

## The Meaning of Markets

*To know values is to know the meaning of the market - Charles Dow*

The classic complaint about markets is that they encourage harmful or unvirtuous behavior or characteristics, violate rights, distribute goods in the wrong way, or are exploitative. This is what people typically have in mind when they complain that child labor should be banned, or that sex shouldn't be available for purchase, or that the sale of blood diamonds fuels bloody wars.

A quite different concern is that trade in particular goods or services *carries the wrong meaning*. In such cases, the purported problem is expressive. Market exchanges, the worry goes, communicate an improper attitude towards marketed goods, or to associated individuals, commodities, or practices. As Marx writes of a market system, "all that is holy is profaned..."<sup>1</sup> This wrongful expression is argued by many to generate a weighty reason against participating in or having markets in particular goods. Consider Michael Sandel's claim that placing bets on the death of other persons expresses a "dehumanizing attitude," or that the sale of children would "express...the wrong way of valuing them," even if the children were not mistreated.<sup>2</sup> Or take Jacob Sparks' concern that, "when we allow the buying and selling of certain goods, we are expressing inappropriate attitudes...towards the closely related goods that can't be bought or sold."<sup>3</sup> Similar claims have been advanced by Elizabeth Anderson, Debra Satz, Peter Singer, Margaret Radin, and others.<sup>4</sup> In each case, the issue is with what market trades impart.

### An overview of semiotic complaints

Such *semiotic* concerns come in roughly two forms. *Purely expressive* objections contend that market exchanges are wrong simply in light of what the transactions convey.<sup>5</sup> You ought, the theory goes, act in accordance with norms that express the right attitude towards persons or other sources of value. You behave wrongfully when your comportment communicates the wrong standpoint. Imagine, for example, that you carelessly toss cigarette butts onto your neighbor's lawn or permit your dog to poop in their yard without cleaning up. In doing so, you express casual disregard for your neighbor's interests. This harm is independent of any further injuries that they might suffer. Your neighbor would experience the same unpleasant inconvenience if detritus blew into their yard during a windstorm or wild animals eliminated in their grass, but they would suffer no expressive damage.<sup>6</sup>

According to purely expressive accounts, market norms are problematic because they express the wrong attitude towards people or goods. By selling or buying a given item or permitting a market in such goods you say something that you ought not communicate—that the person should be valued in the wrong way or is not worthy of a kind of respect that they are due. In some cases, the troubling expression is a byproduct of a further wrongful and potentially revisable feature of the market in question or the society in which it is embedded. If the production process of tee-shirts is recognized to be exploitative,

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<sup>1</sup> Karl Marx, *The Community Manifesto*, 410.

<sup>2</sup> Sandel, *What Money Can't Buy*, 10

<sup>3</sup> Sparks, "Can't Buy Me Love," 349.

<sup>4</sup> Singer, "Altruism and Commerce," (1973); Radin, "Market In-alienability," (1987); Satz, *Why Some Things Should Not be for Sale*, (2010); Walzer, *Spheres of Justice*, (1982).

<sup>5</sup> This distinction is advanced by David Dick. David G. Dick, "Impure Semiotic Objections to Markets."

<sup>6</sup> Elizabeth Anderson and Richard Pildes develop a similar Example. Anderson and Pildes, "Expressive Theories of Law: A General Restatement," 1527

then all-else being equal your knowing participation in the sale or purchase of tee-shirts expresses your lack of concern for the relevant abuse. Or if the market is in goods that violate others' rights (slavery, unjustly stolen items) your willing engagement will communicate your disinterest in the injustice. To take part in such a market thus signals the wrong kind of attitude. In those cases, the problematic meaning can potentially be resolved by correcting the relevant wrongful behavior.

In other instances, the problematic meaning of market exchanges is said to stem not from some further wrong made possible by market exchange, committed by market participants, or taken advantage of by market actors, but instead from a (purportedly) fundamental feature of marketization. On these accounts something in the structure of markets or market transactions expresses something inappropriate even if the market is not otherwise wrongly ordered. Thus, for example, Anthony Booth argues that the existence of a market inevitably signals that a good can be compared to others, and that a mechanism for comparison exists.<sup>7</sup> Since—or so he contends—there are cases where signaling such value-choice is wrong because it contradicts important choices we have made about who we are as an individual or society--markets can be communicatively problematic even when they do not generate or reflect further wrongs or harms. In a similar vein, Jacob Sparks argues that participation in markets necessarily expresses a preference for the market version of a good (sex, for example) over a related good that cannot be bought and sold (such as intimacy).<sup>8</sup> When such an attitude proves wrongful, our engagement in markets is inappropriate, even if the transaction does not otherwise cause injury (if, for example, markets in sex do not harm participants.) As Elizabeth Anderson writes, “When women’s labor is treated as a commodity, the women who perform it are degraded.”<sup>9</sup>

