

THE EMBEDDED MARKET · CHAPTER ONE

The Sound a Market Makes

Chapter One of The Embedded Market

Ammanuel Santa Anna

Santa Anna, A. (2026). The Sound a Market Makes. In The Embedded Market (ch. 1). Luminous Prosperity Inc. https://doi.org/10.5281/zenodo.23989475
Luminous Library Licence 1.0 · business.hautelumiere.life/library/the-embedded-market

THE LICENCE

The Sound a Market Makes
Chapter One of The Embedded Market

The Embedded Market · Chapter One. The Haute Lumière edition, 2026. © 2026 Ammanuel Santa Anna.

Released under the Luminous Library Licence 1.0 (hautelumiere.life/library-licence): free to read, share, quote, translate and teach, non-commercially, for ever. The Author keeps every other right, including every commercial right.

Published by Luminous Prosperity Inc. for Haute Lumière. Author ORCID 0009-0008-3244-0306.

DOI 10.5281/zenodo.23989475 · this record's page: business.hautelumiere.life/library/the-embedded-market/01-the-sound-a-market-makes/

Please cite as: Santa Anna, A. (2026). The Sound a Market Makes. In The Embedded Market (ch. 1). Luminous Prosperity Inc. https://doi.org/10.5281/zenodo.23989475

Chapter One of The Embedded Market. The whole book, with every chapter, is at business.hautelumiere.life/library/the-embedded-market (DOI https://doi.org/10.5281/zenodo.23989474).

A NOTE BEFORE YOU READ

This work is offered for education and leadership development. It is not legal, financial, accounting, investment, medical or psychological advice; take the advice of a qualified professional who knows your circumstances. Companies and events are described from the public record as the author understands it; characterisations are the author's analysis. Examples are illustrative, and no particular outcome is promised to any reader.

ABSTRACT

Every organisation learns about itself in two ways. Somebody leaves, or somebody speaks. The first is the signal economists trust. A customer stops buying, a supplier stops supplying, an employee hands in a letter, a member lets a subscription lapse. The number moves. It is clean, it is impersonal, and it arrives whether anyone wanted it or not. The second is the signal people trust, and are often afraid of. A customer writes to say what went wrong. A supplier's engineer rings to say the part will not hold. A nurse tells a ward manager that the call bells are going unanswered. A child at the kitchen table says that something at school is not right. It is messy, it costs the speaker something, and it can be ignored.

CHAPTER ONE

The Sound a Market Makes



The Sound a Market Makes

HAUTE LUMIÈRE · THE EMBEDDED MARKET · CHAPTER ONE

Two signals

Every organisation learns about itself in two ways. Somebody leaves, or somebody speaks.

The first is the signal economists trust. A customer stops buying, a supplier stops supplying, an employee hands in a letter, a member lets a subscription lapse. The number moves. It is clean, it is impersonal, and it arrives whether anyone wanted it or not. The second is the signal people trust, and are often afraid of. A customer writes to say what went wrong. A supplier's engineer rings to say the part will not hold. A nurse tells a ward manager that the call bells are going unanswered. A child at the kitchen table says that something at school is not right. It is messy, it costs the speaker something, and it can be ignored.

In 1970 the economist Albert O. Hirschman gave these two signals their names, *exit* and *voice*, and added a third word, *loyalty*, for the attachment that keeps a person in place long enough for their voice to work. Twenty-six years earlier, the economic historian Karl Polanyi had written a book about what happens to a whole society when the first signal is allowed to replace the second: when land, labour and money are treated as if they were ordinary goods, and the relationships that used to carry information about them are reduced to prices. He called the condition the market had lost *embeddedness*, and he called his book *The Great Transformation*.

This book is about those two ideas, and about one claim that joins them. A market, a firm or a household is always held inside something: a web of relationships, laws, customs and obligations. Whether it is held well can be read in a single place. It can be read in what happens when somebody has something to say.

Why these two books, and why now

It would be possible to write a book about embeddedness entirely in the past tense. Polanyi wrote about the nineteenth century and the catastrophe that followed it. Hirschman wrote about a declining railway in Nigeria and the logic of firms and states in the 1960s. Both books are old enough to be quoted more often than read.

