Bringing Society Back In: Symbols, Practices, and Institutional Contradictions

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The social sciences are in the midst of a theoretical retreat from society. The retreat has taken two paths, one toward the utilitarian individual and the other toward the power-oriented organization. In this chapter we argue to the contrary, that it is not possible to understand individual or organizational behavior without locating it in a societal context. But to posit the exteriority of society in a nonfunctionalist, nondeterminist manner requires an alternative conception of society as an interinstitutional system. We conceive of institutions as both supraorganizational patterns of activity through which humans conduct their material life in time and space, and symbolic systems through which they categorize that activity and infuse it with meaning.

The central institutions of the contemporary capitalist West—capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion—shape individual preferences and organizational interests as well as the repertoire of behaviors by which they may attain them. These institutions are potentially contradictory and hence make multiple logics available to individuals and organizations. Individuals and organizations transform the institutional relations of society by exploiting these contradictions.

Retreat from Society: Society as Marketplace

The most radical retreat from society has been toward the instrumental, rational individual, whose choices in myriad exchanges are seen as the primary cause of societal arrangements. Public-choice theory, agency theory, rational-actor models, and the new institutional economics all reflect this premise. Rational-choice theorists derive organizational arrangements—whether party, state, family, or firm—from the rationality of individuals in exchange, each attempting to maximize his or her utility by exchanging scarce, usually material, resources. Organizational structures—like parliaments, municipalities, or

firms—are analyzed as arenas in which these scarce resources are produced and allocated, or as structured by the functional limits of exchange such as bounded rationality and the problems of achieving trust among strangers.

The new institutional economists argue that large corporate hierarchies emerge due to the difficulties of efficient exchange where transaction costs are high—those exchanges with uncertain outcomes, few actors, and highly localized knowledge (Williamson 1975). The origin and diffusion of these corporate hierarchies lie in their contribution to efficiency through reduced uncertainty and individual opportunism. Agency theorists analyze organizations as a network of voluntaristic contracts. Organizational structures are derived as solutions to problems of opportunism where self-interest and the costs of surveillance might otherwise interact to produce shirking (Alchian and Demsetz 1972; Moe 1984; Perrow 1986).

Similar arguments are made about the organization of the state as well as the groups and classes that would use its authority (Hechter 1983; Elster 1985). In the United States, for instance, public-choice theorists analyze the emergence of multiple municipalities in a metropolitan area as an efficient response to the problem of delivery of public goods to differentiated residential communities. In this market for public goods, the electoral patterns of voice and migratory choices of exit produce an equilibrium in which each municipality provides a bundle of public goods at a tax price which conforms to the preferences of the median voter (Borcherding and Deacon 1972; Deacon 1978).

Those who study individual behavior in precapitalist, prestate societies or in nonmarket, nonstate institutional arenas attempt to save the premise of individual instrumental rationality by expanding the sources of utility which individuals try to optimize: prestige, honor, power, holiness, security, wives, or whatever. Anthropologists typically assume that individuals economize on honor, whether they obey the rules by which it is measured and acquired, as in the case of Goode, who argues that people attempt to maximize esteem through social exchange, or manipulate the rules when it is to their benefit to do so, as in the case of Malinowski's Trobirianders or Leach's highland Burmese (Hatch 1989).

This line of analysis has been forcefully influenced by neoclassical economics, which has marginalized institutional analysis, opting instead for the elegant, deductive, and transhistorical models that that theory made possible. By bracketing the market, they could convert economics into a science of allocation and understand the market as a mechanism to aggregate preferences that came from elsewhere. Neoclassical economic theory takes preferences to be exogenous, ordered, and stable. The formation of preferences is outside the analytic concern of the discipline because, economists argue, individuals make independent, rational choices to maximize their utility. But once one moves away from material goods, calibrated through relative prices, the neoclassical apparatus is in dangerous waters precisely because it does not have a theory of

utility formation. Without priced commodities, the postulate of rational utility maximization quickly becomes tautological, a liberal trope, not subject to falsification. Economics cannot have a theory of utility formation because it understands individuals as the market constructs them or, more importantly, as the market enables them to constitute themselves (Friedland and Robertson 1990).