By contrast, *impure semiotic* objections contend that a given market expression is wrong because it results in downstream harm. In these cases the wrongness of the expression is not—or at least need not be—parasitic on some further message-independent injury—for example, that the marketed good involves coercion or exploitation. Instead, the issue is that the expression triggers harm not itself inherent to the communication. Imagine, for example, that my parents disown me because I swear, or speak French.

Many semiotic complaints can be read in this way. Elizabeth Anderson, for example, contends that the existence of markets in particular goods makes it impossible for people to value those goods in accordance with non-marketized norms like respect, love, or reverence. Commodification, she argues, should be restricted when doing so proves necessary to preserve peoples' freedom to value different goods in different ways. This is true, she thinks, of goods like sex, since the existence of commodified sexuality is (on her view) incompatible with protecting separate spheres where sexual relations can be valued as shared personal goods. In a similar vein, Deborah Satz suggests that certain non-marketized norms like having to wait your turn in line have come to represent a public statement of our equality, such that violations undermine the value of equal citizenship.<sup>10</sup> Similarly, she argues that given extant cultural views about gender identity, markets in women’s reproductive labor will predictably contribute to women as a class possessing unequal social standing.<sup>11</sup> Notice that both claims point not to a wrong in the expression itself (Anderson does not suggest that a use-model of valuing is inherently inappropriate for sex) but to further harms that can be caused by the signal in question.

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<sup>7</sup> Booth, “The Real Symbolic Limit of Markets.”

<sup>8</sup> Sparks, “Can’t Buy Me Love.”

<sup>9</sup> Anderson, “Is Women’s Labor a Commodity?”, 75

<sup>10</sup> Satz, *Why Some Things Should Not Be for Sale.*,107

<sup>11</sup> Satz.146-147.

### The case against market meaning

Semiotic complaints raise two important ethical questions. First, are there goods in which as a matter of policy we should not have markets? Many have argued on these grounds that we ought not permit the sale of organs, reproduction, or sex. Second, are there markets in which we ourselves ought not participate whether or not the markets should be permitted to exist? Does it, for example, follow from these semiotic claims that *I* should not purchase a kidney?

Jason Brennan and Peter Jaworski have recently sought to answer both questions by advancing an argument intended to undermine all semiotic objections. They contend that semiotic concerns never justify restrictions on markets and provide no reason for individuals to avoid market exchanges. Instead, they hold, each of us should conscientiously reject or ignore the expressive code according to which the exchange is communicatively problematic.

Brennan and Jaworski's case against semiotic objections proceeds in three moves. First, they argue that the meaning of market exchanges is *contingent*. Communicative meaning is dependent on semiotic norms. In the United States, connecting the thumb and index finger into a circle while raising your other fingers denotes approval or signifies that the speaker or object in question is doing fine. By contrast, in Plains Indian Sign language, the gesture refers to the sun. In the Balkans, the move communicates support for the notion of a United Macedonia. In much of the Middle East and South America, the gesture is considered vulgar. In each case, the meaning of the movement reflects the operative semiotic norms in a particular community. As the norm changes across context, so too does what the expression conveys. Markets, they contend, are no different. "The meaning of market exchanges," they write, "...is probably just a contingent, relative social construct."<sup>12</sup>

The second step, the *productivity thesis* contends that markets produce valuable consequences. What they seem to have in mind is that markets systematically generate distributive benefits. Roughly (or so they suggest) markets incentivize the production and allocation of resources in a more efficient matter, often dramatically to the good. People die every year waiting for a kidney transplant who might receive one if they were able to purchase an organ.<sup>13</sup> As Marx points out, the opening of markets, "has created more massive and more colossal productive forces than have all preceding generations."<sup>14</sup>

The third step consists in a *cost-benefit* analysis.<sup>15</sup> Semiotic norms, Brennan and Jaworski hold, have no ethical significance. If they come at the cost of other goods, they should be altered. "The duty to comply," they argue, "disappears or is silenced, not merely defeated or outweighed."<sup>16</sup> On these grounds, they conclude that semiotic objections should be altogether rejected as bases for limiting markets or avoiding market exchanges. The norms that underlie distaste for marketization have no value to weigh against the productivity thesis and thus should be excised. Rather than banning or limiting trade, we should alter the meaning that we attribute to such exchange. To do otherwise, they suggest, would be actively immoral.<sup>17</sup>

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<sup>12</sup> Brennan and Jaworski, "Markets without Symbolic Limits."1061

<sup>13</sup> Becker and Elías, "Introducing Incentives in the Market for Live and Cadaveric Organ Donations."

