

## INTRODUCTION

*The young organic food industry won legitimacy, but only by distancing itself from its core idea of the connection between soil, food, and health.*

(Fromartz, 2006: 29)

In the market for organic food, sellers have found a way to marry social values, such as healthy eating and land stewardship, with economic value, such as higher margins for their products. This formula works. While the rest of the U.S. economy contracted following the collapse of its financial markets, the organic food industry grew unabated. From 2000 to 2010, sales of organic food increased 438% to \$26.7 billion (Organic Trade Association, 2011). Yet organic food was not always big business. The market began as a countercultural movement in the 1960s. Dedicated to taking back the land from industrial production, groups of activist farmers began buying land to grow fruits and vegetables according to organic farming principles. Demand for their produce grew as activists challenged industrial food producers and promoted organic methods as a healthy, environmentally sound alternative to food grown with pesticides and synthetic fertilizers. Media accounts about the dangers of pesticides, like the “Alar scare” of 1989, further stoked the demand for organic food. Small health food co-ops and stores grew larger. Before long, mass market organic retailers, such as Whole Foods, were expanding nationally and internationally. Today, consumers can find organic food in just about any supermarket in the United States. Organic retailers and growers still consider themselves purveyors of healthy food and stewards of the land. However, as the organic market grew and stabilized, the underlying movement became less radical. In order to create something economically valuable, market

practices became commonplace and social values were compromised. The Organic Foods Production Act of 1990 signaled the establishment of a legitimate new market. Over several decades, a movement of countercultural farmers was transformed into a state-regulated, multibillion-dollar sector. How did this transformation come about? Put differently, how did a social movement become a market? Did the activists sell out? Did the creation of a new market deliver positive social values to a wider audience? How does the creation of movement-based markets affect producers and consumers?

### Social Movements and the Creation of Moral Markets

The creation of markets is a profoundly social process. Even in planned economies, markets are rarely implemented by design (Stark, 1996; Stark & Bruszt, 1998). Rather, markets are shaped by actors and forces beyond the control of any single group. In a seminal article, economic sociologist Harrison White (1981) asks, "Where do markets come from?" His answer takes the form of a technical analysis of producer markets, but provides a key insight: markets come from the interactions of producers as they monitor one another to find specific niches to fill. White's account challenges the stylized neoclassical theory of markets as atomistic, self-interested actors whose activities are coordinated exclusively through price. Building on this insight, economic sociologists have developed several theoretical approaches: Markets are "embedded" in social networks that are marked by trust among buyers and sellers (DiMaggio & Louch, 1998; Granovetter, 1985, 1992). Markets are governed by social institutions, which provide common meanings and rules of interaction for buyers and sellers (DiMaggio & Powell, 1991a; Haveman & Rao, 1997; Lounsbury & Rao, 2004; Thornton, 2004). Markets have cultures; in other words, they have their own systems of meanings and ways of doing things (Levin, 2008; Zelizer, 2010). Finally, markets are performative, which is to say that people in markets enact theories from economics and finance (Callon, 1998; MacKenzie, 2008; MacKenzie, Muniesa, & Siu, 2008). Today these theories are in conversation with one another, helping scholars better understand the social aspects of contemporary markets and explain how markets stabilize over time. However, all have been criticized for not taking into account processes of contention and change in markets (Fligstein, 1996; Fligstein & Dauter, 2007; Fligstein & McAdam, 2012).

To account for contention and change, scholars of markets have begun to study the role of social movements and contentious politics in making and shaping markets (King & Pearce, 2010). Social movements are “collectivities acting with some degree of organization and continuity outside of institutional channels for the purpose of seeking or resisting change in some extant system of authority” (Soule, 2009: 33). While many social movements target states (Tarrow, 2011; Tilly & Wood, 2009), activists are increasingly taking aim at market actors (Yaziji & Doh, 2009). Over the past few decades, social movements have made and shaped markets in the United States and around the world. The “locavore” movement has rekindled Americans’ interest in farmers’ markets and backyard gardening (McCloud, 2007). The natural foods movement of the 1970s and 1980s gave rise to the multibillion-dollar market for organic foods (Fromartz, 2006; Guthman, 2004). Craft beer brewers organized a movement to gain market share against mass-production brewing companies (Carroll & Swaminatham, 2000). Activist chefs challenged centuries of French cooking tradition to establish *nouvelle cuisine* (Rao, Monin, & Durand, 2003). Few markets have escaped the influence of the environmental movement, by far the largest and most influential social movement of the contemporary era. The environmental movement has shaped consumer markets for products from lightbulbs to automobiles and has spawned several markets for explicitly environmentally sound products. Pressure from the environmental movement has transformed the waste management industry, turning trash for disposal into a market for recycled materials (Lounsbury, Ventresca, & Hirsch, 2003). The environmental movement has also pressured the energy industry, creating markets for wind and other renewable sources of power (Vasi, 2011).

