

localized producers and localized consumers, though remote from one another, become connected, and also mirror emerging practices at macro levels in ways that reinforce fairness.

References and further reading

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FASHION, SOCIOLOGY OF

Fashion has not been a major topic for economic sociology. In developed societies, however, where cultural objects become central in production and consumption, fashion must be included into the analysis to understand a large number of markets, and the economy at large.

Fashion as a phenomenon may reach back to the dawn of social life, but became common with the emergence of consumer society. Social scientist showed interest in fashion in the late nineteenth century. A broad sociological definition of fashion is 'being first with the latest'. This means that fashion trends undulate, and that an object, style or activity is popular among a clique of people, and that others view this clique as having the status to set the fashion. Once a phenomenon is too common, it is no longer in fashion. By being viewed as set-

ting fashion trends, individuals may secure their status positions, and fashion is in this way linked to social structure. Though fashion initially concerned clothes, this definition reflects the fact that analysis of fashion can and has been made on a vast variety of social objects, and not just *haute couture*. Having said this, clothes are still the main objects of analysis. The sociological approach ultimately grounds the explanation of fashion in social relations and meaning of the objects. Fashion is not identical with fads, which lack a history of undulations, and can be analysed as other processes of diffusion. In addition to the sociological approach to fashion, there is the semiotic approach used by for example art-historians, which sees clothes as text, possible to analyse as language. Finally, there is also anthropological, psychological and economic literature on fashion.

Simmel was the first sociologist to carefully study fashion (1904), and his work constitutes the natural starting point for sociologists approaching the subject. At the time when he wrote, many social scientists saw fashion as the epitome of irrationality. But according to Simmel, fashion is set by the upper class as a means of making distinctions. His treatment of fashion is an example of individualism versus collectivism (the group), and Simmel takes it for granted that fashion is a process that spreads from the upper class to the lower segments of society through adaptation. When fashion diffuses down to the middle class, the upper class has to come up with a new style to uphold the social distinctions. Simmel thinks that this exemplifies the idea of the cyclic change of fashion: There is a fixed need among the people in the upper classes to change their clothing to distinguish themselves from ordinary people. Simmel also states that outside the western hemisphere, customs are stronger and status is fixed by social structure like castes. Much has happened since Simmel wrote on fashion, though the consumer side of fashion

still is what occupies most social scientists, which is the focus of the sociology of **consumption** literature. Today, the idea to correlate the length of skirts with business cycles, which was common around World War II, is completely outmoded.

Though fashion is a way of displaying difference and a way of study inequality, every individual has some power to affect the current fashion. However, some individuals and groups have more influence than others. To this one must add that subgroups, of cultural or ethnic derivation, may have different reference groups, and that there are local, regional and national variations of fashion. The so-called Cultural Study approach has analysed this. Simmel's idea that fashion mainly is a western phenomenon began to change in the 1970s and many developing countries have since then been included in the logic of fashion. This means that people in many corners of the world take part in the process of affecting, in many cases through production, and being affected by fashion, though the leading European fashion designers dominate.

The production side of fashion is sometimes neglected. Production refers to creation of fashion, designer labels, marketing and similar topics. Relatively few studies have analysed fashion as an important dimension in economic life, despite the fact that the garment industry is one of the largest in the world. Paul Hirsch (1972) developed a framework for analysing products that are not sold for their utility function, but rather for their aesthetic or expressive value. Hirsch shows that industries producing things that are subject to the vagaries of fashion are organized to cope with the uncertainty firms face.

The next step in the development of the scientific knowledge of fashion is made by, among others, Pierre **Bourdieu**, who integrates the consumer and producer sides of fashion. Bourdieu finds that the rate of investment in fashion, both in terms of how one keeps up with fashion by reading fash-

ion magazines, and to what degree one buys clothes through mail order catalogues or in popular stores, is connected to the composition of capital of the individual. This is related to the symbolic value of designer labels. Cultural production, including fashion, is an important aspect in economies of modern and postmodern societies. This means that both the producers and the consumers of objects in many cases must be accounted for in a sociological analysis of fashion (Aspers 2001).

In sum, Simmel's 'trickle down' theory of fashion has step by step been replaced with a model that accounts also for bottom-up effects and for horizontal differentiation; this process has taken place simultaneously with an increased pace of undulations of fashion. Fashion is not merely relevant for the consumption economy, it is also important for generating and recreation of social structure. Finally, it is a social phenomenon that is deeply embedded in the economy, both on the consumption and on the production side.

References and further reading

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FINANCIAL MARKETS

Financial markets can be said to lie at the heart of the capitalist system in the sense that they provide much of the capital raised by firms. These markets supply financing for industry, agriculture, home mortgages and government debt. They typically exhi-