<sup>14</sup> Marx, "The Communist Manifesto."

<sup>15</sup> Brennan and Jaworski 2016, 69.

<sup>16</sup> Brennan and Jaworski, *Markets without Limits*,73

<sup>17</sup> Brennan and Jaworski.,83.

It is questionable whether the semiotic norms surrounding marketization are as mutable as Brennan and Jaworski suggest. Challenges come in two forms. The first has to do with whether *here and now* market exchanges can mean something different than they do. It isn't clear that *we* can alter the meaning attached to markets, even if those meanings could have been otherwise than they are. It may be that *our* norms are no longer open to revision, for cultural or psychological reasons. As Elizabeth Anderson writes, "the proposed reformation of meaning is akin to asking us to speak FORTRAN instead of natural language."<sup>18</sup> Features of our cultural understanding may prove sticky given our particular history and social practices.<sup>19</sup> Markets have had their meaning for a very long time. Moreover, insofar as market exchanges' negative meaning is attributable to problematic features of extant markets—that they are, for example, exploitative, or traffic in goods that ought not be exchanged—the semiotic norm will likely persist unless the market can be cleansed of these troubling features. As Jeffrey Moriarty notes of Brennan and Jaworski, "they need to give us reason to suppose that the ideal markets are ones that can be brought into existence, given economic and political realities."<sup>20</sup> This may not prove possible.

Second, it is unclear whether *the meaning of markets* is sufficiently contingent to satisfy Brennan and Jaworski's demands. Semiotic meanings are social in nature. What meanings are available to a given act or action depend in part on the context in which the act is situated. This is true on a wide variety of theories of meaning.<sup>21</sup> I cannot intend to communicate P to you by saying X in some context where I know X will be reasonably taken by observers to mean something besides P. Widely accepted features of conventions around X or X-related behaviors that shape whether a large number of people will believe the behavior in question to have the relevant significance may therefore fix or limit the meanings that can be associated with the act. To change the connotation attached to market exchange, it may thus be necessary to alter the way that markets themselves are organized, or the manner in which people characteristically behave in such contexts so that attendant observers will have different evidence with regards to the meaning of market-related signals.

Many proponents of semiotic objections contend that this is not possible—or at least, that it is not possible to do so while recognizably retaining something that constitutes a market exchange. It is conventional to take such interactions as consisting in voluntary exchanges for consideration—an approach that Brennan and Jaworski endorse.<sup>22</sup> As part of the exchange, the seller receives property rights in the good or service that constitutes consideration. This need not tell us anything significant about the interpersonal attitudes of exchange participants.<sup>23</sup> Andrea can engage in such an exchange with Frank while remaining utterly indifferent to him or while caring deeply about his well-being. But it does tell us something about the participants' attitudes towards the goods exchanged. Specifically, it tells us that the Andrea is willing to exchange the relevant good for at least some price, that a mechanism for comparison

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<sup>18</sup> Anderson, *Value in Ethics and Economics*, 77.

<sup>19</sup> Bigoni et al., "Amoral Familism, Social Capital, or Trust? The Behavioral Foundations of the Italian North-South Divide."; Dan Kahn, "Gentle Nudges vs. Hard Shoves: Solving the Sticky Norms Problem."

<sup>20</sup> Moriarty, "Wanted Positive Arguments for Markets.", 644

<sup>21</sup> Binmore, "Do Conventions Need to Be Common Knowledge?"; Grice, "Meaning."; Searle, *Making the Social World.*; Searle.; Lewis, *Philosophical Papers Volume I*.

<sup>22</sup> See, for example, *Mills v. Wyman*, 20 Mass. 207, (Mass. 1825); Brennan and Jaworski note that in a normal market, "both parties volunteer an exchange because both expect to profit." Brennan and Jaworski, "If You Can Reply for Money, You Can Reply for Free."