A market, we believe, is not simply an allocative mechanism but also an institutionally specific cultural system for generating and measuring value. Many of the most important dimensions of economic life—material security, prestige, meaningful work, sociability, craftsmanship—do not have explicit prices. The utilitarian and contractarian philosophical foundations of neoclassical economics operate with a means-ends, subject-object dualism which assumes that individuals are instrumentally rational, that they evaluate their participation in social relationships based upon the costs and benefits they impose upon them.

If voting appears to economists as a nonrational form of behavior when analyzed on a cost-benefit basis, the decision to work is no less problematic. Work provides identities as much as it provides bread for the table; participation in markets is as much an expression of who one is as what one wants. Economists typically assume that work is a disutility to be traded off against leisure or income. Work contains all kinds of positive utilities—whether as expression of an identity (I work or I am a metal worker), a relative performance (I am a good metal worker), social value (It is good to be a metal worker), gender (It is good for a man to be a metal worker), or social status (It is better to be a metal worker than a salesperson). These utilities are socially and historically structured. The extent to which there are problems monitoring, measuring, and controlling performance—the major determinants of the displacement of the market by bureaucratic hierarchies in transaction cost economic explanations—will be contingent upon the utilities that individuals obtain from work. Without a theory of utility formation, explanations of when activities will be coordinated through markets, hierarchies, or "clans" are inevitably limited. It is arguable that a market economy could not operate efficiently if individuals were really instrumentally egoistic, participating lawfully only when the probable benefits of guile are outweighed by their costs. Some contemporary market failures may in fact be the result of market success.

This failure to explain the formation of preferences is linked to the assumption of independent individuals who interact solely through exchange. If preferences are socially constructed, not only socialized but socially structured, then markets cannot operate in a Pareto optimal manner. The evidence of retrospective rationality, that people form preferences based upon the options open to them, explodes neoclassical welfare economics from the inside out. Then, markets are merely aggregating utilities which have been shaped by those markets themselves.

Moreover, utility formation is institutionally specific. Analysts who convert

all activities into marketlike activities, into problems of economization, argue that values should be formed and distributed with full cognizance of costs and benefits. A market relativizes all costs and benefits, and derives those costs and benefits from prices which must depend on the preexisting, market-based distribution of income. The marginalist approach, like the market itself, marginalizes power, in part, because it marginalizes meaning (Reddy 1987). Other institutional realms—families, states, religions—are more likely to generate values, and hence utilities, as absolutes which cannot be traded off against alternatives. Relativization through price transforms the bases of their coherence. Individuals are indeed confronted with instrumental choices within each of these institutional realms, and within each the exercise of choice expresses a different kind of individuality. Instrumental and expressive behavior are always linked. For example, a model that assumes that a household is a firm attempting to optimize output cannot account for the relatively invariant household division of labor between husband and wife, particularly the lack of male responsiveness to the time demands of household work (Berk 1985). As Berk argues, households not only produce goods, they produce gender, the "doing" of which is inseparable from the household's production function. Economists tend to argue that they study rational making of choices, while other social scientists study the irrational bases that prevent people from choosing. We argue that the opposition is not between rational and irrational, but between different transrational orders.

The State-Centered Approach

The other line of retreat from society has been toward the organization, whose drive toward rationalization and control over its environment and its consequent conflicts with other organizations are seen as primary. The dominant organizational theories isolate organizations from their institutional or societal contexts. Resource dependency theory assumes that organizations have strategic autonomy to negotiate the uncertain resources available in their environments in the interests of organizational survival and power (Pfeffer and Salancik 1978). The major counter theory, population ecology, deprives organizations of their strategic autonomy by converting society into an unspecified, abstract set of resources which are either lean or poor, fine-grained or coarse, turbulent or placid. The evolution of this environment selects, through differential birth and death rates, those organizational forms which effectively exploit the various niches the environment provides. Due to structural inertia, organizations are largely incapable of strategic adaptation. This model has little theory about the development of these niches, let alone their definition, which is independent of the organizations which occupy them. In these approaches, society is reduced to either an abstract environment or an interorganizational field.

Extending the logic of resource dependency theory, recent analyses of the state view it as a dominant organizational structure attempting to control a problematic international and domestic environment, thereby restructuring the society over which it claims to rule. Such an approach is an improvement over those which reduce the state to a representative government or an imperfect market medium. In the work of Theda Skocpol, the preeminent representative of this genre, the state is understood as the dominant organization within society, an organization with a "basic need to maintain control and order" (1985:9).