By way of these studies, sociologists have shown that social movements press market actors to adopt certain values. Yet market rationality does not easily give way to a movement’s demands. Otherwise, companies would respond to every group that boycotts or makes some claim against them. Conversely, social movements do not readily accept market solutions to their demands. Activists use the term “greenwashing” to describe market practices disguised as socially responsible acts. When social movements engage with markets, values collide and combine; activists and entrepreneurs come together; and the result is something new. The blending of social and economic values creates what scholars call “moral markets”—markets that coordinate exchange through social as well as economic values (Fourcade & Healy, 2007; Sayer,

2006; Stehr, Henning, & Weiler, 2006). Moral markets are becoming increasingly common as consumers have access to more and better information about the companies they support through their purchases (Stehr, 2008). The market for environmental cleaning products is a good example of a moral market. Consumers pay a premium for products that do not harm the environment, despite the fact that they may receive few direct benefits.<sup>1</sup>

Although all markets have moral bases, what goods and services count as morally correct is contestable and varies across markets, cultures, times, and situations (Anteby, 2010; Prasad, 1999; Zelizer, 1979). Furthermore, the bases upon which morality is judged are multiple and contentious (Boltanski & Thévenot, 1991, 1999, 2006). The same goods and services can be considered morally bad (and therefore illegitimate) in some cultures, places, or times and morally good (and therefore legitimate) at others (Anteby, 2010). Viviana Zelizer's (1979) account of life insurance is a compelling example of how a service once considered morally reprehensible becomes recognized as morally correct. Kieran Healy's (2006) groundbreaking analysis of organ donation shows how the exchange of body parts is morally acceptable (or not) across different institutional arrangements, such as state regulations. Therefore, market values (which express price and exchange) and social values (which express collectivity and solidarity) are analytically distinct moral orders. However, they are often mixed in practice. Actors may express specific social values in market spaces, via cause-related marketing, for instance. Alternatively, actors may express market values in social settings, as nonprofit organizations often do when called upon to measure the economic impact of their services. Therefore, to understand the relationships between movements and markets, economic sociologists have to pay more attention to how different actors combine moral orders and to what ends.

The creation of moral markets forces scholars and managers alike to grapple with many important questions: How do social values become inculcated in markets? Which social values win out? How does the introduction of social values change a market? What are the social and economic consequences? Economic sociologists are only beginning to pay attention to such questions. To contribute to this line of inquiry, this book examines the brief history of a relatively small social movement—the Circuit Riders—that created a moral market for technology services in the nonprofit sector. By focusing on a single movement, this book explicitly traces the process by which a social movement

can imbue a market and organizations with social values—and how such activism can lead to unintended consequences.

Theoretically, this book draws on economic and organizational sociology, as well as contemporary theories of collective behavior and social movements. Empirically, it rests on data from a longitudinal ethnography of the Circuit Rider technology movement. Since many readers will be unfamiliar with the Circuit Riders, they will come to this example with fresh eyes. To set the scene, the following section gives a brief overview of the movement and how their activities shaped a market for technology assistance in the nonprofit sector.

## A Movement Becomes a Market

### *Establishing a Movement*

During the 1990s, the immense growth and diffusion of the Internet and other computerized network technologies revolutionized how corporations did business (Castells, 1996). However, nonprofit and grassroots organizations remained behind the more technologically advanced business and public sectors (Brainard & Brinkerhoff, 2004; Brainard & Siplon, 2002; Corder, 2001; Saidel & Cour, 2003) for a host of reasons, including a lack of resources (Kirschenbaum & Kunamneni, 2001; Treuhaft, Chandler, Kirschenbaum, Magallanes, & Pinkett, 2007), personnel (Seley & Wolpert, 2002: 75), and access (Robertson, 2001). In response, groups of activists began harnessing the power of information technology to organize a revolution of their own. Calling themselves “Circuit Riders,”<sup>2</sup> these activists were dedicated to using new information technologies to support the ideals of social justice and environmentalism. Their goal was to deliver the promise of the Internet to grassroots and nonprofit organizations, empowering them to change the world. Leveraging support from foundations, the Circuit Riders traveled to organizations across the United States, installing hardware and software and training staff on how to use their new technologies. While the Circuit Riders recognized themselves as a movement *sui generis*, they mainly identified as environmental and social justice activists, working exclusively with nonprofit and grassroots organizations that shared their ideological commitment to these causes.

The Circuit Riders assembled their revolutionary force quickly. By 1997, the Circuit Riders had swelled their ranks from a handful of activists scattered throughout the country to a technology movement almost 10,000 strong.

They convened meetings and mobilized tech-savvy activists across the United States. Like many movements, they struggled with the consequences of their rapid growth. As more people joined the movement, the meaning of the work began to change. By working with environmental and social justice groups, the Circuit Riders raised awareness among nonprofit organizations and foundations, which began to fund technology projects elsewhere in the sector. Their activities eventually caught the attention of technology companies, such as IBM, Adobe, and Microsoft, which saw the nonprofit sector as an untapped market for their products. As these companies contributed software, technical assistance, financial resources, and legitimacy to the nascent movement, the market for technology services in the nonprofit sector became a reality. Foundations organized conferences around technology assistance. The Alliance for Nonprofit Management, a trade association, created a special section for technology consultants. The Circuit Rider movement was gaining momentum.

