

Boundarians that Shape Market Actors

A review of the literature on business associations

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Abstract

Business Associations operate in between markets and politics connecting these to each other through representation, rulemaking and information. In this paper it is demonstrated that there is a strong tendency in the literature to analyse business associations as part of either the political (eg. Doner & Schneider, 2000a; Greenwood, 2002; Streeck, Grote, Schneider, & Visser, 2006) or the market system (eg. Fligstein, 2001; Hall & Soskice, 2001), thus underestimating the specific quality of being on the boundary. In the paper it is claimed that although there are good reasons for studying markets and politics separately, this nevertheless partly misleading. It is instead argued that it would be fruitful not to see market and politics as closed systems, but open systems. Secondly, it is suggested that the actorhood of companies and organizations has to be problematized in order to understand the role and the need for organizations as business associations. Finally and conclusively, the proposition is made that it is sometimes adequate to analyse markets in terms of agency rather than in terms of predefined actors. The use of the notion of agency can, among other things, show how business association contribute to the creation of multiple agency that has lately been discussed by several authors. (eg. Andersson, Aspenberg, & Kjellberg, 2008; Callon, 2007; Law & Akrich, 1996; Simakova & Neyland, 2008; Sjögren & Helgesson, 2007).

Keywords

Business associations, boundary associations, market system, political system, agency, multiple agency, meta-organization

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Introduction

Business Associations are organizations that operate in between markets and politics connecting these to each other through representation, rulemaking and information. In this sense they can truly be referred to as boundary organizations.¹ In this paper I will show that in the literature there is a strong tendency to analyse business associations as part of either the political or the market system, thus underestimating the specific quality of being in between. I will also make a tentative suggestion as to why this is the case and make some suggestions of how other theoretical tools might give us the possibility to analyse and conceptualise the role of business associations as boundary organizations and the function they fulfil while occupying a place in both systems.

Already in 1986 Hutt, Mokwa and Shapiro tried to extend the political economy framework in order to explore what they called a parallel political marketplace. They suggested that marketers needed to know more about the nature of the powerful external stakeholders, such as regulatory agencies and trade associations, since there was a widespread recognition of the importance of negotiating factorable exchange agreements with these. They argued that this parallel marketplace spanned both economic and political market domains and included both government agencies, consumer and business associations, consumers and firms ('channel members'). In order to understand markets, researchers needed to understand the nature of decision making on this parallel marketplace. In the large body of literature on business associations, few of these insights have been used.²

As has already mentioned, much of the literature on business associations focus on their activities as either a part of the political or the market *system*. The normative question as to whether they are good or bad for one of these systems seem to dominate. Business associations have usually been seen as peripheral actors, still they are active in a wide range of activities that have potential influence on market actors. Well known activities include the setting of all sorts of standard setting (Bartle & Vass, 2007; Lenox & Nash, 2003; Meisner Rosen, Beckman, & Bercovitz, 2002; Ronit, 2006) as well as lobbying (eg. Constantelos, 2004; Mazey & Richardson, 1993), but they also mediate conflicts among members, give seminars on the future of the industry, publish economic reports on the industry, start projects for educating customers as well as their own members and initiate and participate in the development of firms and industries (Berk & Schneiberg, 2005; Granovetter & McGuire, 1998; Suddaby & Greenwood, 2005). They participate in the creation of a certain culture within an industry (Fligstein, 2001; Spillman, Forthcoming) or the shift in field frames (Lounsbury, Ventresca, & Hirsch, 2003). Even though not all attempts are successful, their efforts aim to shape market actors and markets in many senses. In this paper I review how business associations have been studied over the last twenty years, and then end up

¹ The notion of boundary organization has been used before. Guston (2001) uses it, alluding to Star and Griesemer's (1989) concept of boundary object as well as Gieryn's notion of boundary work (Gieryn, 2001), while talking about agencies or organizations with two or more sets of principals: public and scientists and/or politicians. In their role they have to be able to address all audiences. It also alludes Aldrich and Herker's (1977) term boundary spanning functions which refer to the functions in an organizations that are destined to take care of external relations, such as the marketing offices.