Skocpol is as obsessed with demonstrating potential state autonomy from societal forces, particularly class actors, as an earlier generation of political scientists and sociologists was with the policy relevance of partisan politics. In her model, the variables that explain state policy are those that affect the organizational capacities of the state. State autonomy varies across time, societies, and policy arenas, depending upon the resources—particularly financial ones—which the state controls.[1]

She asserts that the "extranational orientations of states, the challenges they may face in maintaining domestic order, and the organizational resources that collectivities of state officials may be able to draw on and deploy [are] . . . features of the state [which] help to *explain* autonomous state action" (1985:9, emphasis added). But these are not factors which explain autonomous state action; they are aspects of autonomous state action. A set of assumptions is transformed into a theory. This mode of argumentation reshuffles the major concepts embodied in the assumption of state autonomy by trying to define both the independent and dependent variables as state attributes, without resorting to any "societal" factors to help explain state actions.

Skocpol rejects "society-centered" theories because they convert the state into a captive instrument of voters, interest groups or classes, or into a functional medium which expresses the requirements of society whether ordered by class or consensus. Such approaches cannot understand the autonomy and independence of the state (1985:4). Thus she criticizes the neo-Marxist perspective, arguing that historical developments after World War I brought the state back in inexorably as an "autonomous organizational actor" (1985:6). "National macroeconomic management became the norm" and "public expenditures burgeoned" in all of the "advanced industrial capitalist democracies" (1985:6). This assumes what it is designed to show. Has macroeconomic management worked? Quite clearly not, as states have become vulnerable to cross-national flows of capital and commodities which have eroded their capacity to manage their national economies, to finance public expenditures, or to maintain the current regime in power. State structures and strategies can perdure because they are even less subject to selection mechanisms than are corporate forms. The size, structure, and strategies of states cannot a priori be used to justify a theoretical assertion about state autonomy. Without demonstrating their actual

causes and consequences, their origin and persistence cannot be used to defend the assertion of state autonomy.

Neither the origins nor the uses of state autonomy are just material problems in the technology of domination. State-centered theories tend to reduce the meaning of governance and political participation to interests in power or resources used by elites to elicit obedience and assent. Skocpol thus marginalized the meaning of participation in revolutions in order to avoid the assumption that societies are normatively integrated or that revolutions were somehow "made" by ideologically driven revolutionaries (1979). Thus it was possible for her to discuss the French revolution without ever considering the doctrine of natural rights or Catholicism.

In another example, Orloff and Skocpol explained why the United States was slower than Great Britain in developing a welfare state, stressing differences in party elite competition and state centralization (1984). Orloff and Skocpol appeal to the "logic of state-building, in the struggle of politicians for control and advantage, and in the expectations groups have about what states with specific organizational structures should or could do" (1984:746). Here, they introduce beliefs and values as "expectations," but the main emphasis is on elite strategies inside state organizations and political parties.

While the role of belief or ideology is recognized empirically, these disappear theoretically. Popular opinion is never referred to as a causal factor explaining the adoption of welfare programs. Yet references to what can only be regarded as widespread public beliefs are scattered throughout the essay: "climate of a broad elite and governmental acknowledgement of a problem"; "a firm negative presumption" in the New Deal Era about public spending; a "general reaction of Congress, along with local and economic interest groups"; a "public commitment in place" in Britain to welfare; Americans "doubted" or "feared" corruption and therefore opposed social spending; and "echoes of this revulsion (against governmental handouts) reverberated into the Progressive era." These formulations are all empirical recognition of symbols, belief systems, even values, as factors which shape state policy. However, they are not accorded theoretical status because they are assumed to be shaped by elites in state and party organizations, and at best are intervening variables between elite capacities and public policies. It may be true that public opinion is not a basis for party competition because, as they assume, parties select issues and shape policy alternatives for the mass electorate, not vice versa. However, state policies are not only technical solutions to material problems of control or resource extraction; they are rooted in changing conceptions of what the state is, what it can and should do. They thus argue that the "climate of opinion" among key elites in both the United States and Britain favored social insurance and pensions. These conceptions are not simply legitimations of what must be done; nor are they just blueprints shared by elites and those they rule about what

should be done. State power is rooted not only in the technologies of coercion and control, but in its symbolic organization.