<sup>23</sup> It does presumably tell us that the participants possess a minimal level of respect such that they view each other as sufficiently reliable exchange-partners, at least as constrained by existing practices.

has been created, that Andrea is willing to exchange the good in her possession for the good to be acquired and thus (at least if she does not additionally act outside the market context) that she values that good more than alternative versions available without consideration, and that she believes Frank has compatible preferences.<sup>24</sup> So long as this conventional structure of norms remain in place, critics argue that markets may necessarily express at least this, and (they contend) it is this expression that proves problematic .

Brennan and Jaworski reject the first concern—that market meaning cannot in practice be changed—as a reason to avoid participation in markets. When confronted with a sticky market norm, they argue that we should nonetheless plunge ahead. “Must one adhere to that code,” they ask, “refraining from actions that express disrespect or bad motives? We don’t see why. Instead, it seems more plausible that one may conscientiously reject or ignore the code.”<sup>25</sup> In such cases, they hold, the duty to comply is not simply outweighed—it disappears altogether.

Especially given their consequentialist framework, it is puzzling how they can reach this conclusion. The view that the wrongness of problematic expressions drops out altogether seems to rest on the dual notions that the only cost involved is expressive, and that this cost is either weightless or should be treated as such since it is merely the result of a stubborn resistance by at least some market participants to adapt a more beneficial interpretive scheme. You ought not, the logic seems to be, accede to a kidnapper’s demands. However, this way of thinking ignores potentially significant costs that are not silenced, may reflect no wrongdoing, and seem to deserve – at the very least—inclusion in a consequentialist calculation.

First, a problematic expression can cause further downstream harms.<sup>26</sup> For example, those who are subject to such statements might *have their feelings hurt* or *come to think of themselves as not deserving of respect*. These outcomes may ensue even if the victim recognizes that the cultural meaning of the expression is contingent. On many accounts, the badness of these harms is independent of the wrongness of the expression. One might worry about them even in instances where there was no underlying wrongdoing, as in a case where somebody experiences a bout of depression that lowers their self-respect or where somebody mishears an utterance and mistakenly believes themselves to have been gravely insulted. The fact that an expressive act *causes* some harm would seem to deserve inclusion in the calculus of our behavior, just as much as the fact that a market exchange *causes* a benefit (that people get sexual experiences they desire, or kidneys they need.) This is especially true given that many of the benefits Brennan and Jaworski attribute to markets themselves result from people otherwise failing to act as they ought. Perhaps each of us should donate our kidneys without the incentives that markets typically provide.

In some cases, the harm caused might be extensive. If my selling a piece of art will be viewed as such an expression of cultural disrespect that my sister will be vulnerable to an honor killing, it seems flippant to think I should simply ignore the code. Brennan and Jaworski thus cannot reasonably say that concerns stemming from semiotic objections just disappear from the calculation of how would-be market participants ought to behave. Many semiotic objections take just this form. Elizabeth Anderson, for example, holds that markets in certain goods are problematic because they interfere with individuals’ ability to value goods in ways that are at odds with market norms. This can have troubling consequences.

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<sup>24</sup> These are consistent with the expressive value that Booth and Sparks attribute to market exchange.

<sup>25</sup> Brennan and Jaworski, *Markets without Limits*, 72.

<sup>26</sup> David Dick refers to such harm as *impure semiotic reasons*. David G. Dick, “Impure Semiotic Objections to Markets.”

“Artists,” she worries, “may pander to public taste rather than challenging it...Doctors may perform profitable but medically unwarranted services on ignorant or demanding patients.<sup>27</sup>” Perhaps in particular cases these harms are outweighed by the value that markets generate. But surely such concerns should be included in any calculation. If the semiotic meaning of market exchange proves in-practice closed to revision, and if the damage caused by the existence of market exchanges in light of these norms is sufficiently great, then we have good reason as a society to avoid marketization, and as individuals to abjure market participation, even as we may also have reason to decry those who make it the case that such downstream harms follow from the relevant expression.

### **The case for (contingent) market meaning**

In response to the second concern—that markets have a fundamental nature that cannot be revised—Brennan and Jaworski suggest that the debate is merely semantic. If markets exchanges are taken to require negative features like, for example, purely selfish motivations, then they argue that they are defenders of *schmarkets*, similarly structured practices in which people buy and sell goods and services but lack all the relevant bad attitudes. Thus, they contend, conceptual claims about the nature of markets add no further support to semiotic objections. They are merely trivial complaints about the meaning of terms.