² Although there is of course a substantial body of literature on regulation as an interface between politics and market as well as on political consumers. See for instance Micheletti (2003) on political consumers and Organization vol. 14 no 5, theme number on regulation.

with some suggestions of how a markets-as-practices perspective can add further insights to how business associations contribute, especially in shaping market actors. The markets-as-practices perspective has also been referred to as constructivist market studies, a relational constructivist perspective or ANT influenced theory (Barry & Slater, 2002; Kjellberg & Helgesson, 2007b; Simakova & Neyland, 2008). Here I refer especially to the line of research that take an interest into how actors are made calculative and are provided with various sorts of agency.

Constructivist studies have earlier pointed out that one way through which market actors acquire agential capacities is by being equipped with tools for calculation and action (Callon & Muniesa, 2005; MacKenzie, Muniesa, & Siu, 2007). Lately, there has been a marked interest in multiple agency (sometimes termed multivalent agency) (Andersson et al., 2008; Callon, 2007; Law & Akrich, 1996; Simakova & Neyland, 2008; Sjögren & Helgesson, 2007). There is not only one way of acting as homo economicus, but several (Callon, 2007). An actor's agency can shift according to the situation it is performed in. John Law and Madeleine Akrich (1996) showed in a laboratory study how the agency of the researchers shifted across different situations according to different situational logics. Likewise, an actor can shift between various forms of agency. Simakova and Neyland (2008) relate the agentic capacity to the narrative capacities of marketers, while Andersson et al. (2008) focus on the capacities of computerised interaction to stabilise agency. In the below I will develop how business associations might provide actors with multiple agency, which allows for a trespassing of established industry boundaries and give access to discussions where agenda and problem formulation are set by others. First I will provide a review of how business associations are represented in the current literature.

Neocorporativism and business association

In the eighties a stream of research called neo corporativism was just taking off. Within neo corporativism the interest in business associations was growing strong, since they were seen as representing a new way of organizing society. In an oft quoted book Streeck and Schmitter (1985) suggested that a systems of bargained interest accommodation and policy concentration had emerged in the Western societies of the 60's and 70's. Along with markets, community and hierarchy, this development seemed to promise a new form of governance, greeted by the neo corporativists. The notion of private interest government was intended to signify "arrangements under which an attempt is made to make associative, self-interested collective action contribute to the achievement of public policy objectives" (ibid: 17). As has been noted by Boddewyn, (1985) this notion is very close to what has elsewhere been called self-regulation. Private interest government would signify that markets were governed by associations rather than by state or pure competition.

This line of research has ever since been persistent in mapping business associations. As the interest emerged from a need to understand their role in relation to the governance of society, the studies and results tend to focus on structural and representational issues and to see them as a part of a political system. Although the hope for a new order has been, if not completely abandoned, most certainly played down in current contributions. Still, the interest for the structural aspects and possibilities of representation and collective action remain a focus. It was early on observed that association structures tend to be very sensitive to the actual distribution of power in a policy area in a state. As a result, the organization of business associations varied between countries and political systems and there were also regional differences within a country depending on the political importance of a region (Coleman & Grant, 1985; Coleman & Jacek, 1989). These results seem to remain valid even in the globalized world of today. The development of the European Union has provoked the creation of a wide range of EU-level business associations. Many EU researchers predicted years ago that national associations would become a lot less powerful, a prophecy that has never been realized. Internationalisation is transforming business associations, but how they are changed differs according to the structures that the associations are embedded in (Wilts & Quittcat, 2003). Moreover, the influence from the EU is not uni-directional. On the contrary, the national level and European level are interrelated and tend to shape each other in a loop (Constantelos, 2004; Lehmkühl, 2006). This dependence on the surrounding institutional structure also means that the role of business association, their possibility to act and their array of services they offer is

highly dependent on the nation they are active in. It is a widely held insight that business associations have a politically and structurally more important role in countries where the state has a benevolent attitude (Campbell, Hollingsworth, & Lindberg, 1991; Fligstein, 2001; Hall & Soskice, 2001; Wilts & Meyer, 2005).

In this line of research the focus is on how business associations represent members, not on how they shape members. Yet it is evident that the process of being represented can shape firms. In a study of a decision process within a EU business association, Jutterström (2004) shows how interests are created during, and as a result of the process of representation. While drawing on a process study, Jutterström attributes the formative capacity of business associations to the generally observed phenomenon that preferences are attributed and shaped in the process rather than pre-existing (Cohen, March, & Olsen, 1972; Meyer & Jepperson, 2000). Something that is all the more true since the actors have to adapt both to each other and the political agenda.

