

## **Are markets social movements? A theoretical appraisal of valuation arenas**

Valuation arenas are events in which communication oscillates between performed communication – a ballgame, a concert, a lecture, a sales talk, a court proceeding – and audience communication that evaluates the „quality“ of the performance. In order to enable oscillation, valuation arenas usually operate in series, often labelled as „seasons“.

Valuation arenas differentiate themselves by developing a specific code of quality rankings, assigning high quality values to a few performances and low values to the rest of them. Because selection is a central aspect of quality evaluation, valuation arenas are, albeit distantly, related to Harrison White's ‚arena discipline‘.

The code developed is applied on both side of the arena's internal distinction. It is self-referential, because performances are compared between themselves. Thus, the code borders, i.e. distinguishes the social system the remaining societal communication. Insiders know how to apply the code, while outsiders must rely on proxy measures. As long as new performances are fed into the system, it continues to reproduce itself, or even to expand and multiply.

Valuation arenas are fairly ubiquitous because they seem to develop symbiotic relationships with other types of social systems. They operate as spontaneous interactions, enabling them to take on forms of repetition, as in league games, or of extension beyond physical presence, as in radio „stages“. They are institutionalized features in most organizations, from ballet companies to investment banks. In functional systems, they have become indispensable features because they process the particular preference code of a functional system. Performances in court proceedings have their legal audience, scientific performances are evaluated in hierarchically ordered journal audiences, and markets are arenas in which suppliers perform and buyers pass value judgments by paying certain prices. Money prices are particularly interesting because they are based on a standard which is built internally but succeeds to convey the impression of external and thus universal validity.

The fourth category, protest or social movements, poses particularly interesting theoretical issues. Such movements emerge as a reaction against some development in society which cannot be countered through the regular arenas. Social movements are not organized, they find their form through the motives of their participants, even if there exist organizations which assist in promoting the goals of the movement, as is the case with *Greenpeace* or *Amnesty International*. Luhmann notes that social movements are „nur ihre eigene Hälfte“,

because on the other side there are those who do what they intend to do („die anscheinend ungerührt ... das tun, was sie sowieso wollen.“ Luhmann 1997: 855). In other words, social movements are a particular kind of valuation arena events in which the audience defines the performers, and evaluates their performance. „Protest“ stands for the negation of general standards of judgment with respect to an issue.

Luhmann also points out that social movements operate with rapid oscillations between their self-referential communication and their communication environment. In other words, the movement, itself audience to the performers of an issue, switches to being performance for its own audience. The movement consists of the circle of those who - motivated by the seriousness/relevance of an issue - participate in staged events that „bring up the issue“. The stagings operate with processions, or climbed chimneys, or periodical meetings. The staged performances of the movement reach the attention of a media audience, dispersed throughout society. When the broader audience responds with judgments on the quality of the original issue, the organizations held responsible are pressured into reaction.

The similarity in the mode of operation of valuation arenas and social movements finds a popular expression whenever the valuation process becomes so heated that it spills over into general societal communication: quality valuation is labelled as a „movement“ when audience enthusiasm turns into „Beatlemania“, buyers' expectations turn into the „Internet Hype“, or political parties reinvent themselves as „people's movements“. In that sense, every valuation arena process is a kind of social movement.

This particular kind of social movement deserves particular attention. Because valuation arenas concentrate the exchange of value distinctions, they set the speed in driving the continuous reevaluation of the decision or the preference code in complex social systems. Valuation arenas operate and reproduce themselves within the larger systems, and in doing so, they inject newness into the operations of their host systems.

The paper will expand the theoretical argument, and support it with empirical evidence.