

## Introduction

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THE PURPOSE OF THIS BOOK is to study social order in the global fashion industry. The issue of order entails the question: Why is social life not in chaos? But instead of addressing the question of order head on, which would be naïve due to its complexity, I have chosen to zoom in on branded garment retailers—that is, chains that sell clothes to consumers—to investigate order in relation to their activities in markets. It is the order of the branded garment retailers (BGRs) and the markets in which they operate that is the central empirical object of this study.

Why is order essential in markets? What, in other words, would it mean if a “market situation” was characterized by chaos? The short answer is that without order there would simply be no markets, and so, as I shall show, any realistic definition of markets implies order. Why order is essential in markets may be illustrated by discussing a hypothetical fashion consumer “market.” Imagine entering the local mall, but finding no stores. Instead, all kinds of items are being sold here and there, by individuals whom you neither know nor recognize. They also operate as buyers of the items. On top of all this, you do not recognize any of the brand names of the clothes, and you do not know for how much they are being sold. In such circumstances, an actor is unable either to predict or to calculate; there is no “market” from the buyer’s perspective. Turning around to look at the market from the perspective of the sellers, who do not know who their customers or competitors are, not to mention prices, and furthermore have no access to quality standards that might provide information on what garments mean, the “consumer market” is in chaos, or rather, there is no market: no “buyers” or “sellers” exist, and no principles for evaluating the goods. Moreover, if suppliers of garments cannot identify retailers, or if the retailers must organize production themselves, there is no supply market for garments. Imagine, too, that there is no credit market, and it is soon hard to imagine an economy at all. Finally, if there are only a few fashion magazines, all of which put out only a single issue before they go out of business and whose advertisements consist of pictures of people wearing clothes, one would be bereft of accredited advice on fashion, which in these circumstances would depend on one’s trust in the value of a single magazine issue. More fundamentally, for something to be in fashion—a notion that is tied to change—there must be at least some order; something, such as a set of fashion magazines that have distinct identities that do not change as quickly as fashion itself.

This study of order in the fashion industry will show how order and change are interrelated.

The fashion industry is indeed ordered. However, only when there is a product or a set of roles filled by actors who mutually create and reinforce the goods and/or each other's identities in interaction over time is there a possibility of predictions in the market, which is a practical and concrete consequence of order in a market. This is to say that actors have stable—and largely shared—perceptions of the market, enabling them to coordinate their behavior (cf. Fligstein 2001: 76). Knowing nothing, and so being unable to predict, bespeaks chaos. If we want to understand markets, then the question is not whether markets are in “order” or in “chaos,” but how order is created and maintained. In this study, it will become clear in relation to the empirical material how order is created, and how it can be created in different ways in different markets. It will also become clear how order in one market relates to order in other markets.

I begin by considering the question of order in the final consumer market for fashion garments. I look at the relationships between branded garment retailers and their consumers. Branded garment retailers (cf. “marketers” Bair and Gereffi 2002: 35) have their own design and marketing departments, but normally no production units; to get clothes to sell they rely on suppliers. I focus on large and medium-sized branded retailers in the global fashion industry, such as C&A, Gap, H&M, Macy's, Old Navy, Topshop, Next, French Connection UK, Marks and Spencer, and Zara, as well as smaller retailers. These firms may have hundred, or even thousands of stores in one or more countries. The study does not present an analysis of firms and specific markets, however, but rather presents ideal-types. I have studied only Swedish and British retailers, and manufacturers in India and Turkey who produce the garments that retailers sell. The study concentrates on what are perhaps BGRs' two most central markets: the market in which they sell garments to consumers and the market in which they buy the garments from manufacturers. Appendix I describes the materials and methods employed. I focus on European conditions, though there are also many similarities to the U.S. industry. (Studies of the U.S. market include Gereffi 1994, 1999; and Taplin 1994.) One important difference between the European and U.S. markets is that the latter demands production of larger series. A second difference is the lower importance of fashion as a factor in the U.S. market. One practical implication is that U.S. purchasers typically attract larger manufacturers than European purchasers do. Furthermore, U.S. purchasers more often work with, for example, vendors in Mexico than do European purchasers.

