individuals…[which can be] fully displayed in the simple exchange economy that contains neither enterprises nor money". Samuelson and Nordhaus (2009: 26) dress their definition up a bit as "a market is a mechanism through which buyers and sellers interact to determine prices and exchange goods, services, and assets", which essentially follows Pearce's economic dictionary definition (1986: 263) of a market as "any context in which the sale and purchase of goods and services take place. There need be no physical entity corresponding to a market."

Watson (2018) shows that within neoclassical economics the shifting definition of the market has led to three conceptualisations of the market that are rolled into one another; the descriptive concept, the analytical concept, and the formalist concept. The descriptive concept can be seen in Smith where the idea is of "the market literally as a marketplace, with all the hustle and bustle of people going about their business" (ibid: 21). The analytical concept is the most common economics textbook account and is used to describe market-clearing dynamics. It stems from neoclassical thinking about partial equilibrium in a single product market. Finally, the formalist concept is the concept deriving from general equilibrium neoclassical models. However, as Watson notes, "nobody can relive their everyday economic experiences and imagine themselves in the context captured by the formalist market concept in the same way that they can in the context captured by the descriptive market concept. General equilibrium models have a curious dual characteristic of being irreducibly products of the mind but simultaneously impossible to call to mind in any familiarly recognisable form" (ibid: 28). In essence, as White (as quoted in Swedberg, 2009: 121) explains, the central problem with neoclassical definitions of the market is that "there does not exist a neoclassical theory of the market – [only] a pure theory of exchange".

Seeking to move beyond the standard economic definition, non-neoclassical authors have reached for alternative abstract principles by which "market" can be defined. Weber (1978: 635) offers a broad definition that emphasises the existence of alternatives, writing that "a market may be said to exist wherever there is competition, even if only unilateral, for opportunities of exchange with a plurality of potential parties". Block (1990: 50-51) instead uses a more restrictive definition based on the separation of actors, arguing that "the term market should be reserved for situations in which relatively independent actors come together to make economic transactions of limited duration."

What is missing within all these definitions is the thing that Cournot stripped out – the role of place in a marketplace. Place is essential to markets as it is where buyers come looking for, and expecting to find, goods and services; what marketplaces do is centralise exchange. Centralisation, in turn, is what facilitates competition between sellers. One element of this facilitation is that centralisation keeps information costs low for sellers, thereby enabling their competition over custom – within a marketplace rivals are easily identifiable and their pricing and business strategies are clear. The place need not be physical, and increasingly isn't. eBay, for example, is an electronic market that works to centralise economic exchange by being a place for individual sellers to promote and sell their goods.

Furthermore, unlike in neoclassical understandings the market is not a singular mechanism or institutional set-up – as a place it can be formally and informally instituted in many different ways.

[3] We see Cournot's definition echoed in the thinking behind this line: "The colossal expansion of the means of transportation and communication – ocean liners, railways, electrical telegraphy, the Suez Canal – has made a real world-market a fact" (Marx and Engels, 2010b: 354).

Pricing, for example, can occur through haggling, posted prices, auctions, etc. As such, being able to set the rules of a market and to extract tribute for access to a market provides a source of power within the economy – it's in this light that we should consider many of the new digital markets like Amazon, Deliveroo or UberEats.

A market, then, should be defined as a centralised place of exchange with multiple sellers. Applying this definition, however, renders markets a much more marginal part of contemporary capitalism. While exchange is central to capitalism, the vast majority of exchange does not take place in a market. For example, the primary organisation responsible for food distribution – the supermarket – does not count as a market, as it's a centralised place of exchange with only one seller; its offerings are akin to a menu rather than a market. Similarly, the "labour market" is not a market at all, with most labour instead being provided through contractual relations (i.e. ongoing relationships) with firms. When individuals are "on the market" for labour – when they are actively looking for a job – and seeking a job through direct applications (Granovetter, 2018: 11) they will engage in a series of discrete one-shot competitions against different self-selecting and relatively tiny pools of applicants who consider themselves capable of doing the job and who find the contractual terms being offered sufficient; there is no centralised place of exchange with labour.[4]

The market discourse

While a definition of markets is possible, the result of using such a definition is a more circumscribed use of the term. However, the narrower use of the term does little to stop, and may encourage, the continued dominance of the market-as-exchange definition by trying to use the same language but meaning something different. What is needed, then, is ground clearance through an explicit[5] rejection of the language of "the market". Without such an explicit rejection the market discourse – the societal language and ideas about the economy built upon the market-as-exchange definition – will continue to infect and corrupt society's understanding of political economy.