Skocpol's view is from the commanding heights, at state headquarters where goals are formulated and strategic decisions made, not in the calculus of individuals and groups in the streets, fields, factories, or bedrooms nor in the institutional contradictions between capitalism, democracy, family, and state. State autonomy is asserted, its instances cataloged, but its origins remain opaque. Society is reduced to an untheorized environment, composed of organizational actors who control resources of relevance to state power. No larger system of interinstitutional relations constrains the structure and action of the state. Society has been reduced to an interorganizational field, the state to an autonomous organizational structure endowed with an abstract drive for power and control. The state's accumulation of resources and their conversion into autonomy or power, the challenge to state control, depend not simply on the iterations of a rational game for power, but upon the institutional structure of society which shapes the rule by which resources are accumulated, transformed into capacities for action, and made available as motives by which that action is made meaningful. Even in war, when the technologies of destruction count most, the categorical construction of us and them matters almost as much. Whether the enemy are to be subjugated or incorporated, a people without souls to be made into property, victims to be sacrificed on the top of large pyramids, an evil race to be destroyed—these are part of the symbolic technology of power. The institutional specificity of state power should be clearest at those times when it is being transformed. Starting with a deinstitutionalized organization, even if it is the state, one can only partially understand those transformations.

The Historical Limits of Reductionism

Our conceptions of individuals and organizations have been decisively shaped by institutional transformations. Take the example of the instrumental individual who maximizes income, utility, or whatever, although the point could be made for the power-oriented, rationalizing organization as well. Methodological individualism contends that only individual behavior is observable, that supraindividual social structures are nonobservable reifications. But the emergence of the individual as a category and the content of selfhood and rationality itself have all been historically and institutionally transformed. In the history of nations, Marcel Mauss remarked in his last essay, "those who have made of the human person a complete entity, independent of all others save God, are rare" (Mauss 1985:14).[2]

The historical transformation of individuality in ancient Greece is instructive. The ancient, preclassical Greek did not ascribe agency to an inner, unified personality or self (Barbu 1960; Snell 1960). The psychological language of

Homer's *Iliad* (8th century B.C.E) suggests that human beings did not imagine themselves as unique selves, whose motivations governed their behavior, but as internally fragmented, their behavior determined by gods (Snell 1960). Individuals saw themselves as expressions of the social roles they occupied. Over the course of three centuries, from Homer to Euripides, the individual emerged, his subjectivity valued, his personality heralded as an agency of rationality (Momigliano 1985).[3] This transformation is rooted in institutional changes which are strikingly familiar: the rise of a monetized commercial economy where the accumulation of wealth was divorced from birthright; the emergence of romantic love among both men and women;[4] the construction of states enforcing written laws which ascribed culpability to the individual rather than kin group; the achievement of a democratic order where the authority of the law was rooted in the assent of the citizenry; and the rise of a more personalized, as opposed to civic, religious system.

To derive these institutional transformations from the individuality they made possible is to return to the presociological individual derided by Emile Durkheim.[5] These institutions created, sacralized, and indeed provided the categories (intent, rights, rationality, liberty, guilt, madness, citizen, soul, love) through which individuality was lived. The modern state's fundamental duty, Durkheim wrote, was to "progressively call the individual into moral existence."[6] Without an autonomous, self-conscious individual, there could be no polis. But without the polis, individuality would mean something else.

As anthropologists have made clear, our notions of individual choice and agency are contingent modern products. Over and over again, ethnographers of non-Western societies report discursive knowledge and verbal accounts of self and other individuals which are more concrete, less abstract, more context-dependent than those in the contemporary West (Schweder and Bourne 1984; Levy 1973). People in many of these societies are less likely to conceptualize individuals independently of the roles they occupy and the contexts in which they are situated. Compared to the Western descriptions of persons, those in India, for instance, are temporally and spatially contingent on social context, not abstract attributes like honest or courageous. In these societies, an abstract conception of the individual as a unique entity, shorn of social context and worthy of value in and of himself, is either unknown or ill developed (Geertz 1975). The differences do not appear to be related to absences of linguistic tools, informational closure, or cognitive backwardness.[7] In Japan, a highly industrialized nation, the concept of individualism was a foreign introduction, for which there is still no adequate translation. Its translation still has the pejorative connotation of self-centeredness. For whatever reason, some societies do not conceptualize, let alone value, an abstract individual. Clearly the achievement of individuality was as much a cultural transformation as it was the natural outcome of the division of labor.