This response, however, moves too quickly. In theory—and perhaps even in practice—the structure of markets could be revised so as to avoid all problematic semiotic norms. But we have very good reason not to do so. Indeed, the strength of Brennan and Jaworski’s case for markets relies on our retaining certain extant features of market exchange that generate semiotic concerns. While they may be contingent, they are highly desirable. The productive value of markets, in addition to other goods, rests on their presence. The cost of excising these features in favor of *schmarkets* that lack them would be awful.<sup>28</sup>

Consider first the fact that markets indicate a participant’s willingness to exchange a particular good type or token at a given rate. I will sell you a banana for a pear, or an hour of my physical labor for twenty-five dollars. In the absence of other defeating conditions, a market trade at a given price signals a general openness to swapping these goods at this rate of exchange. If I will sell you an hour of my time for that consideration, then I will do the same for another all else being equal. This norm is entirely contingent. We can envision a *schmarket* in which participants’ behavior utterly fails to track their general willingness to exchange but instead follows some other pattern—a random toss of a coin perhaps, or a favor to close friends.

However, such a *schmarket* would lack an extremely valuable property. Exchanges that reflect such generalized willingness are a key component of a price system in which goods are efficiently distributed in accordance with preference and availability and individuals are able to adjust their behavior in response to the anticipated actions of others. In such a system prices reflect particular individuals’ willingness to trade, as signaled by their actual exchanges. The price of a stay at a resort in the Bahamas signals that these locations are coveted- which they are. The price of a rotting tomato signals that people don’t much like inedible produce—which they don’t. Such a system solves a complex

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<sup>27</sup> Anderson, *Value and Economics*, 148

<sup>28</sup> This idea is developed in Barry Maguire and Brookes Brown, “Markets, Interpersonal Practices, and Signal Distortion.”

coordination problem, making effective distribution possible even in the absence of clear knowledge of the billions of different factors that influence need and production.<sup>29</sup>

Indeed, the productivity thesis on which Brennan and Jaworski base their consequentialist defense of markets rests on just this property. The very fact that markets are able to effectively allocate organs, or toothpaste, or generate new acne research is a result of this contingent structure. To give up this feature might solve several semiotic concerns, but it would drain the productivity thesis of its value.

This is equally true of other contingent market norms. Take the fact that markets are understood to be a form of *closed* exchange. Once both parties have completed their end of the bargain—I have given you an apple, you have given me a tuba—they retain no special normative relation or obligation to each other. In this way, they differ from non-market interpersonal relations. If I go to a restaurant, eat, and pay my check complete with tip, our special reflexive duties are complete. No normative residue remains. This is quite different than if you invite me to dinner at your house. Even if I arrive with a bottle of wine I seem to have acquired a further responsibility—that of issuing a similar invitation in the future. By contrast, closed interactions serve the valuable role of allowing parties to walk away without further burden. As the actor Charlie Sheen said of sex-workers, “I don’t pay them for sex. I pay them to go away.”<sup>30</sup>

In this way, the *impersonality* of traditional market exchanges also facilitates valuable relations. Sometimes we want to be seen by those around us, to be known, to have close personal contacts. And sometimes we want to buy tampons and morning coffee without gearing ourselves up for social pleasantries. Or we want to explore new identities, personalities, hobbies, or ways of being without the need to expose and justify ourselves to those with whom we share intimate relational connections. There are many reasons one might want to acquire condoms, pregnancy tests, bibles without disclosure to close relations. Or you might simply want to save your limited reserves of memory for the birthdays and favorite cookie-type of long-standing friends rather than feeling obliged to recall the wedding anniversary of your waiter, or the woman who changes your oil.

The impersonal nature of such exchanges come with many additional advantages. These norms help alleviate experiences of discrimination.<sup>31</sup> The cashier at CVS does not know my political or sexual orientation. When I buy a used car online nobody need know that I’m a woman.

Impersonal norms also make possible *substitutability*. I need not feel guilty if I buy my latte from a different barista or shop altogether. I can turn down an Amazon purchase in favor of one from Target if the price is lower. I can switch carpet cleaners if the quality drops. I can walk away from a house purchase if the inspection reveals issues I simply do not wish to address. In this sense impersonal market norms make the price system more efficient, and consequently (market failures aside) encourages a more successful and effective satisfaction of preferences. They can also enhance our freedom by freeing us from dependency on particular others. As Adam Smith notes, “Each tradesman...derives his subsistence from the employment, not of one, but of a hundred or a thousand different customers...therefore, he is not absolutely dependent on any of them.”<sup>32</sup>

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<sup>29</sup> Hayek (1945)

<sup>30</sup> <https://freakonomics.com/2009/02/06/i-pay-them-to-leave/>

<sup>31</sup> See for example, Ekpo et al., “Narratives of Technology Consumption in the Face of Marketplace Discrimination.”