The uncertainty (Beckert 1996) that characterizes the fashion industry (Godart 2009) is one reason for its selection for this study of social order.

Moreover, the global fashion industry is one of the largest in the world (see Appendix II for trade statistics). The industry covers a wide range of activities, from large-scale production of cotton, through handicraft production and advanced marketing, fashion photography, and design, to corporate control, sourcing, and of course consumption.

Furthermore, fashion is a cutting-edge business, and what happens in it has implications for other industries. Skov (2006), for example, has studied garment and fashion fairs and finds that a large number of visitors are not from the fashion industry. Her explanation is that people from other industries are there to pick up trends. Finally, it is an industry to which all of us as consumers of garments have connections.

To make it easier to understand the different actors, markets, and institutions that make up this industry, I have included some of the most important in figure I.1. It is possible to view this figure as a description of a material flow, in which input goods are gradually refined to end up as garments in stores; however, I will show that it is more fruitful to view this industry with the meaning of fashion as one's point of departure—that is, to read the figure from the bottom. This will clarify how the reverberations from the consumer market reach the production market “upstream” along the production chain, and show the great importance of the production of cultural meaning in this industry.

Many other actors are involved than those depicted. The state is often seen as playing a unique role in relation to markets (cf. Fligstein 2001). States lay down legislation in the countries in which BGRs operate as buyers and sellers. There are, in addition, organizations such as the WTO that also affect the terms of trade. This large industry reaches around the globe, though production is concentrated in some countries and consumption in others. Ever since Marx, this industry has been pivotal in debates on inequality and working conditions. Opportunities to affect this industry are unequally distributed among its different stakeholders, from workers in Bangladesh through designers in Paris to consumers in the United States. Its development has caused some people to lose their jobs, but others, both businesspeople and workers in developing countries, have seen their living standards rise. These changes experienced by the fashion industry must be related to social transitions of a political, ethical, and economic nature, such as quotas.<sup>1</sup>

A considerable body of research has been generated on this industry, which at this point may be summarized in three points. First, garment production has over time become more separated from the consumption of garments. Second, the production of garments is still hard labor for those who actually produce them. The third and final point is that global markets can promote the development of participants. I expand on these points in Appendix III, but they are reflected throughout the book.

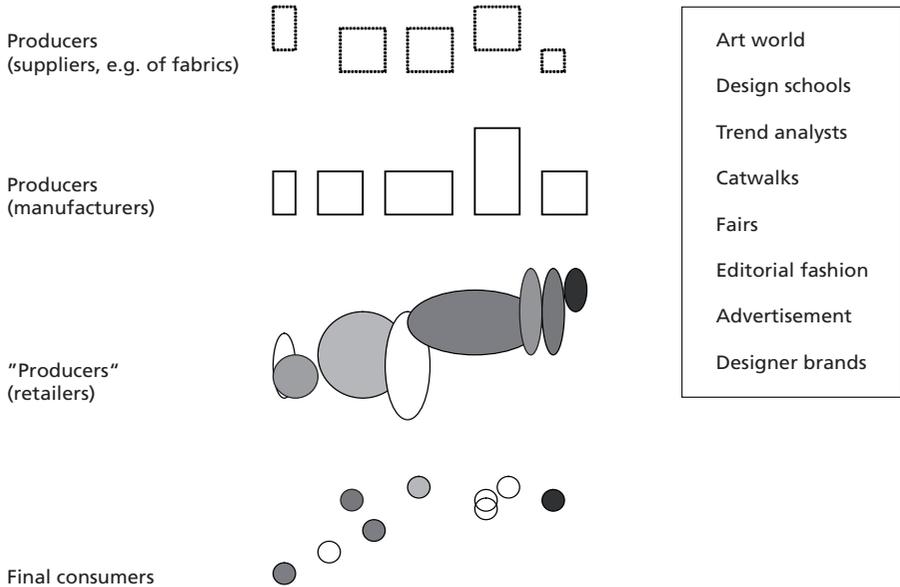


Figure I.1. Markets and actors in a production flow, schematic figure. The dotted actors in the production flow (top left)—that is, suppliers of various input materials, such as fabrics—are included only to show how the chain continues beyond the two markets of the production chain included in this study, those between final consumers and retailers, and between retailers and manufacturers. Retailers are seldom producers of the garments they sell in their stores, but they are nonetheless “producers” of fashion. The names in the box on the right hand side of the figure represent actors and arenas responsible for further symbolic production of fashion garments. Seen from the top of the figure, we can observe the material flow, seen from the bottom, we can observe the flow of meaning.