They are worth reading now for a plain reason. Most of the relationships in modern economic life have been rebuilt, over the past forty years, to carry exit well and voice poorly. A purchase is a click; leaving is another click. A supplier is chosen by an auction that will run again next year. Work is arranged in contracts that are easy to end and hard to speak inside. A customer who has a complaint is routed to a form, and the form has a field for a reference number and no field for what actually happened. None of this was designed to silence anybody. Much of it was designed, quite reasonably, to make exchange faster, cheaper and less dependent on any particular person. What it changed, along the way, was the ratio of the two signals. The organisations most people deal with, and most people work for, now learn about trouble later than they used to, and from the people least able to tell them why.

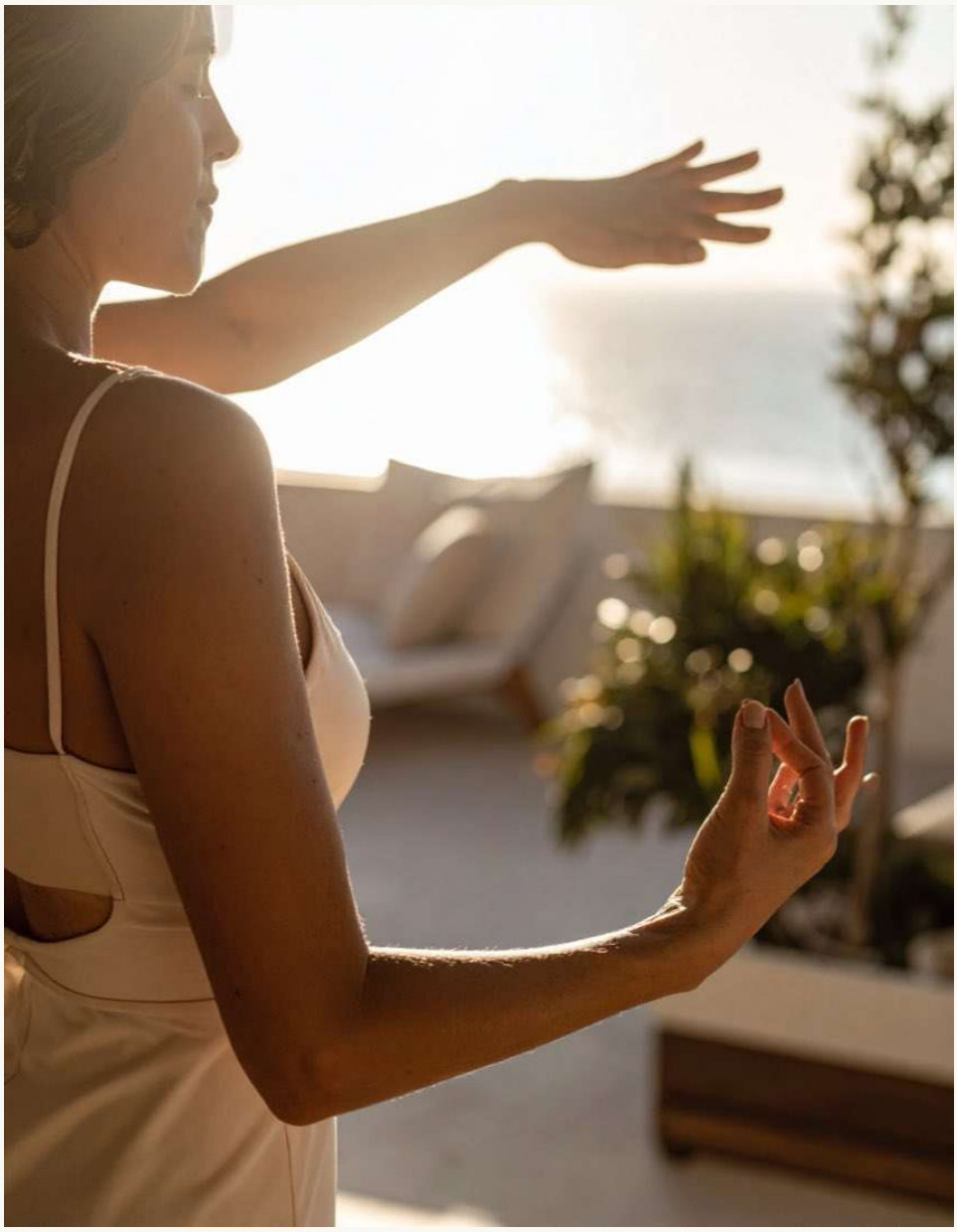
Polanyi's word for the result was *disembedding*. Hirschman's description of it was a firm that loses its most demanding customers first, and declines quietly because those who remain cannot or will not speak. Ammanuel Santa Anna's *Ecstatic Economics* gives the inside view of the same condition, in a sentence about what a healthy organisation does instead: "Vitality-centered organizations cultivate feedback richness — multiple channels, rapid loops, and the psychological safety to deliver and receive honest information without punishment." Every phrase in that sentence is a design choice, and every one of them can be built or neglected.