#### *A Challenger Rises*

In 1999, an organization called NPower was formed with funding from Microsoft. This entity was built as a “social enterprise”—a hybrid organization that applies economic values and business-like practices to solve social problems. Billed as a nonprofit “startup,” NPower had close ties to Microsoft as well as other for-profit firms, which also provided funding and technical expertise to the NPower staff. From their for-profit partners, NPower adopted sophisticated time tracking and billing systems, complex metrics for evaluating their work, and a complex bureaucracy to manage it all. Unlike the activist Circuit Riders, NPower more closely resembled a consulting firm.

NPower experienced considerable success in the nonprofit sector, rapidly gaining legitimacy for its particular vision as a social enterprise. NPower’s legitimacy was rewarded with increased funding, which allowed it to expand nationally, starting 12 new NPower affiliates in as many cities throughout the United States between 2001 and 2005. NPower’s expansion was, at times, problematic because it produced what I call moral ambivalence: tension resulting from the necessary coexistence of competing moral orders within an organization or sector. Blending social and economic values made NPower attractive to socially minded corporations and market-minded nonprofit foundations. However, NPower’s combination of social and economic values also made them vulnerable to criticisms from the Circuit Riders, who thought the organization had lost contact with the social values upon which the move-

ment was founded. For example, one Circuit Rider called NPower the “Wal-Mart of nonprofit technology assistance providers.” All hybrid organizations that use the entrepreneurial strategy of blending social and market values must find ways to cope with the condition of moral ambivalence. NPower spent much of their considerable resources balancing the social values demanded by their nonprofit clients, foundation supporters, and colleagues with the market values espoused by their corporate board members, partners, and sponsors. For example, NPower developed an elaborate fee matrix that allowed them to charge fees for services on a sliding scale based on a client’s budget, while accounting for the complexity of the project. Charging lower fees for clients with smaller budgets allowed NPower to appeal to the social values of the nonprofit sector (e.g., by claiming to help those organizations in need). Charging higher fees for more complex services allowed NPower to appeal to the market ideals of for-profit partners (e.g., by generating higher revenues to offset services provided to less affluent clients).

#### *Whither the Circuit Riders?*

As NPower thrived, the Circuit Riders dwindled. Circuit Rider programs and organizations folded, a sign that the activism they espoused was no longer accepted as legitimate in the sector. NPower’s business-like practices and social enterprise form had triumphed. It seemed the market had displaced the movement, leading one Circuit Rider to comment via their official e-mail list: “Nonprofit technology assistance has become commercialized and the relationship between nonprofits and technology providers has moved completely over into a vendor-customer relationship. Looking at the successful [nonprofit technology assistance providers], the language, engagement style and basic culture looks a lot more like a consulting company/software company (with a heart) than a nonprofit technical assistance provider. As a sector we have embraced Adam Smith—the market will solve all” (Geilhufe, 2010).

The Circuit Riders had organized and mobilized new practices for providing technology to nonprofit organizations, funneling resources into the nonprofit sector. In the process of building their movement, the Circuit Riders created a demand for technology assistance in the nonprofit sector, allowing NPower to transform their work from social good to economic goods. Work that was once measured in terms of its contribution to social justice was now evaluated in terms of efficiency and cost savings. In the process, social movement activities had become market activities.

Yet the Circuit Rider movement did not die. Their social values had been indelibly imbued in the market that they helped to forge. By creating a demand for technology services to support social causes, they had helped create a moral market. The market was still directed toward helping do-gooders do better through improved use of technology. NPower never became completely dominated by market values. Rather, as a social enterprise the organization combined social and market values as it reconciled competing institutional expectations in a hybrid organizational form. Taking a step back from the exclusivity of the Circuit Riders, NPower and similar technology service providers expanded the market to nonprofit and grassroots organizations of all kinds. As NPower's founder explained, "I have worked for years in direct [social] service delivery, doing domestic violence human services. They are doing social change. . . . I think the agencies working on the ground, working with kids at risk, working with the elderly; they are doing the work of social change" [19].<sup>3</sup> With the help of corporate sponsorship, NPower channeled much-needed money and resources into the nonprofit sector. In this way, NPower continued the Circuit Riders' vision, just not in the ways movement founders intended.

To their credit, the Circuit Riders raised awareness about the technology needs of nonprofit and grassroots organizations. NPower and other nonprofit technology assistance providers (NTAPs) expanded this work. As a result, philanthropic foundations now support the technology infrastructure of many organizations, domestically and abroad. Nonprofit and grassroots organizations are beginning to close the digital divide between themselves, business, and government. One can argue that markets can be more democratic than movements, in a way: In the end, access to services was not limited to organizations that the Circuit Riders deemed worthy; NPower made its services available to any group that could afford them. However, the marketization of technology assistance also reinforced existing organizational inequalities in the nonprofit sector. Nonprofit organizations with large cash reserves or access to foundation funding were better able to avail themselves of technology assistance and could grow larger as a result, leaving less affluent organizations behind. The result was a divided market, in which large organizations grew larger and smaller ones fell further behind. These effects may trickle down to the vulnerable populations served by the nonprofit sector. When the dominant organizing principles of the sector are efficiency and effectiveness, nonprofit organizations are tempted to help the easiest cases first. This reinforces ine-



quality as the most vulnerable find they are waiting in line while the organizations that were once available to help them find themselves without the tools needed to do so.