Streeck and Schmitter have made observations on the decision process, but from an other perspective. Even the structure could in fact be seen to have a formative aspect. Business associations have to adapt to the two different structures they are depending on; the political will to influence and the need to represent all members (Streeck & Hassel, 2002; Streeck & Kenworthy, 2005). What Streeck and Schmitter calls the logic of influence is derived from the institutional and structural determinants of the political system in which the organizations are operating. In order to receive influence the organization need to be governable, to be able to moderate demands and engage in negotiations. This means that the association has to define and sharpen what the interests of their members should be. If the association adapt too much to the logic of influence, it may end up being drawn away from their members, and, in the extreme case, end up being an extended arm of the government.

On the other side, the logic of membership raises the opposed demands on an association. The logic of membership is characterised by internal factors or attributes of members that make the organization more or less disposed to collective action. Broad, encompassing participation is the desired state. Successful management of the logic of membership requires authentic representation of the perceptions and demands of the members (Streeck & Hassel, 2002; Streeck & Kenworthy, 2005).

The notion of these opposed logics has been widely adopted in the analysis of associations. Even so, Bennett has tried to develop it while replacing the logic of membership with 'logic of services'. In Bennett's definition the focus is turned away from collective action and redirected to how members are recruited and what they find attractive in organizations, rather than a problem of organization. The two logics become two important *services* that the associations can offer: interest representation and services of different kinds, instead of indicating two aspects of interest representation (Bennett, 2000; Bennett & Ramsden, 2007). Bennett also notices that many British associations in later years raise a greater proportion of income from specific fees for services, which leads them to resemble a business service company (Bennett, 2000:18). This development is observed also by Streeck and Visser (2006) who claims that many associations even start companies that carry out services that the industry as a whole might benefit from, thus transforming into service firms rather than associations. In a recent case in Sweden a business association created a company for the recycling of electronic equipment, something that was legally the responsibility of the firms. This adds a new flavour to the old idea of interest governance; the industry as a collective solve common problems while creating a firm instead of an association. This is not an example of how market actors are shaped by business associations, rather of how new actors are created by or through the market associations.

Bad associations

Within new institutional economics, business associations are regarded with a certain reluctance. They are understood to have a negative effect on the functioning of markets in their they alleged engagement in cartel-like behaviour, retard of wealth creation and their skewing of the distribution by extracting extra favours, thereby enabling highly undesired behaviour on part of market actors (Greenwood, 2002).

These views are partly a result of how collective action is understood. In 1965 Mancur Olson challenged the interest-group scholars with his thesis that collective action based on interests is not likely to appear automatically, as a response to conflicts, which had earlier been supposed (Jordan, 1998; Olson, 1965). Olson claimed that an interest association would have to develop benefits that were exclusive for members, because all benefits that were common, like the results of industry regulation, would be available for everyone, and it would then not be rational to pay the membership fee. Free-riding would instead be endemic. This thesis also entails that it is hard to control the behaviour of the members, as a consequence the associative model would be very problematic as a model for governance. Self-regulation could in principle be as good as a law, but a mechanism for compliance is seen to be needed to remedy the potential free riding and neglect of collective agreements.

Olson later suggested that strong interest groups was an explanation to poor macro economic performance, for example in the UK in the twentieth century. This is contrasted with the good postwar economic performance in Germany and Japan which he relates to the destruction of the interest-group infrastructure (Olson, 1971). This view has later been contested by many (for review see Wilson, 1995).³

The following debate has been shaped by this somewhat negative view of the role of associations. Within neo institutional economics, business associations are still generally seen as rent-seeking (2000b). If they contribute to stability, or the creation of trust they can however have positive effects on the economy (North, 1990). Williamson's transaction cost theory also provides arguments for the prevalence of associations under certain circumstances. Institutions lessen the cost for exchanging, monitoring and enforcing property rights in complex societies. Non-market governance (such as associations) emerge when transactions are characterised by uncertainty, frequency, and asset specificity (Williamson, 1996).

Partly building on these concepts Doner and Schneider (2000a) argue that business might, during some circumstances, contribute to economic development in developing economies. Among other things they might put pressure on government for effective and uncorrupted administration, provide the industry with standard setting for export, reduce cost of information and mediate between different parts of the industry. Unfortunately business associations were as likely to foster corruption and strategic advantage in distributive coalitions. A benign result appeared to be connected to the ability to provide selective incentives to their members, and the presence of effective internal mechanisms for mediating member interests gave associations institutional capacity and helped members make collective decisions and abide them, a result well in line with olsonian logic. External factors such as competitive markets and government pressure were also facilitating a positive contribution.