<sup>32</sup> Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*.420.

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This efficiency is enhanced by the fact that markets are typically characterized by a norm of *incentive-compatibility*. Market actors routinely respond to remunerative offers by agreeing to behave in ways they might otherwise dis-prefer. They move across the country to take a more profitable job, they show up to work on weekend mornings, or stay for an extra hour. Adam Smith writes, “it is not from the benevolence of the butcher, the brewer or the baker that we get our dinner, but from their regard to their own interest.”<sup>33</sup> That is to say, they act *for consideration*. As Brennan and Jaworski write of kidney markets, for example, “you aren’t kind enough to give away your extra kidney to a stranger, but you might do it for \$100,000.”<sup>34</sup>

These norms are all contingent. We have others on offer. By contrast, personal relationships are typically *open-ended*. Far from closing off an exchange, the return of a favor by some consideration deepens and extends the participants’ mutual obligations. If I give you a birthday gift after you take care of me when I am ill, our normative relationship is not complete. Far from it. If anything, I have accepted an invitation to further responsibility. If you call feeling down because your dog died, I ought to pick up and stay on the line.

Our personal relations are equally *un-substitutable*. I do not simply swap out one friend for another because on this day she will be able to go for a walk with slightly less chit-chat, or sub in another spouse for the week because she is better at doing the dishes. In contrast to my relationship to the person who sold me a candy bar, our personal relations are characterized by quite *general* commitments. It matters to me if my brother is trying to learn Italian, if his boss is a jerk, if he is thinking of moving to Montana. I care about whether he cheats on his spouse, keeps his promises to friends, changes religion. Though we may receive items of value from our friends and family, we do not typically act *for consideration*. Our friends are not invited to dinner because they will bring wine. Instead, these exchanges operate as signals of ongoing care and invitations to deepened interpersonal commitment. Entirely different signals are necessary if we wish to cease ongoing relations.

Of course, there is overlap. An unscrupulous scallywag might seek to ape friendship with an important or wealthy persona in the hope of receiving gifts or promotions. Upon repeat exposure, you might become friends with your hair-dresser. You might feel a commitment to your local coffeeshop, even if its prices rise and its quality drops. You might be rightfully angry if your friend accepts a dozen rides to the airport without offering anything in return. Still, the nature of our relations and the norms that govern them are characteristically profoundly different in the two cases.

But they need not be. In this, Brennan and Jaworski are correct. We could replace these market norms with *schmarket* norms that resemble those that currently govern personal relationships. Recall, however, that what a given act can express is in part a function of how reasonable observers interpret extant semiotic norms. To change the evidence on which they base their interpretations would require a profound rejiggering of how we relate in market exchanges. We could choose to purchase goods only from those with whom we have close personal relationships, or with whom we wish to signal an interest in developing such relations. We could refuse to act on self-advantageous incentives. We could feel bound to take the time to learn about the personal lives of the people who sell us soap. We could make brand loyalty into a normative commitment rather than a marketing slogan.

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<sup>33</sup> Smith, *An Inquiry into the Nature and the Causes of the Wealth of Nations*.

<sup>34</sup> Brennan and Jaworski, *Markets without Limits*.8.



All of this, however, would come at a weighty loss. We have already seen some of what is at stake. The impersonal, closed, relations that characterize market norms are not less valuable than the personal, open, intimate relations that characterize many non-market norms. They are simply different. They provide different value and play different roles in our lives. We have reason to desire each operate in the sphere where they provide the most good. Something of great value would be lost if our children, spouses, and friends were utterly substitutable, if our obligations to them were limited and closed. But something would be equally amiss if our peer reviewers, police officers, referees abided by the norms of close personal relationships—traded favors, privileged their friends. In advancing the productivity thesis, Brennan and Jaworski show us why the extant norms of the market are so valuable in the sphere of exchange. They have, as Marx wrote, allowed us to accompli[sh] wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals.”<sup>35</sup>

What is at issue is thus not merely a semantic debate about the features of markets. The fact that the meaning of market exchanges is contingent does not answer the question of *whether we ought to change them*. In many cases, we should not. There are often good reasons why we should not do what would be required to alter the semiotic norms market exchanges convey. We have reason to value markets over schmarkets.