### Markets from Movements

The brief story of the Circuit Riders I have presented represents only an outline of how a movement creates a market. Over the course of this book, I will offer a richer, more detailed history of the Circuit Rider movement and its complex transformation into a technology market. To explain how social movements create markets and imbue certain social values in them, I draw on theoretical insights about the common practices involved in this process: establishing worth, organizing, and coordination. Actors establish worth by making and supporting claims about the value of something and getting others to accept those claims. In markets the thing in question is often a commodity or a service. Movements make claims about the value of things such as the environment or social justice. As I will explain, movements and markets have different bases for evaluating the worth of things, as well as different methods for making and justifying claims about that worth. Organizing stabilizes those claims and measures of worth by creating structures that reflect them. Actors organize fields and create organizations to facilitate shared meanings, for example, ways of expressing value and values. Organizations are formal or informal collective actors that reflect some set of social and economic values in their structure and practices. Finally, market and social movement actors must find ways to coordinate their activities in fields and organizations. Coordination entails setting formal and informal rules about how best to orient toward one another. Conventions of coordination—that is, implicit rules of engagement—emerge over time as actors in and between market and movement organizations alternately compete and collaborate with one another to assert and establish their claims of worth. These concepts reflect the broader themes undergirding the coming chapters. Here, I will explain each concept in a little more detail.

#### *Establishing Worth*

Markets and social movements apply different values and practices in establishing what something is worth. Markets evaluate what something is worth through the price mechanism: “reduc[ing] different ways of valuing things to

one dimension, measured in money” (Healy, 2006: 5). Social movements mobilize based on the idea that something is worth fighting for. In markets of all kinds, whether production, service, or financial, actors evaluate the worth of exchangeable tangible and intangible assets based on what others are willing to pay for them. Activists argue that the worth of their causes, such as the environment, must be evaluated on principles beyond price, such as the social good (Espeland and Stevens, 1998). Both seek to elevate the worth of their objects—for example, the speculator takes advantage of different market valuation strategies to maximize profit (Zuckerman, 2012); the environmental activist employs tactics to demonstrate that societies undervalues natural resources, such as clean water. Both pursue ideals predicated on different moral bases, called “orders of worth” (Boltanski & Thévenot, 1991, 1999, 2006).

Actors judge worthiness (or lack of worthiness) based on different values—ideas about what is “right” or “good” that are transposable across situations (Hitlin & Piliavin, 2004). It is important to recognize that social values and economic values are stylized concepts, which I use here and throughout the book as ideal types.<sup>4</sup> In this vein, social values are principles about what is “right” or “good” that are justified by reference to human welfare (e.g., social justice, as well as environmentalism), the civic order (e.g., political participation), the religious order (e.g., church, worship, and sacred things), the family order, and things produced for their own sake (e.g., art, crafts, and music)<sup>5</sup> (Boltanski & Thévenot, 2006). On the other hand, economic values are principles about what is “right” or “good” that are justified in reference to profitability through production (e.g., efficiency) and/or exchange (e.g., buying low and selling high). Though these definitions treat social and economic values as analytically distinct, they are often combined in practice. For example, microcredit finance is a hybrid form that purposefully combines the social values of poverty alleviation with the economic values of lending at a profitable interest rate. Values are predicated on orders of worth, which are moral standpoints on which actors justify their behavior (or conversely denounce the behavior of others) (Boltanski & Thévenot, 1991, 1999, 2006). They help actors reduce uncertainty in social life by supplying guidelines for considering what is right and just in a given situation.

Social movements and markets are different social worlds that privilege different orders of worth in judging the practices of others. As a result, the practices that people consider right or appropriate vary between these two

worlds. Profit-making is good in the market world. Equality is good in the social movement world. When social movements challenge market actors, they bring values derived from the moral order of their world to bear on the market world, where things are judged according to a different set of values. The result is a collision of moral orders. How can profit-making coexist with equality as evaluative principles? How can one say which is more important? Such decisions are easy from a single standpoint. However, compromising across social worlds creates challenges for everyone within them. In practice, the social and market orders of worth are rarely pure and separate; social and economic values often intermingle. Principles and how people rank them overlap and intertwine, forcing people to make pragmatic compromises across moral orders. This ongoing process of pragmatic compromise clears a path for hybrid arrangements, such as moral markets and social enterprises.