The olsonian ideas have had a large influence on the writings on business associations in general. Within what I broadly define as the neo corporatist tradition this has been important since it questions the very idea of associationalism. If collective coordinated action is not possible, why then even bother organising and why pay any attention to associations? This debate is yet not brought to an end.

Greenwood (2002) has investigated EU- associations and their capacity to achieve coordinated action and compliance with agreements. Greenwood analysed 28 different factors and found several co-variations and possible interdependences, why it is difficult to summarise the findings. However, factors strongly associated with a high degree of governability of an association were: a highly specialised mission, a high degree of autonomy (in relation to members), that the association was active in a domain with high degree of overcapacity, had a common enemy, a high degree of regulation, a low threat of exit, and/or were active on a European market. Greenwood also notes that free-riding does not appear to be an option either for national associations nor for large firms. In conjunction with this he also notes that peer pressure do seem to be present, as envisioned by Olson (Greenwood, 2002:107). Another factor was if the industry faced controversial issues so that members required a collective cloak that made it possible for them to act without being individually exposed. However, it is notable that EU-associations

³ For a review on critique against Olson's thesis's regarding interest associations, see Baumgartner & Leech (1998)

are different than their national counterparts, since they provide no other services than political representation (Greenwood & Webster, 2000:20).

In summary, while adapting to this theoretical stance, business associations seem to be able to shape market actors in mainly two ways: either they can police their members and the environment into well behaved actors in a well functioning market, or, if they are not properly supervised and if they are allowed a too high discretion they can bring out market deteriorating behaviour on the part of their members.

Business associations and markets

Both in the new institutionalist economics and in sociological new institutionalism, it is widely held that various forms of institutions both shape markets and are necessary for their functioning. Campbell, Hollingsworth and Lindberg (1991) have, from their studies of the American economy, concluded that industries often go back and forth between different governance structures. The authors argue that shifts occur due to crises onset by economic or technology changes. A following new governance structure is delimited by the prevalent structure of the state. A certain administrative structure might for example be incapable of supporting a particular mechanism. This line of reasoning gives business a possibility of shaping or influencing members, but only if they are a part of wider auspicious circumstances. This rudimentary and rather functionalistic stance is later developed in other institutionalist contributions.

Fligstein (2001) has elaborated a more interactionist view of markets, in which the market structure is developed as a result of a process in which the most powerful set of actors dominate a certain arena by means of their culture. The interpretative frames of this culture are considered to be constitutive of relations and interpretations. According to Fligstein the structure of markets is a result of how two problems have been solved historically: the problem of creating a market in the first place, and secondly the problem of ensuring stability in a particular market. A particular market system can be understood when considering which interest group was dominant when a particular question was solved. The role of business associations is thus a historical outcome of a complex power battle. Spillman has developed further how business associations might be seen as fostering culture within an industry by fostering a 'certain camaraderie within equals' (Spillman, Forthcoming). Granovetter and McGuire (1998) have in a similar way shown how an industry gets constructed, not through any inherent superiority displayed by a certain technique, but by the political struggle of actors within an industry. In their example the technique that defines the industry became the leading technology as a result of the work carried out by two business associations led by a few influential actors. Within political science, agenda setting is often spoken about.

Within political science, much of the analysis of the governance of markets is today focused around an influential framework called varieties of capitalism. Hall and Soskice (2001) build on neocorporativist findings, game theoretic reasoning and historical institutionalism. As within neo corporativism an important focus is governing and governance. But here the focus is more how the structures of governance influence the market, than on political aspects of the structures themselves.

Hall and Soskice identifies two ideal types of economies: the coordinated market economy, which depend on non-market relationships to coordinate action, for instance business associations. The other type of economy is the liberal market economy, primarily coordinated by hierarchies and competitive market arrangements. The approach is explicitly normative, and claims that coordinated economic markets are at least as good as the capitalist market alternative (Hall & Soskice, 2003). The authors claim that in order to understand the various forms of capitalism, it is crucial to understand how cooperation is achieved between market actors, and how various actors act strategically. Institutions, organizations and culture are analysed on the basis of how they can provide "capacities for the exchange of information, monitoring, and the sanctioning of defections relevant to cooperative behaviour among firms and other actors" (Hall & Soskice, 2001:10). In this process all institutions that provide actors with the capacity to engage in the discussion and to reach agreements, with capacity for deliberation, are

considered especially important. Culture is considered to be important in explaining why participants choose one outcome rather than another, and in explaining how equilibriums are sustained.