Put briefly, the market discourse holds that the market is natural (which is based on a fundamental division between economics and politics), supply and demand (solely) determine market outcomes (particularly price), competition and price dynamics result in an equilibrium absent government interference, market activity is the only productive element within the economy, the market is demand driven (consumers have significant power to alter economic outcomes), the market allows decentralised decision-making, the market is the most capable institution of information processing (making market outcomes inherently efficient), competitive outcomes are fair (victory is to the strong, which allows competitive hierarchy), and that all exchange is voluntary and all participants are equal.[6]

Some of these ideas are often directly referenced in social discourse (supply and demand, for example), others are only indirectly grasped (competitive hierarchy, as a consequence of beliefs about the competitive process, is rarely directly expressed). Nor are all of these ideas always present – the Hayekian points about decentralised decision-making and information processing are less present in lay understandings of the market, but more present in elite political discourse. However, the ideas above broadly represent the connotations of using the market term and constitute the prism with which any academic definition must contend; even the most careful take on the market has to first explicitly disentangle itself from the baggage of the market discourse and colloquial usage of the term.

[4] Such pools of applicants are tiny relative to the total labour force.
[5] Pun intended.
[6] Competitive hierarchy is more commonly, but less accurately, referred to as "meritocracy", with merit being the justification for hierarchy.

On top of the general market discourse there are two further augmentations of how the market is discussed. First, the market becomes reified and anthropomorphised. This take on the market can often be seen in financial reporting, where the market reacts to events, judges government policies, can be uncertain, and expresses a whole range of different emotions. The change is essentially from, for example, panic in the market (i.e. the market as a place with participants) to the market panicking. The change is small but plasters over the disunity of purpose and action that comes from competing interests, differential levels of information, and Keynes' animal spirits with a vision of a unified and rationally-processing organism.

Second, building on the first point, the anthropomorphised market becomes deified. The judgements of the market are assumed to reflect a fundamental grasp on the nature of reality above and beyond the judgements of individuals. A consequence of this is that market judgements are elevated above any other mechanism for deciding social questions. As Cox (2016: 11) writes "current thinking already assigns to The Market a comprehensive wisdom that in the past only the gods have known." A common manifestation of this idea in the political arena is the refrain "government shouldn't pick winners and losers, that should be left to the market" for it is the market that will make the best choice. There is a further level to deified market, and that is its role as a political panacea – any issue can be turned over to the market, which with its natural mechanistic drive to equilibrium will solve any problem put before it.

The market discourse, then, establishes a distortionary default that requires repeated dispelling if using a narrower and more accurate conception of the market. However, dispelling the market discourse is not just a negative and destructive task, it also facilitates seeing without the market. One of the reasons for, and consequences of, the power of the market discourse is that the market has first subjugated and then subsumed the concept of competition. Dispensing with the illusions of the market and thinking without the market framing, then, can facilitate greater understanding of competition.

Competition and the market

One of the ironies of the subsumption of competition to the market is that competition is a larger concept than the market – competition can exist without markets but markets can't exist without competition. Yet, thanks to the market concept, currently the concept of competition is woefully underdefined. As McNulty (1968: 639) notes, "there is probably no concept in all of economics that is at once more fundamental and pervasive, yet less satisfactorily developed, than the concept of competition." But it was not always the case that the market concept subsumed the concept of competition. Smith's conception of competition, according to Stigler (1957: 2), was the elimination of extraordinary gains through a relatively short-run process of a sufficient number of independent actors with good knowledge of market opportunities responding to temporary situations of shortfalls or excess; competition is understood here as a corrective mechanism for prices.

However, the work of early neoclassical economists was to strip competition of any substantive meaning. They did so by creating the idea of perfect competition within the market. Perfect competition is not an idea about a process as with Smith, but about an effect; a situation can be said to be competitive if the process of competition has already taken place and the results can be observed (McNulty, 1967: 398). Moreover, the requirements of perfect competition – perfect information and the law of indifference (Stigler, 1957: 6) – eliminate many aspects of what would generally be held to be competition. As Hayek (1948: 92) noted "if the state of affairs assumed by the theory of perfect competition ever existed, it would not only deprive of their scope all the activities which the verb 'to compete' describes but would make them virtually impossible." Product differentiation is not possible in perfect competition, there is zero spatial or temporal elements to competition, there is no possibility of innovation (in product, process, or administration), no space for perceptual manipulation, and even no possibility of price competition. Thus, this shift to perfect competition resulted in a situation where the Platonic form of competition was non-competitive; within the analytic and formalist market concept there is, at heart, a void concept of competition.