## The Aims of the Book

This book aims to contribute to three fields of research. The first is sociological theory. The discussion of order shows that order must be seen in relation to smaller units of analysis—to this end I look at markets as partial orders. The second is fashion, which I examine from a sociological perspective that includes the economy. From this perspective, fashion is a result of interaction between producers and consumers (cf. Fine and Leopold 1993). I develop my own position on fashion in more detail throughout the book (Appendix V contains a concise assessment of research done in this field). Fashion is a highly informative and relevant area of research, not only in society, but also for sociological theorizing.

Unfortunately, this field has been neglected by social scientists. The final field is economic sociology, and in particular the discussion of markets. I address five shortcomings of contemporary economic sociology, which I discuss in Appendix IV: (i) the limited attention to value; (ii) the realist assumptions despite claims of social constructivism; (iii) the attempt to merely “add something on” to economic theory instead of asking sociological questions; (iv) the limited attention paid to the global economy; and (v) the neglect of consumption. In the following, I turn to the central issue of order.

## Order

I would argue that the question of social order is central to sociology. This is not a controversial statement (see, for example, Alexander et al. 1987: 13); the discussion of order among social scientists can be traced back to Hobbes, if not earlier, though it was Parsons who made it an explicit, basic, and central issue in sociology (see, for example, Parsons [1937] 1968; Spence Smith 1992; Wrong 1994; Beckert 1996: 824–27, 2009; cf. Eisenstadt 1968, 15: 23–36; Berger and Luckmann [1966] 1991: 57).<sup>2</sup> The issue of order is important not only to sociologists, but also to economists (Nelson and Winter 2002: 23), and to social scientists in general (Hayek 1973: 4). Sociologists—in focus in this book—agree that order is a central question, but they are less in agreement on what it is and how it should be studied (Alexander 1987: 11–12).

Max Weber’s notion of *Ordnung* covers what is called social order (Weber [1921–22] 1978: 31–36; cf. Swedberg 2005: 185–86). This refers to forms of behavior oriented to norms, rules, or traditions, based on various interests (cf. Swedberg 2004b). Weber distinguishes between two forms of *Konvention*, which is similar to what we would today call a norm, namely *Sitte* (*mores* or *tradition*, such as informal institutions) and *Recht* (*law*, such as formal institutions). *Recht* means not only *law*, but also *right* or *correct*. Weber argues that in terms of the principle of *Recht*, order can be like a standard (for example, “*ethischer Maßstab*”). He informs us that order was originally created by tradition (Weber [1921–22] 1978: 31–36), but separates the creation of order from its perpetuation. Thus, once an order is created, the reasons for orienting oneself to it—thereby perpetuating it—can differ.

Parsons, a translator of some of Weber’s works, also speaks of social order. He ([1937] 1968: 91) discusses two forms of order: normative and factual. Normative order, according to Parsons, “is always relative to a given system of norms or normative elements, whether ends, rules, or

norms. Order in this sense means that a process takes place in conformity with the paths laid down in the normative system” ([1937] 1968: 91). This form of order is contrasted with disorder and chaos (cf. Frank 1944). Factual order connotes the antithesis of randomness, and Parsons says that this order is based on scientific laws and logical theory. Parsons, following Pareto, says it is possible to establish a factual order out of a normative order—that is, one may establish scientific laws concerning the empirical normative order (Parsons [1937] 1968: 92).