A central idea is that institutions are complementary. This means that one particular arrangement is often seen in pair with another. For instance, the kind of legislation used in Germany reinforces firm strategies that entail a high level of non-market coordination, such as standardized, industry spanning contractual structures introduced by business associations (Casper, 2001). In this way different institutions, here the legislative structure and the structure of industry spanning agreements, complement each other.

Institutions can also be complementary in the sense that when a particular institution is used to solve the coordination problem within one area of the economy, it is often used within another as well. This would predict that if business associations are very active in one area, they will be active in another as well. Business associations are, for example, used both in collective standard-setting and to support collaborative systems of vocational training in many countries.

The varieties of capitalism framework does not explicitly stipulate how business associations affect firms, but it underscores that business associations can have an important role in many countries. Since the institutionalist theories reviewed here are operating mainly on a macro level, they do not tell us much about how market actors are shaped by institutions although it is clear that institutions frame their actions. As long as institution refer to or is expressed in formal rules or laws, it could be expected that market actors follow them since they are obliged or enforced to. The extent to whether business associations succeed in having a good influence on their members is similarly attributed to the degree of compliance with voluntary rules.

There are however other mechanisms suggested. Fligstein and Spellman, that were mentioned above, rely on culture and the power of cognitive frames. In the varieties of capitalism approach there are indications that there might be something in coordination and cooperation that shapes behaviour without formal constrains.

While displaying the different literatures above, it is evident that they, for good reasons, take a systemic approach to the observed phenomenon. We can see that business associations can have relevance for the political systems as they are representing actors. We can also see that they are relevant for the market system as they are provide standards, offer advice and information, provide an arena for cooperation and so on. Of course this is a tendency, and there are also examples of articles that do portray details and are not using a systems approach (e.g. Araujo & Brito, 1998; Berk & Schneiberg, 2005; Granovetter & McGuire, 1998). There are evident and worthwhile reasons for taking a systemic approach. In order to analyse the functionings of a state, or for that matter, a market, it is necessary to make adequate delimitations. Nonetheless, these delimitations make them adequate for studying one system at the time, not for studying activities that are part of both systems, nor for analysis of the activities of the peculiar boundarians called business associations that operate on the boundaries of these supposedly separated systems.

That there are good reasons for studying market and politics separately, does not preclude that it could be of interest to challenge these demarcations and suggest other delimitations as to see new aspects. Quite on the contrary, the overarching tendency allows for me to suggest that there is something in the frameworks that makes it difficult to address how these systems are not excluding nor separate systems. In the following I would like to suggest that it is partly misleading to see market and politics as closed systems, secondly, that we have to problematize the actorhood of companies and organizations in order to understand the role and the need for organizations as business associations. Finally and conclusively, I would like to propose that it is sometimes adequate to analyse markets in terms of agency rather than in terms of predefined actors.

Open systems

Even though it for analytical purposes can be useful to portray actors as belonging either to the political system or to the market system, it is also quite evident that most actors are both political and market actors simultaneously. A current and straightforward example of this is the phenomenon of Corporate Social Responsibility. This movement depicts market actors as socially responsible, thus framing them as political actors that should be concerned with human rights and environment. An other example is how firms in countries like the United States exercise a considerable amount of political actorhood while sponsoring presidential candidates.

Political actors on the other hand, turn into market actors while purchasing goods like health care products or weapon. They are also designing and supervising markets, which turn them into market creators. In some markets companies are wholly or partly state owned.

However, the shift between acting as a market agent or as a political agent is not entirely unproblematic. All social worlds have certain demands on appropriate behaviour. The idea that actions are related to rules or norms in different contexts is fundamental to a large part of social science. People both act according to situation specific norms, and evaluate situations based on this. The notion of logic of appropriateness states that individuals will assess situations based on what kind of situation it is, and on what kind of actors they are (March & Olsen, 1989).