Though the market has become the dominant organizing principle in the United States and abroad (Boltanski & Chiapello, 2005), social values permeate the economy as well. In the nonprofit sector, voluntary organizations have embraced market values and practices, shifting toward social enterprise as an important organizational model (Bielefeld, 2006; Dart, 2004a, 2004b). Yet even as nonprofit organizations have adopted market practices, many for-profit corporations have paradoxically adopted social practices. And thus, hybrids abound. Starbucks prides itself on providing generous employee benefits, while paying its suppliers a living wage by purchasing and selling fair trade coffee. General Electric has developed innovative environmental products through its “Ecomagination” initiative. Several for-profit companies have made social values part of their core mission. Firms such as Seventh Generation (household products) and Patagonia (sports and outdoor apparel) are inseparable from their commitment to the environment. Entire markets are organizing around social values such as environmentalism. The Chicago Climate Exchange is a stock market in which traders buy and sell carbon offset credits. The express mission of the Exchange is to reduce greenhouse gases through voluntary participation in their market (Chicago Climate Exchange, 2011). Corporations also collaborate with nonprofit organizations to promote worthy causes and contribute solutions to social problems (Austin, 2000; Galaskiewicz & Colman, 2006).

Chapter 1 explains how groups of actors articulate and spread “accounts of worth,” stories about the appropriate way to judge value in order to substantiate certain claims of worth and get others to adopt the practices that they

justify. This process reflects the need to combine market and social values in different ways, depending on the situation that one faces.

### *Organizing*

Establishing worth is about making claims about the value of things and getting others to accept those claims. To make those claims stick, market and social movement actors organize. Organizing stabilizes relationships among actors and helps them construct common meanings (Lawrence, Suddaby, & Leca, 2009). Market and social movement actors create organizations, which they mobilize to gain access to material and symbolic resources. Both sets of actors organize according to different principles, which are predicated on different claims of worth. Market actors organize based on market principles, which privilege exchange and evaluate worth based on price. Social movement actors organize based on social principles, which privilege solidarity and evaluate worth based on contributions to the social good.

Organizing takes place on different scales. On a large scale, organizing entails groups of actors and organizations assembling into organizational fields. Organizational fields are sets of collective and individual actors that share “a common meaning system” and “interact . . . frequently and fatefully” (Scott, 1994: 207–208). Actors in organizational fields share common cultural frameworks and meanings and are subject to the same formal and informal rules. The concept of fields expresses how sets of actors are subject to similar historical and structural forces due to their relative social positions (Bourdieu & Wacquant, 1992; Martin, 2003; Scott, 2008a). Within organizational fields, individual and collective actors jockey for position as a way to exert their interests and access resources. Resources are unevenly allocated within these fields, which means that dependency relations emerge out of the exchange of scarce resources (Pfeffer & Salancik, 1978). This means some organizations have resources that others need to operate, making the latter dependent on the former. For example, corporations rely on shareholders (potential and actual) for access to money in equity markets. Therefore, corporations depend on shareholders, giving the latter power and influence in corporate America. Such resource-dependent relations give rise to shareholder activism as a means by which social movements attempt to influence corporations. Therefore, organizational fields are considered “arenas of power” (Brint & Karabel, 1991: 335), social spaces in which actors are subject to contention from other actors. As I show in Chapter 2, organizing fields can take place as institutional entrepre-

neurs act strategically to generate institutional arrangements that are amenable to their interests. Institutional entrepreneurs attempt to configure fields at events such as meetings and conferences, which assemble actors who are also attempting to enact configurations of their own (Lampel & Meyer, 2008). Jockeying among institutional entrepreneurs for position and access to resources shapes organizational fields and creates uncertain outcomes for attempts at strategic action. For the Circuit Riders, this meant the professionalization of their activism and the introduction of market practices into the world of nonprofit technology assistance.

On a smaller scale, actors create formal and informal organizations, which then operate as collective actors. Both market and movement actors create formal organizations to secure legitimacy and flows of resources (McCarthy & Zald, 1977; Meyer & Rowan, 1977; Staggenborg, 1991). Formal market organizations often take the form of a corporation or firm. Social movement organizations can range from informal affinity groups to formally incorporated nonprofit organizations. Organizational forms matter, as certain organizational forms garner legitimacy from and signal authenticity to other actors in the field (Clemens, 1996; DiMaggio & Powell, 1991). For example, both market and movement actors adopt bureaucratic organizational forms over time under pressure to appear legitimate to different stakeholders. Social movement actors may organize as nonprofit corporations to generate donations from individuals, as well as grants from foundations and government agencies. Market actors may organize as for-profit corporations to gain access to equity markets. Chapter 3 explains the process by which institutional entrepreneurs create new organizational forms in nascent fields. In the case of the Circuit Riders, the new organizational form (a social enterprise called NPower) introduced new market practices into a field once dominated by the social values of activists.