Parsons assumes a firm “ontological base” (realism), and frames the problem as an epistemic issue. Parsons is explicit about this when he declares his position, which is:

realistic, in the technical epistemological sense. It is a philosophical implication of the position taken here that there is an external world of so-called empirical reality which is not the creation of the individual human mind and that is not reducible to terms of an ideal order, in the philosophical sense. (Parsons [1937] 1968: 753)

Parsons argues that scientific theories are not part of the world ([1937] 1968: 753–54), a position he calls “analytical realism” (Parsons [1937] 1968: 757). This position “legitimizes” an objectivistic approach to science in which there is no feedback between the field of study and the scientific knowledge of this field, a notion that few would endorse today (Aspers 2007). There is also a tendency in Parsons’s early work to ascribe values to actors rather than to investigate them empirically. This is reflected in Parsons’s approach to order that essentially implies that, in the end, only cultural values can explain social order (cf. Parsons and White [1961] 1970: 186).<sup>3</sup> Additional weaknesses include the functionalist dream and the grand theory approach (cf. Hedström and Swedberg 1996, 1998; Hedström 2005).

There is also a structural approach to order. Mark Granovetter discusses order in the economy, arguing that “social relations between firms are more important, and authority within firms less so, in bringing order to economic life than is supposed in the market and hierarchies line of thought” (1985: 501). Granovetter’s structural approach is in conflict with the value approach of Parsons; one may say that while Parsons stresses content, Granovetter stresses form. I shall argue throughout this book that one cannot focus on only one cause of order.

Economists, too, have addressed order. The mainstream economic—and liberal—idea sees order as something that emerges spontaneously. This means, however, that how (market) order emerges is not problematized; it is merely a natural consequence of *homines oeconomici* coming together. The economists, moreover, do not use the term “order,” but

rather “equilibrium.” There are two radically different views of how social order is created and maintained in markets. The liberal view of markets (cf. Smart 2003: 89–96) is that they are arenas in which “monads”—or *homines oeconomici*—sign contracts with each other and in which order emerges spontaneously. The other view is that order emerges and is maintained largely because of the state and its policies (cf. Fligstein 2001). According to Fligstein, “A stable market is defined as a situation in which the identities and status hierarchy of producer firms (the incumbents and challengers) is well known, and a conception of control that guides actors who lead firms is shared” (2001: 76). Though Fligstein’s definition, which stresses the structural components of order, is useful in many markets, I will show that it does not apply to all markets.<sup>4</sup>

The sociological question of order is more basic than the economic question of equilibrium, which refers only to stable prices in a market with given and identical products without entrepreneurs (cf. Kirzner 1973). But as has been shown, many markets do not operate according to the logic assumed by most economists (for example, White 1981, 2002). Moreover, the sociological issue of order is broader than the economic version that is built on the notion of market equilibrium in switch-role markets, such as the stock exchange (Aspers 2007). Claus Offe has expressed the view, shared by many sociologists, that “the market and its mechanism...can hardly be invoked as a self-evidently superior contribution to social order” (2000: 88). Markets are more than the price mechanism, and order in markets depends on order in other parts of social life. Before further discussing order inside and outside markets, I will briefly discuss what order is.

### *The Social Construction of Order*

I define *order* as the predictability of human activities and the stability of social components in relation to each other (Hayek 1973: 36).<sup>5</sup> Order is a matter of degree (Wrong 1994: 9), not something that either is or is not (Waldenfels 1998). Order, moreover, is often seen as the antithesis of chaos (cf. Giddens 1976: 98; Waldenfels 1998: 18), or “noise” (Luhmann [1984] 1995: 214), a point also stressed in relation to fashion (Gregory 1948: 69). There is also much to say about the genealogy of the term.<sup>6</sup> However, when sociologists study order, in most cases the problem is already “solved” (Luhmann 1981: 196), since we are already in the world (Heidegger [1927] 2001) that we take for granted.<sup>7</sup>

Hobbes, Parsons, and other sociologists, I argue, have addressed social order, but they have not addressed the ontological level at all. Parsons, to take one example, says it is “convenient” to “classify the object world

as composed of three classes of ‘social,’ ‘physical,’ and ‘cultural’ objects” ([1951] 1970: 4). This is also to restrict the problem and to give the researcher an empirical-independent and superior position based on the assumption of realism.