One of the things business associations can do is to provide proper agency for different situations. Let me offer an example: in order to try to convince politicians to reduce taxes on home services, a company has to behave as a political actor. In this, they can be helped by a business association. In a real case in Sweden several means were used; activities directed to media as well as the politicians directly, distribution of quantitative reports and other common lobbying activities. According to the association themselves, which was an association for the service industry, their final success was much due to the creation of a particular association that could represent the industry in a proper, politically oriented way. Those of their many members that consisted the home service industry (a handful of firms) could not get access to politicians individually, and the prevalent association was too large and diverse. After the creation of a separate formal association for their industry (including the same handful of members), they had considerably more political access according to the association.

This provides an example of how political agency can consist of the creation of a proper actor, in this case the right kind of association. In another case the right agency could be a proper formulation of the problem which uses the politicians' way of framing the issue, and that is presented by an actor that politicians perceive as appropriate and legitimate. Business associations can also provide their members with devices and arrangements that makes it easy for them to act as market actors. In addition, associations can be helpful when it comes to market agency. The act of lobbying for tax reduction for home services is quite different from making a one-year agreement on home cleaning services. In the latter case, it is common that standardized contracts are produced within business associations and that business associations inform members and sometimes customers of rules of behaviour, ways of comparing services and goods or offer various forms of certifications. This kind of organization of a market, and creation of market agency can be done within a business association (at least in some countries) without being out ruled as cartels as it would probably be if undertaken by unorganised firms.

Institutions or agency

Much of the above reviewed literature builds on the notion of institutions, mostly operationalized as explicit rules. From such a perspective the role of business associations is mainly to participate in a structure that decide on rules, or to create rules themselves. Using an institutional framework entails that a never solved dilemma of the relation between agency and structure is brought into play. The term agency is in this situation associated with free will of the individual and the possibility to act intentionally (Barnes, 2000). In institutional frameworks there are two main approaches to the agency/structure problem. Either the actor is considered to have free will, or as in the neoinstitutional framework, the actor is thought to internalise institutionalised norms, and therefore act in concordance with them.

When institutions are considered to be internalised, they are also considered to be gradually developed, as in Fligstein's framework. However, many institutional conceptualisations have had problems to explain change. This can be understood in several ways. First, an institutionalised norm is considered to be rather stable. Second, the basic assumption is that stability is the normal state, while change is something extraordinary.

Using another conceptualisation of how actors and structure interact might also help clarifying how organizations operating on the boundary between several social worlds and are involved in creating and shaping norms and rules, might actually participate in shaping their members, that is, the market actors. Recently, Kjellberg and Helgesson and others have pointed out the advantages of taking on a markets-as-practices approach to the study of markets (eg. Andersson et al., 2008; Araujo & Brito, 1998; Callon, Millo, & Muniesa, 2007; Kjellberg & Helgesson, 2007a; Kjellberg & Helgesson, 2007b; Simakova & Neyland, 2008). Using this perspective allow us to analyse how markets are being continuously realized in, and constituted by practice. Several of these articles build on the notion of performativity, i.e. how theories while used by actors can constitute in making markets more like the theoretic ideal types (Callon, 1998, 2007). As opposed to the institutional perspective, the basic assumption is instead that change is the normal state, while stability is achieved through constant work. This difference makes this framework appropriate to capture the role of business associations (and others) as continuously creating and recreating markets and exchanges.

Strongly associated with this perspective is also a radically different idea of the structure-actor divide. In constructivist market studies, there is no division made between structure (institution) and actor. Instead the simultaneous creation is stressed. Agency, which denotes the capacity to act, and hence replace actor and structure, is regarded a precarious outcome of the joint action of individuals, surrounding and devices. It is not the structure or the individual that explains actions, or enables actions, but rather a combination of actors, things and devices (Callon, Méadel, & Rabeharisoa, 2002; Law, 1994). This is partly a methodological statement, since this directs attention to practices; How are actors configured?; i.e. how do they achieve agency. Agency is a result of the devices in the shape of computer programmes, forms and the other actors and their networks. This way of understanding agency gives room for a conceptualisation of the multiplicity of actors and how "actants whose configurations share some entity are subsumed under *different* actor labels, thus producing overlapping *actors*" (Andersson et al., 2008 p 84, italics in original).