Social values implicit in moral markets produce a specific form of uncertainty: moral ambivalence. Moral ambivalence is the condition of uncertainty that arises when an organization's actions are evaluated from multiple and contradictory moral bases. Various stakeholders evaluate an organization's activities from different moral standpoints. For example, shareholders, concerned with maximizing stock price, evaluate what an organization does from the standpoint of profitability. Local activists, concerned with how much a factory pollutes the environment, evaluate the organization's actions from the standpoint of how green they are. Employees, concerned with keeping their jobs, evaluate the organization's action from the standpoint of corporate

paternalism. Actors facing moral ambivalence do not know ahead of time who will denounce their activities, which combination of moral bases others will use to evaluate their performance, or whether a dominant moral order will emerge. Moral ambivalence creates complex foresight horizons, meaning entrepreneurs do not know who their allies or enemies will be at any given time in the future (Lane & Maxfield, 1996). Complicating matters further, collaborators at one point in time may become competitors at another. For example, from 1985 to 1992, Microsoft and IBM worked together to produce a computer operating system called OS/2. The organizations soon split as Microsoft created and marketed its own operating system. As the partnership dissolved, IBM continued to develop OS/2 as a competitor to Microsoft's Windows NT platform.

To mitigate the uncertainty of moral ambivalence, actors create hybrid organizations, which assemble diverse elements recognized as legitimate by potential stakeholders. Social enterprises are a good example of such a hybrid organizational form. They are able to bring together market practices and social values by putting forward an organizational identity that balances institutional demands from varied stakeholders (Battilana & Dorado, 2010). As I show in Chapter 4, creating a coherent organizational identity from contradictory elements, while being evaluated from multiple standpoints (orders of worth), challenges entrepreneurs to find ways of reconciling competing demands.

While trying, moral ambivalence can spur entrepreneurial strategy. As David Stark explains, the hallmark of entrepreneurship “*is the ability to keep multiple orders of worth in play and to exploit the resulting overlap*” (Stark, 2005: 5). On this basis, successful entrepreneurs are those who can make their actions sensible to many stakeholders at the same time (Girard & Stark, 2003; Padgett & Ansell, 1993; Stark, 1999, 2001, 2009). For example, while much of the natural foods industry catered to small niche markets and countercultural trends, Whole Foods competed directly with mainstream supermarkets, combining the grassroots social values of the former with the cutthroat competitive practices and market values of the latter. As chief executive officer (CEO) John Mackey explains, “One of the things that has held back natural foods for a long time is that most of the other people in this business never really embraced capitalism the way I did” (Gertner, 2004: 47). Mackey has successfully combined social and market values; Whole Foods created an entire category of grocery store: the natural/gourmet supermarket for the (affluent) masses. Fair trade coffee and grass-fed beef on the shelves tell consumers that Whole

Foods is an ethical organization. The high profit margins these products garner tell investors Whole Foods is a market force.

However, incorporating contrasting values as a strategy poses ideological and economic challenges to the organization (Johnston, 2008). Mackey's entrepreneurial approach exploits moral ambivalence, which has both pleased and infuriated various stakeholders at different times: the business press lauds Whole Foods for its rapid earnings growth (Schlosser, 2006), at the same time arguing that the company is overvalued (Hogan, 2006). Workers enjoy the company's team-oriented organizational structure, while the labor movement denounces their union-busting efforts (Whole Foods Workers Unite!, 2006). Consumers appreciate the company's commitment to organic produce, while questioning the wisdom of trucking tomatoes across the country in lieu of selling local produce (Maloney, 2006; Shapin, 2006). Environmental and animal rights activists applaud the company's humane treatment standards for dairy and meat sold in their stores while denouncing Whole Foods as "selling out" to the cattle and dairy industries (Little, 2004). Exploiting moral ambivalence requires managers to be vigilant about monitoring the moral environment and adjusting their strategy accordingly. At various times, Whole Foods has had to adjust its adherence to various social and market values to assuage stakeholders. Over time, these adjustments become structured into the organization itself.

### *Coordination*

Clearly, harnessing moral ambivalence requires coordinating at the organizational level. However, coordination plays a pivotal role at many levels. At its heart, coordination is about figuring out appropriate modes of orientation toward other actors. Market producers coordinate to establish the formal and informal rules of competition (Fligstein, 2001; Storper, 2000; Storper & Salais, 1997). For social movement actors, coordination often entails strategic choices about appropriate tactics to employ against targets, as well as ways to cooperate with other social movements (Taylor & Van Dyke, 2004). As social movements engage with markets, actors from each side must find appropriate ways of interacting with one another.

Coordination is a fundamental problem for both market and social movement actors. Economists consider markets a specific mode of coordination between atomistic buyers and sellers, driven by pure economic rationality. However, economic sociologists have found that market coordination depends

less on economic rationality and more on the situations in which actors find themselves. For example, the trading pits of the Chicago Board of Trade are an exemplary case of a market, ostensibly coordinated by pure economic rationality. Economic rationality is certainly on display as traders calculate prices and take advantage of differences between where a commodity price is and where they think it should be (MacKenzie, 2008). Entertainment and news media often portray traders as “Gordon Gekko” types, cold-blooded capitalists bent on profit at any cost. However, pit traders rely on social values as well. Social ties permeate the trading floor, including family relationships spanning generations, which affords trust among traders (Baker, 1984). Traders prefer to trade with people with whom they have social ties, even when such trades undermine strict economic rationality. Fearing the loss of these visceral social ties, many traders left the market when physical trading floors were replaced by electronic markets (Zaloom, 2006).