What this book is, and what it is not

This book began as five articles in *Ecstatic Economics*, the Haute Lumière lineage on money and markets read as living systems. The articles traced the two ideas to their sources, set out the fair critiques of each, read them through the house's living-systems lens, worked them through one public case, and joined them to the rest of the series. Those five are here, revised into chapters 2 to 5 and chapter 13, with the repetition between them removed and each keeping the practical tool it ended on.

The rest is new, and it is the reason for the book. Three chapters take public cases further than an article could: the plant at Fremont, California, where General Motors and Toyota ran a factory together and a cord on the assembly line changed what workers were willing to say (chapter 6); the fire that destroyed the only source of a brake part for every Toyota car in 1997, and the network of firms that rebuilt production in days because they had been talking to each other for years (chapter 7); and the hospital in Staffordshire, England, whose patients and families complained for years before a public inquiry found that nobody had listened (chapter 8). Then a field manual, written so a leader can run the whole sequence over thirteen weeks (chapter 9). A chapter on measurement, on what to count and how to read it honestly (chapter 10). A chapter on the hard conversations, with boards, staff and their representatives, suppliers, families and sceptics, with words a person can say aloud (chapter 11). A chapter for one household and its money (chapter 12). A closing reading of the whole (chapter 14), and a workbook that gathers every tool in the book into one place, with a ninety-day plan (chapter 15).

It is not a book against markets. Neither Polanyi nor Hirschman was against markets, and the book takes care to say where a price carries everything that needs to be known and an arm's-length relationship is the right one. It is not a book of investment advice, and nothing in it promises a result. It describes a pattern that research has found in particular places, and it gives a reader the instruments to find out whether the pattern holds where they are.



Who it is for

HAUTE LUMIÈRE · THE EMBEDDED MARKET · CHAPTER ONE

Who it is for

It is written for three readers, and most people are at least two of them.

The leader who runs something: a firm, a team, a school, a hospital ward, a practice, a board. For this reader the book is practical. Its question is whether the organisation hears what it is being told, and how to tell. A leader who suspects that they are learning about problems from customers, auditors or resignations rather than from the people closest to the work will find the instruments here.

The buyer and the partner, the person who manages relationships with other organisations: suppliers, contractors, distributors, funders. For this reader the book's centre is chapter 5 and chapter 7, and the protocol that keeps a problem conversation apart from a price conversation.

The household: a person, a couple, a family, deciding which of the dozen relationships that hold their life together deserve to be held closely, and making it safe for the people at their own table to say when something is wrong. Chapter 12 is theirs, and most of the tools in the book have a household form.

The shape of the argument

The argument moves in four steps.

The first is the origin. Chapter 2 reads Polanyi and Hirschman from the books themselves, corrects three things commonly said about them, and argues that embeddedness and voice are one idea seen from two distances: Polanyi from outside, at the scale of a society; Hirschman from inside, at the scale of an organisation and the people who depend on it.