Within the societal market discourse ideas derived from perfect competition do still pertain, such as equilibrium and supply and demand determining price. This correspondence is not surprising as economic tuition has shaped the discourse to a huge degree, and perfect competition is still taught in universities and sometimes is even said to directly relate to the real world. In the 8th edition of his textbook, for instance, Mankiw (2020: 67) states that "There are some markets in which the assumption of perfect competition applies perfectly. In the wheat market, for example, there are thousands of farmers who sell wheat and millions of consumers who use wheat and wheat products. Because no single buyer or seller can influence the price of wheat, each takes the market price as given." Note as with the critique above that in this quote competition gets reduced to price and price is uniform, so no competition actually takes place.

However, as the market discourse is more a collection of ideas rather than a coherent doctrine there are more everyday notions of competition, rather than just perfect competition, that get invoked. The first of these notions is rivalry at scale. Rivalry at scale is the assumption that multi-actor competition can be modelled on/is the same as an intense rivalry between two parties. The problem with this idea is that rivalry begets strategic focus on the rival (Baum and Korn, 1996: 255) – the relationship is one of moves and ripostes – but in a multi-actor situation the focus of each actor can never be as intense; scaled up, rivalry would result in schizophrenic paralysis of businesses. But the notion of rivalry at scale is not so important for its content, but for its role in suggesting the market discourse corresponds to reality; if two big rivals can be seen (say Pepsi and Coke) then the situation is competitive/is a market.

The second notion sees competition as an ongoing evolutionary process where only the fittest survive. (Particularly when applied to the labour market, there is a strong undercurrent of social Darwinism present in the discourse.) In this sense, the market discourse posits an intense and cut-throat form of competition; it works along the lines of Schumpeter's perennial gale of creative destruction and, like early Schumpeter lauds the role of the individual entrepreneur (or, in the modern day, the start-up) as a disrupting force in the economy. The market, then, is seen as a dynamic and innovative place with small competitors always able to replace dominant market actors.

Thus, economic orthodoxy and the societal discourse around competition result in a situation where competition is either understood as an unnecessary stabilisation mechanism (as with perfect competition) or is understood as war of all on all (as with scaled up rivalry and evolutionary competition). Competition is thus both understood as offering a form of order and a form of disruption. Beyond this inherent contradiction, this state of affairs offers little insight into the process of competition in the real economy.

My point here is again not new. The problems with perfect competition were noted by Clark, who kicked off a debate about "workable" or "effective" competition. For Clark (1940: 243-244), there were ten factors that needed to be considered – the degree of standardisation of a product, the number and size of producers, the pricing mechanism, the distribution mechanism, market information, geography of selling and production/transportation costs, the degree of control over output, economies of scale, short-run cost flexibility and flexibility of production capacity. Other authors would come up with similar lists of factors, but the last major contribution to this long-standing debate over the concept was by Sosnick, who put forward his position as (1968: 927) “a market is effectively competitive if and only if it is free of 25 flaws: unsatisfactory products, underuse or overuse, inefficient exchange, inefficient production, bad externalities, spoliation, exploitation, unfair tactics, wasteful advertising, irrationality, undue profits or losses, inadequate research, predation, pre-emption, tying arrangements, resale price maintenance, refusals to deal, undesirable discrimination, misallocation of risk, undesirable mergers, undesirable entry, misinformation, inefficient rules of trading, and misregulation”.

An alternative account of real competition was offered by Schumpeter. Unlike in the market discourse where competition is only at the end transaction point, Schumpeter offers a much broader account of competition, whereby creative destruction involves “the new commodity, the new technology, the new source of supply, the new type of organization (the largest-scale unit of control for instance) – competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the output of the existing firms but at their foundations and their very lives” (Schumpeter, 1942: 84). Furthermore, Schumpeter in *Capitalism, Socialism and Democracy* focuses on the major corporation, rather than the entrepreneur as in his earlier work, as a major driver of innovation – and therefore competition – within the economy.

