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March 1 – Harvard University, WJH 1550

***Imagined Futures. Fictional Expectations and Capitalist Dynamics.***

How do sellers set prices in legally contested markets, which are rife with uncertainty engendered by conflicting legal regimes created by different levels of the federalist state? Although much research in economic sociology has recognized that states create markets, very little has explicitly recognized that many states are federalist systems, with nested levels of government; even less has studied how legal regimes (federalist or not) affect price-setting. Here, we build on sociological and legal scholarship to develop a theory of how legal regimes at multiple levels of government affect price-setting. We argue that conflict between levels of government increases uncertainty for sellers, which affects prices by increasing costs and hindering the development of pricing norms. We apply this theory to a legally critical battleground for federalism: state-legal markets for medical marijuana in the United States. Consistent with this theory, we find that when state-level and federal-level legal regimes conflict, marijuana prices are higher and more dispersed than when state-level and federal-level legal regimes are aligned. We also find that conflict between state and local governments results in higher and more dispersed marijuana prices. We conclude by considering how multi-level models of legal regimes might be applied to other markets.