The second is the critique. Chapter 3 takes the strongest objections seriously, from the historians who showed that Polanyi had trusted a partial report to the researchers who showed that voice is expensive, unevenly distributed and easy to silence, and finds in each objection a better way to use the idea.

The third is the reading. Chapter 4 reads the whole through the house's lens: the embedding as a membrane that holds an organism together and tells it what is happening outside; exit and voice as the out-breath and in-breath of one rhythm; loyalty as a root system. The reading is an instrument for noticing, and the chapter says plainly what it cannot measure.

The fourth is the practice, which is most of the book: three cases, the manual, the measurement, the conversations, the household, and the workbook.



A note on the voice of the book

HAUTE LUMIÈRE · THE EMBEDDED MARKET · CHAPTER ONE

A note on the voice of the book

Santa Anna's *Organizational Soul Work* contains a sentence that could stand at the head of every chapter that follows: "Organizational silence is not the absence of speech." Organisations are full of speech. Meetings, reports, surveys, newsletters, town halls. What goes missing is particular: the truth that would have changed a decision, said early enough to change it. The same book puts the cost of that absence in ten words: "The truth you cannot speak becomes the architecture you inhabit."

This book tries to be useful about that architecture. It names its sources. Every figure in it comes from a published study or a public report, and the notes say which. Where the research is thin, or where a source could not be checked word for word, the text says so. Composite examples, assembled from ordinary situations, are labelled as composites in the paragraph where they appear. The living-systems reading is offered as a lens. The tools are offered as tools: each one can be run in an afternoon or an hour, and each says how to read what it shows.

The wider argument behind the book, that an economy is a living system that lives in the body as well as in the ledger, is set out at full length in Santa Anna's *Ecstatic Economics*, part of the Luminous Developmental Canon. This book is one of its companions, alongside volumes on the commons, on gift and reciprocity, on employee ownership and on gainsharing, and it refers to them where they meet. All of them are kept at hautelumiere.life.

A railway, a cord, a fire, a ward

Four scenes recur in the chapters that follow, and it may help to have them in mind from the start.

A railway in Nigeria in the 1960s, losing its freight to lorries, and not improving, because the shippers who cared most about service were the ones who left first.

A cord on an assembly line in California, above each work station, that any worker could pull to stop the line when something was wrong, installed in a plant that had once had a backlog of more than a thousand grievances.

A fire on the first of February 1997, in a factory in Kariya, Japan, that made a small valve every Toyota car needed, with two or three days of stock on hand.

A hospital ward in Stafford, England, where relatives wrote and spoke and were not heard, until a public inquiry found that complaints from patients, relatives and staff had not been listened to, and made two hundred and ninety recommendations.

Each scene is a membrane: the edge where an organisation meets the people it depends on. In two of them the edge carried only exit, and the organisation learned too late. In two it carried voice, and the organisation learned in time. The difference was not intelligence, money or goodwill. It was whether somebody with something to say had a place to say it, and whether anybody had to listen.

That is the sound a market makes when it is held well. Not silence, and not noise. Somebody saying, in time, that something is wrong.

A note on method

Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* (Harvard University Press, 1970), is paraphrased throughout this book; no sentence of his is quoted, because the text could not be checked word for word. Karl Polanyi, *The Great Transformation* (Farrar & Rinehart, 1944), is quoted from the first edition. The sources for the four scenes are given in chapters 2, 6, 7 and 8.

Santa Anna, A. *Ecstatic Economics*, "Practical Applications: When Vitality Becomes Structure"; *Organizational Soul Work*, on organisational silence. The Luminous Developmental Canon.

The Sound a Market Makes

Ammanuel Santa Anna · Luminous Prosperity Inc. · Haute Lumière

Set in Cormorant Garamond and Manrope.

Read the Business Library at business.hautelumiere.life/library.

Luminous Library Licence 1.0 · hautelumiere.life/library-licence

REQUEST A CONVERSATION

business.hautelumiere.life/book/?kind=gainshare

The Business Library

business.hautelumiere.life/library/

The packages

hautelumiere.life/pricing/