Both of these alternative accounts of competition are much broader than the one invoked by the market discourse. Now, instead of seeking to develop a master concept of competition based on synthesising the material above, I instead want to sketch what are four essential foundations for an idea of competition. First, competition must be an empirical concept rather than an assumption derived from a definition of market structure. In other words, the existence of alternative providers is not prima facie evidence of competition – the relationships between economic entities need not be separated between competitive and collusive, as it can also be companionable or loosely co-operative.

Second, as with the alternative accounts above, competition must be understood as existing in economic activities that take place before end-consumer transactions. Production, logistics and transport, research and development, relational networks, advertising, organisational structure, etc all must be added as potential areas of competition as these are all areas that an economic organisation can seek to gain advantage over another. These areas will not necessarily be ever-present areas of competition but have the continual potential to be.

Third, competition should be a non-binary concept; the world shouldn’t be divided into competitive and non-competitive as there are many shades of grey. Combined with the previous point, competition becomes a multi-dimensional continuum and the degree of competition that is normatively desirable becomes an issue of much finer analysis. Moreover, the concept of overly-competitive is likely worth pursuing, as competitive dynamics in many social spheres have a strong track record of inducing destructive and dangerous behaviour that would not be normatively desirable.

Fourth, competition must always be contextualised. Within the market discourse, competition is disembodied – like the market, it exists everywhere and nowhere. To empirically ground the concept both the level (product, shop, or industry) and location (geographical space) of competition must be delineated. These two points are necessary to set the boundaries of investigation and to specify how competition can be seen.

This final definitional point is also the primary reason for resisting fully developing the concept of competition. Competition is always an analytical creation and issue of judgement; it is an evaluative concept based on normative foundations.[7] Setting the boundaries of investigation is part of the judgement involved, but more fundamentally, competition is an analytic creation because there are no natural cut-off points between the products (and hence the companies) that are meant to be in competition with one another. Any concept of competition, then, requires an understanding of the problem of product heterogeneity.

The problem of product heterogeneity

The market discourse concept of competition, in the first instance, works with an understanding of services or goods as homogenous. In the second instance, there is an analytical splitting of the economic realm into separate markets of similar products, as in the real world products fulfil different roles rather than being uniformly homogenous. This splitting makes sense, as dissimilar products cannot be pitted against one another and so cannot be seen as in competition with one another – a banana and a Lamborghini are not rivals. Hence it is common to see, for example, discussion of the clothing market, the grocery market, or the automobile market. It's also common to split those markets further, often differentiating between luxury and non-luxury forms of similar products.

However, the problem here is that the decision as to what is similar or not is the analyst's choice; these divisions do not adhere in nature (see Karppinen and Moe, 2014 for practical examples of this point). Joan Robinson (1934: 113-114) highlighted this point, writing that "The definition of a commodity is completely arbitrary, and the definition of a market depends upon the definition of a commodity...Often we can fix a convenient boundary by obvious natural landmarks…and all products outside the boundary are other commodities. But at best there must be some arbitrary element in drawing the boundary." These arbitrary lines are drawn right from the start as heterogeneity exists from the beginning of any good or service; the natural world does not provide standardised materials nor standardised humans. To create homogenous goods extensive processes of sifting, grading, and sorting are undertaken. For example, sand has a broad range of product standard variations that have been created through processes of homogenisation; not all sand is alike, and therefore not necessarily in competition. Some of these product standard variations will be sufficiently similar in the required attributes to be said to be in competition with one another, but the different demands of consumers will determine the degree of fungibility (and therefore competition) of the product standard variations.

However, while the first industrial processes standardise products, the goal of corporate-consumer communication is to differentiate products. The purpose of the many billions of dollars spent on advertising by major well-known corporations is to separate, and to continue the separation, of their products from unbranded equivalent products. So, Levis are not considered the same as generic blue jeans; a Rolex is not a mere watch; McDonalds is separate from other hamburger joints; Nikes are Nikes, not trainers or tennis shoes. While the material reality of branded goods is much the same as unbranded goods, the mental and social reality of branded goods is quite different.