In coordinating activities to pursue their targets, social movements have developed a variety of insider and outsider tactics to protest against nonstate actors, such as corporations (Soule, 2009: 9–19). “Insider” tactics involve activists directly engaging with the corporation. These tactics include purchasing equity in companies to exercise a voice at shareholder meetings. If activists purchase enough stock, they can directly sway the choices of corporate managers and CEOs through shareholder resolutions. Socially responsible investing is another insider tactic that activists can use to influence corporations. By purchasing stock in corporations that share activists’ social values, socially responsible investing takes advantage of market valuations to reward or punish certain companies. “Outsider” tactics take many forms. Boycotts, media campaigns, legal actions, advocacy, and protests are examples of outsider tactics activists may use to target corporations. Though expensive, legal actions are the most successful outsider tactic social movements deploy when targeting corporations (Easley & Lenox, 2006). However, with the right timing and target, protests can be effective at influencing corporate behavior (King & Soule, 2007).

Ultimately, both insider and outsider tactics are attempts by movements to imbue markets with their particular social values, transforming ordinary markets into morally driven ones. Consider activists in Western Europe, who have successfully targeted the biotech industry to raise awareness of the health and environmental problems associated with genetic engineering in agriculture (Schurman, 2004). In doing so, these activists have begun to change



the way people think about agriculture. The food supply chain that was once considered industrial commodity production is now treated as an environmental, social justice, and public health issue, transforming an ordinary market into a moral market. However, protests of any sort can be risky. Public sentiment can be fickle. And, aggressive social movement tactics, coupled with a well-funded corporate public relations campaign, can turn public sentiment against activists and increase sympathy for companies. Using hardcore protest tactics, including violent and nonviolent means, radical environmentalists (called deep ecologists) have struggled to contain the logging industry in the Pacific Northwest. Activists from Earth First! have used tactics such as sabotaging tractors and “tree-spiking” to damage logging equipment. Such radical tactics have alienated more mainstream environmental groups and kept them from joining with Earth First! Targeted logging companies have also successfully framed themselves as victims of domestic terrorism (gaining state support for investigation and prosecution). Therefore, social movements’ delicate choice of tactics reflects the challenges and uncertainty of coordinating within and across moral standpoints.

Chapter 5 shows how conventions of coordination emerge as actors engage with other actors within organizations and fields. Conventions of coordination reduce the uncertainty of interaction by providing the implicit rules that govern the appropriate ways that individual and collective actors engage with one another. However, conventions of coordination only hold for actors that recognize each other as legitimate members of the same field. Many social movements are extrainstitutional actors, that is, they operate under different sets of shared meanings and rules than the market actors they target. This helps explain why market actors do not always respond to the demands of certain activist groups.

Understanding the moral pressures that social movements put on markets helps scholars to see how and in what ways markets assume social values. In other words, tracing moral markets to the pressures that shape them gives us insight into which social values are likely to temper economic values in any particular market. For example, why do environmental values, as opposed to labor concerns, matter for food production? Locavores aim to lessen their carbon footprint by reducing the distance food has to travel from production to plate.<sup>6</sup> Locavores have developed metrics, like food miles, to express their values in concrete ways. In doing so, they have raised awareness about the importance of reducing food miles among consumers. The effects of their actions

can be seen widely from restaurants that contract with local farms for their meats to Wal-Mart, which has instituted a policy to procure vegetables from sources within 100 miles of their stores. As a counter, consider the labor movement. Despite a long and successful history of union organizing efforts among farm workers (Ganz, 2009), the labor movement has struggled to frame food production as an exploitation issue to the public at large. Despite the possible reasons for the success of one movement and the failure of another as they relate to the market, the results are clear. While Wal-Mart promotes regional sources for the produce it sells in its stores, they rarely address the working conditions of pickers and packers on the farm. The same is true for most restaurants. The mixed success of locavores begins to explain why the market for food has adopted certain social values and not others.

#### *The Contingent Outcomes of Moral Market Creation*

The processes I have discussed, establishing worth, organizing, and coordinating, take place over long periods of time, in various places, and involve many different actors. This limits the ability of any one person or organization to act strategically and creates uncertain outcomes for movement and market actors. Because of this, it is better to treat any possible outcome as contingent on specific configurations of actors and situations. When social movements establish the worth of their cause, it can lead to successful mobilization, as I will explain in Chapter 1. However, establishing worth necessitates pragmatic compromises. Attracting foundation funding, for example, requires activists to adopt practices legitimate to foundation officers, such as developing performance metrics. Performance measurement introduces market justifications such as claims toward efficiency. Social movements can maintain the purity of their cause by forgoing such funding. However, resources for activism are scarce. Even self-supported social movement organizations face the challenge of “mission drift” and pragmatic compromises to their values (Fisher, 2006).