But retaining these structures and patterns of behavior carries costs. We have already seen some of them. Given the structure and social norms surrounding markets, market exchanges carry *real signals*—including that the desired relation is impersonal, closed, substitutable, incentive-compatible, up for comparison, and so on. They are thus often inappropriate expressions towards certain goods or persons—just as critics have complained. Some relationships or goods do not have—and should not be treated as having—this kind of value. It is perfectly fine to communicate to your boss that you will leave if somebody else offers an extra five thousand dollars. It is much more troubling to tell your wife the same. There is something deeply problematic in the declaration that you will pay a friend a hundred dollars to come take care of you when you are ill (or in accepting such an offer) or in the announcement that you will sell your child for \$100,000. Since markets carry (desirably, if contingently) real meaning, these actions are expressions of *disrespect*. In addition to their problematic meaning, such market signals may carry *real* downstream consequences—just as critics contend.

### **The signaling cost of market exchange**

Among the costs that must be considered in marketization are *semiotic* costs. The contingency thesis is consistent with the existence of a range of constraints on semiotic norms. There exist not only—as we have seen—rational limitations on the interpretation of signals in light of extant semiotic and social norms and structures, but also constraints on *combinations* of semiotic norms. For a semiotic norm to obtain, enough people in the relevant context need to believe that the action has the relevant significance, if it is indeed to have that significance. Though any given behavior X could have signaled Y, and any given behavior could have signaled Z, it does not follow that the same act can successfully signal both Y and Z. Imagine that the same signal meant both “yes” and “no.”

Signal distortion can occur in any number of ways. The most relevant for our purposes is when there exists *signal overlap*. Such situations are characterized by the fact that a reasonable interpreter will have their credence in one reading of an action’s meaning undermined by the existence of competing evidence stemming from some other norm. This can happen in any number of cases. Imagine that your

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<sup>35</sup> Marx and Engels, *Communist Manifesto*, (1848).

mother sends you a sweater that you greatly like. You want to tell her how much you enjoy the gift. But you are both aware that norms of politeness would require that you express profuse appreciation for the gift even if you found it horrendous. The overlap between the signals associated with politeness and those associated with enjoyment make it impossible for you to successfully express your genuine appreciation, or for your mother to uptake your signal with any confidence.<sup>36</sup> Or consider the (quite probably apocryphal story) that when John F. Kennedy was elected President he declared to those gathered around him, “I will never make another friend.” His point was not that he would never again enjoy another person’s company, nor they his, but rather that he would never again have sufficiently good evidence that an apparent signal of friendship was sincere.

As organized—and as we have reason to want them organized—markets are associated with a cluster of semiotic norms at odds with signaling other important values. Consider *caring*. It is an important signal of your care for another person that you are willing to act for that person’s benefit at a cost to yourself. This is why it matters that you immediately fly across the country when you learn their father died, or that you go out of your way to cook them chicken soup when they are ill, or give up your free afternoon to watch their child when they have an important meeting. Of course, there are other ways you might signal your relationship. You could simply *say* that you care. But as economists tell us, talk is cheap. The taking on of a cost to another’s benefit serves as a much more compelling signal.

The norms of the market interfere with this signal. Recall, as Brennan and Jaworski endorse, a market exchange consists in exchange *for adequate consideration*. When you act to somebody’s benefit for such consideration, you do not do so at a cost to yourself. The exchange thus cannot effectively signal that you care. This is quite different from saying that you do not, in fact, care, or even that the exchange constitutes evidence that you do not care. However, the existence of such exchange does entail that an action that would previously have operated as a significant signal of care (flying across the country, bringing chicken soup, exposing yourself to potential illness) no longer does so. It is reasonable to believe that you would act for the money even if you did not care a jot. The caring signal is defeated.

The same is true of other valuable expressions, such as those involved in testimony and esteem. In each case, marketization interferes with an act’s ability to signal the relevant attitude. Take, for example, Brennan and Jaworski’s own choice to sell acknowledgments in their book. As they make clear, for different amounts you can be listed in silver, gold, or platinum acknowledgements. Upon discovering this, a reader is no longer warranted in treating a given person’s inclusion in the acknowledgments as a signal that they are, in fact, being granted the kind of appreciation as an intellectual contributor to a project that is typically associated with the status. Indeed, Brennan and Jaworski seem to acknowledge this by including a distinctly separate category of acknowledgments that at least give the impression of having not been for sale. The discovery that this too had been marketized would similarly undermine these signals. If the practice of such sales become widespread common knowledge, acknowledgements sections would—all else being equal—no longer be able to effectively operate as signals of appreciation, even by those who did not themselves commodify inclusion. The signal would be defeated.