The Western experience of individuality, of choice, of freedom, has been in-

stitutionally and historically shaped by the emergence of capitalism, state, democracy, the nuclear family, and the Christian religion. Capitalism produces and distributes through individual exchanges of labor and capital and establishes factory regimes which provide individual workers with property rights in jobs (Burawoy 1983). The rise of the state progressively constituted the individual as an abstract legal subject with rights—specified independently of social structure—before the law, responsible for his or her actions, and through forms of communication which privatized the exchanges between state and society (Piven and Cloward 1980; Rokkan et al. 1970). These state-based constructions of the individual have been internationalized through the interaction of nation-states (Giddens 1986). The ideology and institutions of democracy exalt the autonomous rights of the individual to participate as a citizen in public life, in particular through secret individual ballots. The emergence of the nuclear family regulates mate selection on affective grounds independent of property, production, or politics. And the rise of Christianity posited the existence of a unique individual soul with an eternal disposition, whether or not that disposition could be influenced or revealed by behaviors on earth (Eisenstadt 1983).[8] As Paul's letter to the Galatians indicates, faith had replaced law as "our custodian": "But now that faith has come, we are no longer under a custodian; for in Christ Jesus you are all sons of God, through faith. . . . There is neither Jew nor Greek, there is neither slave nor free, there is neither male nor female, for you are all one in Christ Jesus" (Galatians 3.25–29). In Christianity, the historical individual has a relationship—however mediated—to God, and more important, to a sacred man in the person of Jesus. The church is symbolized as the body of Christ, a community of individuals on earth (Dumont 1982).[9]

One cannot derive a theory of society from the historical individuality that those institutional transformations created. The transhistorical individual cannot have ontological priority in the theoretical representation of society. Beginning with individuals as rational-instrumental actors takes as a theoretical premise an analytic category which has been shaped by institutional transformation. As a result, dominant institutional logics are imported in such a way as to become invisible assumptions. And as we argue, specifying the institutional bases of individual and organizational identities, interests, and actions is not simply a problem that plagues those who study societal transformation over the long durée. It is also a problem for contemporary social analysis.

The Autonomy of Levels

The project we propose is the development of a nonfunctionalist conception of society as a potentially contradictory interinstitutional system. An adequate social theory must work at three levels of analysis—individuals competing and negotiating, organizations in conflict and coordination, and institutions in con-

tradiction and interdependency. Institutions must be conceived of as simultaneously material and symbolic. However, no institutional order should be accorded causal primacy a priori. To restore meaning into social analysis in a way which is neither subjectivist, functionalist, nor teleological, the notion of institutional contradiction is vital.

As we argued in *Powers of Theory*, three levels—individuals, organizations, and society—constitute the home domain of the dominant theoretical perspectives in political sociology, that is, pluralist, managerial, and class (Alford and Friedland 1985).[10] Each theoretical perspective only theorizes the relationship between state and society from the level which constitutes its home domain.

Pluralists analyze individuals in competitive interaction constrained by consensual normative bonds, ultimately rooted in individual motivations, expectations, and systems of individual interaction. Managerialists analyze the formation, operation, and relationships between elite-controlled bureaucratic structures. These organizations have an autonomy both from the societal structures in which they are located and from the individuals who compose them, and attempt to rationalize the internal and external conditions of their existence. Class theorists analyze society in terms of the contradictions within and between institutions. Institutions cannot be analyzed in isolation from each other, but must be understood in their mutually dependent, yet contradictory relationships. The structure of capitalism, based upon private ownership and legally free wage workers, not only is internally contradictory, tending inevitably toward economic and political crisis, but is externally contradictory in its relationship to state, democracy, and family.

Each theory has a home domain of analysis where it *is* analytically powerful. Each theory empirically observes the other levels of analysis, but it does not theorize their emergent properties. For example, pluralists believe that the requisites of democracy in a labor union, a small town, and a capitalist nation-state are equivalent, or derive bureaucratic structure from the limits of individual exchange and competition. Managerial theorists derive the logic of capitalism from the requisites of rationalization of the bureaucratic firms that compose it. Class theorists have difficulty studying the bases of state autonomy, let alone the political organization of class. Each theoretical perspective has places it cannot see, territory it cannot map. While this typology was designed for mapping the terrain in political sociology, the problems it raises pertain to social theory in general.