This perspective enables us to analyse whether business associations not only creates a frame of rules, but also can be used to create agency for firms, and thereby, shape actors. Let me elaborate on an example. It is well known within marketing studies that it is often quite complicated to define the size and boundaries for a specific market, and to decide to what market a particular exchange should be ascribed (Easton, 1988; Levitt, 1960; Liljenberg, 2004; Scherer & Ross, 1990). In practice this can often turn into a problem when a lawsuit is to be settled. For instance, in order to decide whether a company is allowed to merge or not, the market share has to be decided so that the purchase does not shrew the competitiveness of the market – but what then is the relevant market?

This problem has relevance for business associations too. Membership in business associations is a fairly complex affair. Firms often hold membership in several different associations. Associations are themselves often members of national confederations. Moreover, they are part of European business associations, and international associations. While interviewing ten Swedish associations of different size and in different industries, I found that they often held membership in several European associations, and that this was the normal procedure. One reason for this was that the industry boundaries were not the same on a European level as on a Swedish. The appropriate market, industry or interest that could constitute the basis for common action was different, and the Swedish associations found that they were better off while being members in several. According to Streeck and Visser, many large firms chose to have their interests represented directly in the EU, but this does not mean that they refrain from membership (Streeck & Visser, 2006). Even multinational firms are often members in business associations, and might depend on national support in their originate countries when they are going

international (Jacobi, 2003). There are many different suggestions as to why firms join associations. For instance, they might want to have their interests represented or they might need the services and expertise provided (Bennett & Ramsden, 2007). In the following I will suggest that it can also be understood in relation to the question of how the boundaries of markets are set and the need for firms to achieve a certain kind of agency, and manifest themselves as members of several markets. Being a member of several business associations allows for companies to be affiliated to several conceptualisations of their market, both in order to represent themselves as a part of a certain way of portraying the market, and to be represented by the association.

Identity-adding as co-creation of markets and actor

Identity is one way of referring to the aforementioned representation of the actor and the market. Ahrne and Brunsson (2005) use the term meta-organization to denote organizations such as business associations, as they have other organizations as members. Ahrne and Brunsson claim that one reason for an organization to join a meta-organization, be it a non-governmental organization, an environment association or a business association, is to link up to the identity of that meta organization. This identity can be used as a 'family name'. The first name is the identity of the firm itself. The family name associates the organization to a particular environment. The membership can bring credibility to the environment related identity through the monitoring of its members. The introduction of rules are thus supposed to guarantee that the members are indeed worthy of their family name (Ahrne & Brunsson, 2008). This theorization is similar to Goffman's (1959) theories of how people perform different roles, and how they find that there often is a pre-existing role that dictates part of their performance. The difference is that we here speak of organizations, not individuals.

If we go back to the law case, and the problems of demarcating the boundaries of a market, the membership can be understood as a way of joining a market, of adding an identity as a part of the particular market. As a firm can be a member of several associations simultaneously, this allows them to take on several different market actor identities simultaneously. Associations in the EU are rarely divided into the same industries as are business associations locally, since different ways of separating exchanges and categorise them are relevant in different European countries. An industry that constitutes a marginal part of the general market in the EU might be very large in a particular country and vice versa. This means that specific issues that are relevant for a specific firm might be handled in different associations on a national and European level. Above we saw how firms often are members of several associations, and these associations are in their turn members of another set or associations.

What Ahrne and Brunsson depicts as organizations' need to orchestrate their environment, Simakova and Neyland (2008) has described as an act of narrative co-construction of a future market. They show how tellable stories constructed by the market department, can help configure the new technology invented and prepare it for the market while presenting an organising, tellable, narrative. In the studied company the use of the technology invented was not set from the beginning, but was constructed along with the tellable story. Moreover, this is done simultaneously as the potential customers are pre-configured by means of a compelling story about the same technology, that is intended to make it understandable for them. The future market, the future customers and the product are thus configured. What Simakova and Neyland points at here are two interesting things: how market departments function in two directions, both inwards the company and outwards, and how markets and products are co-constructed. In a similar way business associations can be active in providing members with identity, and thus create them and the market they are represented as a part of. To associate oneself to a market is also to represent the market. As has been argued by Kjellberg and Helgesson (2007b) to represent a market is a way of co-creating it.