There are thus trade-offs between the values produced by market exchanges, and those found in other social practices. The existence of markets in particular acts will disrupt the ability of these actions to operate as signals of care, or esteem, or testimony. This endangers or weakens a range of valuable social practices—friendship, expert testimony, the reactive attitudes of morality.

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<sup>36</sup> This is likely not a coincidence. Such norms of politeness are *parasitic* on norms of appreciation.

These costs justify limitations on marketization. Markets in everything would come at great loss. We thus have reason to value non-market norms alongside market exchanges. Precisely what limits are justified requires further research and weighing of the relevant costs and benefits—but the costs are real and the calculations should be done. Notice that Brennan and Jaworski cannot simply fall back on the claim that these harms are the result of contingent semiotic norms. Nothing in the argument relies on the notion that markets have any essential meaning. Instead, alongside market advocates, the claim applauds the vast (and equally contingent) achievements of markets. These costs are the price of that triumph.

This argument answers another recent concern about semiotic objections to markets—that they aren't really about *expression*. Instead, the complaint goes, the concern such objections raise is with what markets *indicate*—that participants have objectionable attitudes, or desires.<sup>37</sup> It is such mis-valuing, not the expression itself that is the cause for criticism.

This objection, however, is parasitic on the contingency thesis we have just discussed. *Indication*, on this approach, is a causal relationship. The smell of smoke indicates the presence of fire because it is causally linked to the existence of fire. By contrast, *expression* requires engagement with a convention-based communicative practice, as when the billowing of white smoke from the Vatican declares the selection of a new pope. Complaints about what markets express are, Julian Jonker claims, really complaints about what markets *indicate*. The logic is this. If the grounds of the complaint were really semiotic, the concern would depend on the meaning of a market exchange. Since the meaning of a communicative act is mutable, this would be alterable simply by changing the relevant expressive norm. However, Jonker notes, in arguing against marketization, critics suggest that the meaning of market exchanges is *non-revisable*. In doing so, he argues, they reveal that their concern is really about what markets indicate.

Our discussion above reveals the weakness in this concern. Market meaning, we have seen, is contingent. However, we have reason to keep markets structured in such a way that market exchanges communicate certain values. The claim that market meaning is non-revisable is thus best understood as noting that we have strong reason to retain norms that will sustain the relevant (contingent) expressive meanings. Read this way, to undertake a market exchange is to engage with a communicative practice. Complaints about the application of this practice to particular contexts are thus complaints about expression, not indication.

## Conclusion

Though the contention that semiotic objections fail because the meaning of market exchanges is contingent ultimately collapses, the debate raises important worries about the state of our understanding of market expression. To date, discussions of the communicative content embedded in markets have interacted surprisingly little both with more general theorizing about meaning, and with empirical evidence about our communicative norms and practices of marketization. To what extent, for example, does the communicative content of a market exchange depend on facts about the intentions of the participants, localized social conventions, and so on?<sup>38</sup> How do real-world market participants actually

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<sup>37</sup> Jonker, "The Meaning of a Market and the Meaning of 'Meaning.'"

<sup>38</sup> Other debates about expressive limitations on action, such as those guiding expressive theories of law, have to date done more to consider these concerns. See, for example, Simon Blackburn, "Group Minds and Expressive Harms;" Matthew Adler, "Expressive Theories of Law: A Skeptical Overview,;" Alan Strudler, "The Power of Expressive Theories of Law."

interpret offers of exchange? What do they aim to signal? What precisely are the costs at stake in a given expression? How do different ways of structuring markets shape the reasonable interpretation of an exchange's communicative meaning? What are the consequences of different background structures (for example, a universal basic income, or equal bargaining power)?

Supporters and opponents of marketization must each do more to answer these questions. The strength of semiotic complaints against the marketization of particular goods depend on the results. Given the complex array of values in play, the outcome of such arguments are likely to be highly individualized to particular goods—the costs and benefits of markets in acknowledgments and kidney are, after all, quite different. However, far from being a mark against semiotic objections, these questions suggest a rich vein for future research.

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