These further realities – the mental and social – of branded goods have been extensively empirically investigated by psychologists, neuroscientists, and others working in the field of consumer behaviour (Karmarkar and Plassmann, 2019, Keller, 2020, Schmitt, 2012). On the mental reality side, research has found that branding can have a strong impact on a consumer's perception. For example, McClure, Li et al. (2004) conducted multiple tests on consumer preferences between Pepsi and Coke. Using MRI scanners, they found that in subjects who were told they were consuming Coke additional parts of the

[7] Sports again provide a useful way of thinking about this point. When commentators say that a game "wasn't even a competition" or something similar they are using competition in an evaluative manner. In fact, when saying such things about a game, they are expressing that the game was an evaluatively non-competitive formal competition.

brain that are linked with emotions were activated that weren't activated with Pepsi. Moreover, the taste test they conducted found that, "despite the fact that there was Coke in all cups during the taste test, subjects…preferred Coke in the labelled cups significantly more than Coke in the [non-labelled cups] and significantly more than [cups labelled as] Pepsi" (ibid. 385). Other research has highlighted the diversity of effects brands can have. Reimann, Nuñez et al. (2017) found that the presence of a loved brand allowed consumers to insulate themselves against physical pain because, they theorised, it provided a semblance of social connectedness, which has been shown to have pain-insulating effects in other experiments.

On the social side, branding can be understood as a manifestation of Veblen's (2000 [1899]) conspicuous consumption, which involves the spending of money on goods and services beyond the level that is necessary – that is, in Veblen's terms, "wasteful". Such consumption invites "invidious comparison" – whereby those without are envious of those with – which is central to establishing an individual's position within the social order. For example, wearing luxury brands – Gucci, Prada, Cartier, etc – or driving a luxury car will work as a social indicator of wealth, and therefore importance.

While Veblen's work highlights the role of consumption within a hierarchical social order it is necessarily premised on a singular line of identity formation. Contemporary research stresses the diversity of meanings and identities that individuals seek to tap into through their consumption habits, some of which will be along the lines of hierarchical social organisation. As MacInnis, Torelli and Park (2019: 523) write, while offering an overview of the consumer behaviour literature, "in a simple calculus, people prefer brands associated with a social group they belong or aspire to and avoid brands associated with social groups to which they don't belong or aspire. Through consumption, an associative network is created in consumers' minds involving the mental representations of the brand, the social group, and the self." Branding is nowadays an essential part of the language, symbols, and ideas that go into forming social groups and the social formation of the individual.

The result of this differentiation of products, and the diversity of understandings and identities mixed with the products, is that the concept of competition is not easily applied. Unlike in the market discourse, consumers are not making simple rational choices between similar goods. Instead, consumers are making complex irrational choices between goods they view as dissimilar and on the basis of limited knowledge.

Take, for example, a consumer approaching the purchase of wine. Wine is a useful example because when being sold its appearance to a consumer is largely the same regardless of quality. Without being able to test the wine, or detect significant visible differences, rational consumers will approach the purchase of a previously-untried wine on the basis of the available information, which will predominately be price, grape variety, vintage and country of origin, and will use this information to deduce the quality of the wine when making a purchase. The problem is this information has feedback effects that colour consumer perception. So, for example, Veale and Quester (2008: 24) conducted a study whereby they altered the country of origin, the price and the level of wine acidity (to change taste) to see their impact on consumer tastes. In their study "the influence of price and country of origin was found so powerful as to overwhelm even the taste of poor wine"; the wine-choosing heuristics consumers had crafted managed to colour their judgement of taste.

But even then, we should not give consumers too much credit when it comes to their decision-making. Consumption is an everyday thing with relatively low risk and low reward and is subject to competing demands on the mental resources of a consumer. Put in other words, consumers are often working on auto-pilot because the range of choice presented by product heterogeneity is too great and the benefits of investing time thinking about different choices too small. For example, Dickson and Sawyer (1990) observed 802 shoppers making a purchasing decision in a supermarket and then immediately interviewed them. They found that the "average time between arriving at and departing from the product category display was less than 12 seconds. About 42% of shoppers spent five seconds or less; 25% spent more than 15 seconds. In 85% of the purchases only the chosen brand was handled, and 90% of the shoppers physically inspected only one size", and that less than half of consumers were able to recall the price seconds after putting an item in their trolley, and one fifth didn't even try as they "seemed to have no idea of the price of the item they had chosen" (Dickson and Sawyer, 1990 p.47).