Theories that make individuals primary tend, at the extreme, to become open-ended, solipsistic, and voluntaristic approaches in which the entire world is renegotiated in every social interaction. They are excessively subjectivist or posit abstract conceptions of human "nature" which are invariant across time and space—like utility maximization. Theories which make organizations central tend either to overstate an omnipresent, disembodied power which enables elites to discipline and punish without resistance, or to assume that they have

extraordinary latitude to make strategic choices determined only by their access to material resources. They will, for example, by an analysis of the state as the dominant organization, help us understand its capacities to make strategic choices, develop particular solutions to problems, and adopt effective interventions but not understand the range of variation within which those strategic choices are likely to vary nor the sources of the problems it must solve.

Those theories which make society primary tend toward a structural functionalism in which society has a deterministic relationship to individuals and organization. In evolutionary versions, the structural properties of the system point teleologically toward modernity, rationalization, or revolution. Thus the growth of state power in the West is variously understood as a response to the societal requisites of integration, the requirements of coordination, or socialization of the costs of capitalist crisis. In these functionalist approaches, the state is not theorized as an organization or a network of individuals and groups. Or democracy is understood as a natural form for an organic division of labor, a perfect mechanism by which to rationalize leadership succession, or the efficient shell for the hegemony of capitalism. The possible tensions between levels of analysis and institutional orders tend to be absent. Thus ironically most econometric models of individual behavior do not model individual variation as a measurement problem, treating it rather as a residual from a deterministic structural relationship.[11] Such theories are unable to specify the microfoundations of macrostructure, or vice versa.

All three levels of analysis are necessary to adequately understand society. Each level of analysis is equally an abstraction and a reification; each is implicated in the other; none is more "real" than any other.[12] Individual action can only be explained in a societal context, but that context can only be understood through individual consciousness and behavior. We conceive of these levels of analysis as "nested," where organization and institution specify progressively higher levels of constraint and opportunity for individual action. The relevant temporal frame in which it makes sense to study variation is longest for institutions and shortest for individuals. The relevant spatial extent over which activities can be organized is greatest for institutions and least for individuals. The symbolic world can only be constructed theoretically at the institutional level.

A New Institutionalism?

To position individuals and organizations in society, we require mediating concepts. The institutional level provides a critical bridge. Institutions are conventionally understood as supraorganizational patterns of organizing social life rooted in shared norms (Shibutani 1986:16). With its emphasis on an exterior normative, as opposed to an interior cognitive, order, this definition is inadequate.[13] To sustain heavy intellectual traffic, the notion of institution requires

reconstruction, and particularly a rethinking of the relationship between symbol and practice. We would argue that institutions must be reconceptualized as simultaneously material and ideal, systems of signs and symbols, rational and transrational. Institutions are supraorganizational patterns of human activity by which individuals and organizations produce and reproduce their material subsistence and organize time and space. They are also symbolic systems, ways of ordering reality, and thereby rendering experience of time and space meaningful. In this section, we critically review efforts in organizational theory to analyze the supraorganizational, normative sources of organizational structure. We then put forward an alternative conceptualization of institution, including the notion that society is constituted through multiple institutional logics.

The evidence suggests that patterns of individual and organizational behavior vary institutionally. Bureaucratic structures are not readily reproducible across sectors and nations. Studies of the adoption of new organizational forms—like the multidivisional form, personnel practices, and due process rights for employees in corporations or civil service in municipalities—find that while an organization's technical or social attributes may account for their early adoption, their effect declines over time. Thus, for example, analyzing the period 1880 to 1935, Tolbert and Zucker (1983) found that attributes of municipalities determined adoption of civil service procedures until 1915, after which their adoption was no longer contingent upon municipal attributes (see also Baron, Dobbin, and Jennings 1986). Once this form was institutionalized, its adoption became normative, a source of organizational legitimacy independent of its immediate organizational functionality, or any other criterion of internal rationality.

Thus organizational structures appear to be institutionally patterned in ways which cannot be explained by competitive interaction between organizations, technology, or organization-specific environmental conditions. The new institutionalists in organizational theory argue that the processes by which organizational forms tend toward homogenization cannot be explained by their contributions to efficiency, particularly as an organizational field evolves (DiMaggio and Powell 1983; Meyer 1981). Institutional analysts have specified the mechanisms—professionalization, state regulation, requirements for trust, mimicry under conditions of uncertain technology—by which institutionalization takes place. From an institutionalist perspective, organizations which adopt the appropriate forms perform well not because they are most efficient, but because these forms are most effective at eliciting resources from other organizations which take them to be legitimate. Conformism may secure access to resources, but not because of superior efficiency (DiMaggio and Powell 1983:154).