One way of putting this is that social scientists have been faithful Christians, believing essentially in the Book of Genesis. In these terms, the social world has been seen as something that is there to be discovered. In my opinion, this is not a valid assumption. The approach I shall present enables us to analyze and understand order even if we assume that the world is best characterized as a global social construction (Hacking 1999). To analyze order at the level of social constructivism is another way of saying that the social constructions that give rise to social order are entrenched. I thus see *social* constructions as meanings that result from social interaction and become entrenched.<sup>8</sup> By *entrenchment* of meanings I propose that socially constructed meanings are established due to active or passive processes that make them difficult to change (cf. Berger and Luckmann [1966] 1991). All meanings are entrenched, but to different degrees. Meanings should not be restricted to cognitive processes or to discourse; practice is also a way of entrenching meanings. A social construction is entrenched in other constructions, which is to say that any entrenchment is only relative to other entrenched constructions. The most entrenched social constructions, in other words, are taken for granted or, relatively speaking, are more difficult to change than others. This means they can serve as building blocks for other social constructions. Social constructions are conceptualized as intersubjective meanings and are seen as constitutive of social interaction.<sup>9</sup> Actors orient themselves to this socially constructed world, of which they are a part, and the existence of order means that its inhabitants’ expectations are often correct (cf. Luhmann [1984] 1995). This social constructivist approach means that constructions of both ideal and material “objects,” including our theories about them (cf. Goodman 1984: 21) and ourselves (cf. Heidegger [1927] 2001), make up the world. Order in the branded garment industry, for example, is based on other and more entrenched meanings of the lifeworld that are not specific to this industry. What I have presented so far is the basic idea of order at the level of assumed (entrenched) meanings; I will now turn to the more practical question of order.

I shall concentrate on a number of interrelated units that I call partial social orders, an idea that draws on Bourdieu, Luhmann, and White. To analyze the construction of *partial order* in markets—that is, order that is limited in range but not necessarily local—is to study order at the concrete level without assuming order. Moreover, my approach of studying markets as partial orders resembles an idea voiced by Parsons. He viewed

the “economy as *contained* in ‘society’” (Moss and Savchenko 2006: xxi). Though Parsons’s idea points in the right direction—the integration of the economy and the non-economy—I think his notion of reifying society as an entity (“above” its parts, so to speak) does not promote understanding of interrelations or social effects.

Each partial order draws on the order of the lifeworld and other partial orders, but it does have some autonomy, too. A final specific consumer market for fashion is an example of a partial order in which actors are structured in two roles: sellers and buyers. They come together and define each other’s identities around the value of this market—meaning, what it is about, which in this case is “affordable fashion.” In other words, not all actors take part in this market, only those—sellers and buyers—who orient themselves to “affordable fashion.” The BGRs’ identities are also determined in social formations that are non-economic. This is the case, for example, when non-governmental organizations evaluate garment retailers according to how ethical production is in the supplying factories. No money is involved in this case, but the BGRs are evaluated according to a value, namely ethics, which they have not determined. Garment consumers do not directly take part in the evaluation, but this information is relayed in the media and affects consumers’ opinions of BGRs. It will be shown that branded garment retailers can control their identities in the eyes of consumers only to a certain degree. I will show how order in the final consumer market for fashion garments can be explained only if one considers how BGRs’ identities are determined in interdependent markets, but also outside of markets. This is to say that markets are economic partial orders that are ordered by other markets, but also by non-economic partial orders.

## Outline of the Book

The rest of the book is divided into seven chapters and five appendices. The study begins with an analysis of the final consumer market for fashion garments. The first chapter focuses on how branded garment retailers constitute one market among other fashion garment markets. In chapter 2, I focus on how BGRs “gain” their identities in the final consumer market for “affordable fashion garments.” How order in this market is made and sustained is not clear, and in chapter 3 I analyze several markets and non-markets that affect and stabilize the identity of branded garment retailers in their consumer market, such as advertising, the look of their stores, and how they are evaluated in terms of how ethically production is organized in “their” garment factories. Chapter 4 shifts the focus

from the consumer market to the global producer market, in which BGRs face manufacturers. Chapter 5 studies the same production market, but analyzes it from the manufacturers' perspective. In chapter 6, I focus on how BGRs are positioned in the stock exchange, where BGRs face investors. In this market, identities of firms are translated and aggregated into economic terms. Chapter 7 summarizes the findings of the book, and contains discussions of partial orders.