The problem of product heterogeneity, then, exacerbates fundamental problems of consumer rationality and further muddies the concept of competition (not to mention irreparably damaging common conceptions of the market). The sharp and simple competition of the market discourse is not possible in a world of heterogenous products and irrational consumers. The problem is that the market discourse only considers competition at the product level with consumers calling the shots, but as the above section makes clear, consumers are in no place to call the shots and products are not straight-forwardly competitive with one another; as Hayek (1948: 98) writes "the conception of the economic system as divisible into distinct markets for separate commodities is after all very largely the product of the imagination of the economist". The problem of product heterogeneity reinforces the need for a contextual understanding of competition and also further suggests that an empirical concept of competition should look beyond products and consumers and instead look at the level of the industry overall to find important competitive dynamics. As exchange mostly takes place outside of markets, it follows that product-based competition is much more insignificant than is commonly assumed.

Seeing without the market

Explicitly rejecting the market discourse is most important for allowing the crafting of a macro empirical concept of competition, which will help further our understanding of contemporary capitalism. It also has additional benefits. Dispensing with the market discourse and having a broader notion of competition allows properly seeing the corporation – the premier economic actor within contemporary capitalism – and its many activities within the economy. Without the market metaphor, there are three main features of the contemporary corporate-dominated economic system that can be seen that were previously occluded.

First, in a multi-dimensionally macro-competitive environment, there is a huge space made available for business autonomy and strategy. Business autonomy is essentially denied in the market discourse by both the narrowness of competition and the idea of a demand-driven economic system where the consumer is king and the market is economic democracy. But as the above sections detail, competition can have many dimensions, and consumers are largely passive participants in the economic system. What's more is that, in contrast to the claims of the market discourse (Lazonick, 1993: 63), buyer purchasing does not transmit sufficient information to sellers for buyers to control seller action – purchasing/not purchasing offers very limited information as to *why* consumers purchase one item over another. Products have multiple attributes and consumers can purchase a product for any number of different product attributes, but their reasoning is not transmitted through the act of purchasing (Lindblom, 2001). It is for this reason that the multi-billion-dollar market research industry exists – for corporations to find out consumer preferences in order to more ably design for, and shape, consumer preferences.

Without the assumption of consumer control, corporations have much more autonomy and space for action. While competition may constrain the actions of businesses, it does not determine them; a competitive move made by one business may necessitate a response but can be responded to in a variety of different ways, particularly by major corporations. For example, the craft beer movement in the US saw the rapid growth of small breweries in a highly concentrated industry – there were 1,500 breweries in the mid-2000s (which itself was an improvement on the recent low of 89 in 1978) but by 2018 the number of breweries had grown to 7,450 (Brewers Association, 2020). Part of the reason for the success of the smaller brewers is that they tapped into a hipster anti-mass consumables sentiment (Rice, 2016), which naturally disadvantaged major brewers. The response of the majors, though, to this challenge was multi-faceted. The majors continued with their multi-brand mass production brewing (and continued to do very well from this), but also starting their own "craft" beer labels, co-opted the independent spirit by buying up several of the craft breweries, and are alleged to have put pressure on (or simply purchased) beer distributors so the distributors carry less beer from craft breweries. Their strategy, then, in response to emerging competition was to continue with their current operations, to compete with similar products, and to compete using their financial and logistical superiority; they were not mechanistically forced into a singular response.

Second, when the full range of activities of the corporation are taken into account we can see that there is a large degree of centralisation and co-ordination in the contemporary global economy. While the economic system is not centralised under the control of the state, it should not be assumed that the economy is decentralised because centralisation is an issue of gradation – a simple binary is not appropriate (see, for an example of this binary, Samuelson and Nordhaus, 2009: 8). While there are many small and medium businesses that operate relatively independently of each other, the major corporation, as it grows in size and gains control of economic resources, centralises economic activity. As Robertson (1923: 85) wrote, corporations are "islands of conscious power in this ocean of unconscious co-operation like lumps of butter coagulating in a pail of buttermilk".

Walmart is a good example of an island of centralised conscious power. Decisions made in Walmart's headquarters can change behaviour at its 11,500 stores, can direct the 2.2 million workers employed by Walmart, and can alter the flow of many billions of dollars. Moreover, Walmart's decisions will hold significant sway over its many and various suppliers around the world, with the degree of influence subject to the supplier's own size and, relatedly, the degree of dependence/diversification of its contracts. A decision made in Walmart HQ, then, can impact on the resources and people directly controlled by Walmart, but can also have ripple-like impacts on people, resources, and companies around the globe.