Concluding remarks: Identity, actor or agency

I have so far related to the representation of the company as a provision of identity. I would argue that it is theoretically fruitful to term it agency. Primarily since this directs attention to practices. Secondly,

because a firm might consist of various identities in different contexts, which does not mean that they are schizophrenic or that the firm therefore has a problem with their image. The term identity entails that multiple identities would be a problem or something unwanted. However, I would assume that multiple agency is necessary and unavoidable. To be able to act in various contexts, to be represented as many different things, to orient important issues to politicians' discourses is something highly desirable for a firm. An organization is rarely one person, but more accurately described as a multitude of exchanges, relations, offices and employees. Therefore the organization will inevitably take on different identities – or agencies. Andersson et al. (2008) discusses how the recognition of actor configurations, in exchange related situations. Their example demonstrates how patterns of action can be stabilised when a computerised device is used. The ritualised and formalised activities between employees and an e-procurement service create a new actor, although not a human or a legal actor. This kind of actor is an actor in force of its agency, it is the agency that defines the actor rather than the other way around. Arguably, it could be more appropriate to refer to the configured actor as partly stabilized agency rather than an actor. In the case of business associations they can provide firms with the capacity to act in a wide range of situations. They contribute to the association of the firm to a particular market, but also provides capacities to act as an actor on a specific market. Understanding agency in this way provide us with a new perspective both of how business associations are useful for their members, and of how organizations are provided with multiple agency. This conceptualisation entails that we, for analytical reasons do not consider actors such as firms and business associations as predefined actors, but as a bundle of more or less temporary stabilizations of agency. It has been useful within empirical decision theory to deconstruct the idea of predefined preferences, since this provides a more accurate description of how real decisions are made in many organizations. In a similar way, a deconstruction of actors, will allow to focus on how actors are configured, i.e. how agency is created, in various instances. Using a term as agency can also be helpful in leaving associations to human mind aside. Even though it is very convenient to use terms as identity, organizations are not individuals, and they are able to act in many ways and contexts simultaneously. To acknowledge how this is achieved in practice through various arrangements, and how these different agencies are then coordinated could be a very fruitful approach for the study of market actors and organizations in general.

As an illustration of how the notion of agency can contribute, I will shortly discuss how agency can help focusing on the materiality of rhetorics and on the agency shaping capacity of industry spanning standards. This provision of agency seems to sometimes be even more radical than merely the add-on identity that Ahrne and Brunsson suggest. It could be seen as a rhetorics as well as a very physical representation of the firm. I have already mentioned how a business association for the service sector, created a new associations. In fact they have done this several times. In a similar way this association has reorganised their members and made temporary groups that are suppose to demonstrate an aspect that they want to make visible to politicians through framing their members as answers to their needs. These organizations are sometimes formal, but they are more often rhetoric made physical through meetings, seminars or media activities. These organizations – formal and informal – seem to provide their members with agency. They are not the firm given that the firm is represented as an actor, but they are giving agency to the firm, and they do this through very material arrangements, such as people in a room.

Beside representation, business associations are, as aforementioned, involved in a plethora of different activities. Many of which it could be said that they either provide associations with agency or tinker with the possibilities to act through configuring either the market actor or the qualities of the goods exchanged or the rules of exchange. For instance, Berk and Schneiberg have shown how business associations were very active in transforming an industry through providing reconceptualisations of how to count on costs and prices. They studied American business associations in the early 19th century and showed how one of introduced a project of 'open prices and costs'. The firms agreed to reveal prices and cost to each other and openly discuss them. A dramatic price variation was discovered, which made firms aware of the differences of their cost accounting methods, and opened up discussions on the relationship between cost accounting and productivity. The goal of these attempts was to foster price

stability. They were followed by other associations that also acted as ‘development associations’ (Berk & Schneiberg, 2005).

Even though the associations hardly invented the new ways of understanding economic budgeting, they were involved in spreading it and providing the devices. MacKenzie (2006) and Callon et al.(2007) among others claim that devices of this kind are an elemental part of providing actors with calculative agency, thereby contributing to the creation of market actors. A device, is in this sense, a model, a spatial or temporal arrangement that allows for a certain kind of agency. An invoice, a spreadsheet or a chart would be one example, another would be the shelves and the arrangements in a supermarket. (Callon & Muniesa, 2005 p 1231). Business associations are often involved in the creation of new industry spanning methods and standards, although not all attempts are successful. These standards can deal with definitions of the qualities a product can or should have, of how an exchange should be organized or of what responsibilities that fall on the customer or the seller respectively. These activities could all be termed the creation of agency.

Hopefully the reader now agrees when I say that there is a similitude in the practices that create these agencies which points to the fact that the practices behind it is two different, but yet similar aspects of the achievements of boundarians working in boundary associations.

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