Similarly, organizing entails pragmatic compromises among orders of worth, which leads to contingent outcomes. Field-level organizing takes place as various collective and individual actors vie for position within the field. Their jockeying takes place as they alternately compete and collaborate for resources and legitimacy. This is particularly true in the nonprofit sector, where organizations are expected to collaborate as a condition of funding, which is often offered through competitive grant opportunities. Fields are the outcomes of

these contingent organizing processes on a large scale. They are subject to competition and change, punctuated by periods of stability (Fligstein & McAdam, 2012). Who wins and loses as fields are configured depends on the interplay between historical-institutional arrangements and strategic action. Successful strategic action is coined “institutional entrepreneurship” and results in the reordering of the field to align with the interests of the winner (DiMaggio, 1988). Scholars rarely attend to cases of unsuccessful institutional entrepreneurship. However, as I show in Chapter 2, the structure of competition between institutional entrepreneurs affects who wins and ultimately shapes the outcome of the match. The case of the Circuit Rider technology movement provides an excellent example of both successful and failed institutional entrepreneurship. In this case, the winner was aligned with market actors, which then provided conduits for the introduction of market practices (and justifications for them). Had the activists won, Circuit Riding would have been established as the legitimate model for providing technology assistance to the nonprofit sector.

On a smaller scale, organizations are themselves pragmatic compromises among orders of worth that are structured into organizational form and expressed as organizational practices (Thévenot, 2001). For example, when civil rights protesters targeted university administrators in the late 1960s, the latter responded (bureaucratically) by creating academic departments of African American Studies (Rojas, 2007). The establishment of African American studies as a discipline reflected pragmatic compromises from both sides. In Chapters 3 and 4, I examine the formation and maintenance of a social enterprise, which by its nature reflects pragmatic compromises. Institutional entrepreneurs create new organizational forms by assembling practices and structures from the field into a cohesive whole, which entails making pragmatic compromises among orders of worth. New organizational forms reflect the interaction between the strategic aims of institutional entrepreneurs and the constraints of the organizational field. NPower developed a unique type of social enterprise. Because of its close ties to for-profit corporations, NPower’s compromises often meant adopting market practices. The success of the organization further justified the use of market practices among nonprofit technology assistance providers. Had the Circuit Riders been more successful in organizing their movement, they might have mounted more successful challenges to the introduction of market practices into the field. If that were the

case, NPower would have shifted closer toward adopting more social movement practices, such as working more closely with nonprofit foundations to provide low- or no-cost services to organizations in need.

Yet even with the widespread adoption of market practices, nonprofit technology assistance providers created a moral market—one that combined economic and social values and market and activist practices. All NTAPs, NPower included, worked exclusively in the nonprofit sector. Within the moral market of technology assistance, NPower and the Circuit Riders alternately competed and collaborated to provide services at reduced rates. Conventions of coordination emerged out of these interactions as a set of informal rules about when competition or collaboration was most appropriate. Chapter 5 explains how these conventions of coordination emerged. NPower’s access to resources and legitimacy meant that they became a pole around which other members of the field organized. Again, had the Circuit Riders been more successful in organizing a movement, conventions of coordination would likely have been more cooperative and less competitive. Circuit Riders organized around a value they called “non-territoriality,” meaning that they shared knowledge and practices freely among members of the movement. NPower’s market practices exacerbated existing competition, particularly for access to resources such as foundation funding. In Chapter 6, I conclude by discussing what the story of the Circuit Riders has to say about social movement and market outcomes.

### A Dialogue About Process

Certainly, this book aims to build on the literature that focuses on how social movements select targets and on the outcomes of their tactics. However, as this chapter has suggested, I take a different perspective. Using a historical-institutional approach with a focus on a rich, extended case, I aim to home in on how social movements infuse markets with values. This book contributes empirical and theoretical material to the new study of strategic action fields, the “mesolevel social orders” that are “the basic structural building block of modern political/organizational life in the economy, civil society, and the state” (Fligstein & McAdam, 2012: 3). Throughout, I build on the theory of strategic action fields to explain how the rules of particular markets come from the ongoing interaction of movement and market actors that participate in them. Understanding how specific values come to matter in specific markets can add considerable richness to the study of strategic action fields by show-

ing the outcomes of contention between business and activists in today's morally complex markets. Moreover, a framework for this careful dance gives us insight into the ways that social movements and corporations coconstruct institutions and change markets over time.

Social movements express social values that people consider important and which may not find voice in other venues, such as markets. Markets are deeply entrenched in our society, which is unlikely to change dramatically in the foreseeable future. And so, a clearer dialogue about the interplay of social movements and market organizations gives us a clearer view of our social landscape and a better chance at sculpting it. By dissecting the social processes by which movements shape and make markets using the curious and fascinating history of the Circuit Riders, this book shows how social and economic values collide; how they are made commensurable in practice; and how pragmatic compromise between the sides is possible. Such a contribution, however humble, is directed toward helping all sides understand one another better. It is my hope that what follows enriches future studies of moral markets, paving the way for more successful transitions from movements into markets that express values beyond profit-making.