The economic centralisation of Walmart, however, exists in a broader context of competing centralised organisations. The commanding heights of the contemporary capitalist economy, then, are fragmentarily centralised due to the dominance of major corporations. Through fragmentary centralisation, many parallel logistical chains and contractual networks knit together large parts of the global economy and ensure a rough and ready form of co-ordination of economic output. Without the market discourse, it can be seen that instead of price being the primary means of co-ordinating economic behaviour, co-ordination, contracts and organisation play a far greater role.[8] As with market research in the previous point, this observation again accords with real-world economic practices in the form of the tasks that general managers, lawyers, and logistical managers undertake within major corporations.

Third, underpinning corporate autonomy and fragmentary centralisation is economic power. Power is denied in the market discourse due to the assertion of equality between participants and the focus on actions being voluntary. Equally, since the market discourse leaves no space for autonomy of anyone

[8] This line of thinking led Simon (1991: 42) to write that "the economies of modern industrialized society can more appropriately be labelled organizational economies than market economies."

but the consumer (who is autonomous to the extent that they get to “choose” to buy a homogenous product at a single price) it consequently renders power meaningless – an actor cannot be powerful if its behaviour is simply determined by wider structural factors.

However, power is an even weightier concept than competition, and economic power is another underdeveloped idea (Skidelsky and Craig, 2016: 2), particularly if we strip out reference to the market. While there is a small literature on the concept of economic power (Boulding, 1990, Dugger, 1980, Galbraith, 1983), it is diverse and draws variously from different elements of the broader power literature and from economic theory. As yet, there are scarce and disparate foundations for studying economic power.

To briefly define the concept, since power refers to the capacity to realise one’s interests (potentially against the interests of others, but not necessarily so), economic power is the capacity to realise one’s interests through the “economic sphere”. Even this brief definition is not without controversy, but the bigger issues lie in the *how* of power. In line with Lukes’ (1974) dominant account, tripartite frameworks of how economic power works are popular. These frameworks offer different ways of understanding the general mechanics of power – is it coercion, authority, persuasion?

Operating below such general guiding frameworks of how power work are specific mechanisms through which corporations, for example, can act powerfully as agents and are structurally empowered. On an agential level the economic power of corporations could include workplace authority, logistical control, tied contracts, financial resources, or protected intellectual property. On a structural level, their power could include things such as bankruptcy laws, tax laws, neoliberal ideas (including ideas about the market), or informational asymmetry. This, again, is only a brief sketch of a concept due to the constraints of space, but is included to offer a suggestion as to how we consider and discuss political economy without the market as the central organising idea.

Conclusion

The market is central to many explanations of the social world. Invoking the market brings up a utopian discourse whereby the world is naturally ordered, everyone is equal, and only fair outcomes result, which masks a highly ordered, unequal and unfair reality; it is an analytical lens that only makes the world fuzzier and serves as an ideological justification of the status quo. It is also an analytical lens that has been used in ever-increasingly inappropriate ways to understand the social world.

When place is restored to the idea of the market, the market becomes a much more marginal part of contemporary capitalism. However, putting the market in its place still requires an explicit rejection of market discourse. The term “market” carries with it such a heavy and distorting analytical and political baggage that in situations where the term offers a reasonable approximation of a phenomena it is necessary to first clear away the market myths so that the phenomena can be understood in its own right rather than distorted.

Rooting out the market discourse leaves fertile ground for the development of ideas that have been choked by it. Competition is the most central of these ideas, and an account of economic competition that is multidimensional, non-binary, and suitable for empirical application needs to be developed. Unlike the market, the concept shouldn’t be developed into an always-applicable master concept that is seen as a straightforward representation of reality. Instead, the concept must always remain contextual and evaluative as economic competition is always subject to the problem of product heterogeneity. Product heterogeneity also means that competition is better understood as occurring at the level of industries rather than at the level of individual products. Furthermore, alongside competition, business autonomy and strategy, fragmentary centralisation, and economic power are all concepts that could help facilitate an analysis of the contemporary economic and social world that does not rely upon the market concept and does not invoke the market discourse.

The weakness of a wholly abstract concept of the market has been noted for a long time and attempts to strengthen it using different abstract principles haven't succeeded and won't succeed as any non-centralised market is ultimately, as per the argument of product heterogeneity, an analyst's creation. If an abstract non-centralised market definition doesn't work, can't be fixed, and actively inhibits our understanding of the world then it is imperative that the concept and the discourse built upon the concept are rejected on the strongest grounds. As such, fuck the market.

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