While institutionalists have studied the fact of organizational homogeneity and the mechanisms by which isomorphism is accomplished, they have not begun to study why the institutional arenas are patterned in the way that they are or

the conditions under which new institutional forms develop (DiMaggio and Powell 1983; Zucker 1983; Meyer and Hannan 1979; Meyer and Rowan 1977; Meyer and Scott 1983b). In short, they do not have the theoretical tools by which to understand the institutional content whose diffusion they do analyze, or the conditions under which particular forms are institutionalized or deinstitutionalized.

In part, that incapacity is due to models which posit a supraorganizational field which is normatively integrated, where the adoption of particular forms is not explained by the adaptive political actions of individuals or organizations. In an important essay, DiMaggio (1988a) calls for a synthesis of political and institutional approaches. Without politics, he argues, it is not possible to explain either the sources of institutionalization or deinstitutionalization.

DiMaggio argues that institutional models need not consider the interests and actions of actors because the models are most appropriate to those conditions where actors are unable either to recognize or rationally act upon their interests. Under these conditions, norms and preconscious assumptions about the nature of reality are likely to shape action independently of individual or organizational interests. Institutional theorists attempt to explain the diffusion of new organization forms. Uncertainties inherent in the technology (as in education or planning) or in the environment (as with rapid immigration) shape the diffusion of new organizational forms. Or the power of certain actors may cause organizational change, as when the inclusive authority of the state establishes due process procedures in employment (Edelman 1985).

But DiMaggio's analytic strategy does not adequately explain the success and failure of institutionalization. The approach assumes an institution-free conception of interest and power, and maintains the materialist-idealist dualism in which actors have objective interests, which can be understood independently of the actors' understandings. If actors do not understand their interests or how to realize them, they become susceptible to institutional influence. Or the approach implies that actors have material powers which enable them to enforce new institutional patterns on organizational and individual behaviors. For the institutionalists, defining the boundaries of an organizational field, within which there are strong pressures for conformity, is difficult and potentially tautological. The approach seems to assume that formal attributes of organizational fields can be specified independently of the institutional arena in which they are located. But, we would argue, it is the content of an institutional order that shapes the mechanisms by which organizations are able to conform or deviate from established patterns. These institutional orders, and the specific relations between them, delimit types of organizational fields.

The fundamental assumption is that when interests are stable, there is no need to explain their institutional origins. But the opposite may be true as well. Not only change, whether cataclysmic or glacial, but the stability of interests

must also be explained. Institutional sources must be found for the stability and routinization of interests just as much as their transformation.

A new theory of institutions is required, not because certain conditions require interest-free models, but because interests are institutionally shaped. Utility maximization, satisficing, income maximization, profit maximization, risk, power, even interest itself are all institutionally contingent. Thus Hirschman has argued that the concept of interest as rational self-centeredness on the part of prince and entrepreneur emerged in the seventeenth and eighteenth centuries with the institutional transformation of state and economy. Interest was construed as an alternative to the destructiveness of "passions" to which rulers and masses were subject. Hirschman argues that the interest concept itself played a "role . . . in shaping behavior codes for individual men and women in society" (Hirschman 1986:38).[14]

Today, the categories of material action, such as profit or debt, for example, are culturally and politically constructed categories whose definition changes historically with shifts in accounting procedures and tax laws.[15] For example, critics argue that contemporary accounting procedures which were developed for external financial reporting—which emphasize direct labor costs and short-term returns—have prevented large U.S. corporations from making the long-term investments in new capital equipment necessary to maintain competitiveness in the world market (Holusha 1987). The cultural constructions involved in U.S. capital markets in the definition of performance and risk are readily apparent to the players in that market, which makes them of no less material consequence. Thus recent regulatory pressures on U.S. financial intermediaries to report the market, as opposed to book, value of their assets and liabilities will affect both depositor and investor decision making. The initial social reconstruction of reality to avoid the material consequences of default through such conceptual devices as the rescheduling of debt and then the collective process by which Latin American loans were written off are illustrative. Or the stigmatization of junk bonds not used for takeovers and leveraged buyouts is a reflection of labeling of what constitutes investment-grade paper by powerful actors. This in turn raises the costs of capital for smaller firms. Material advantage is sought in terms of cultural categories which are institutionally located, frequently contested, and sometimes reordered. These categories become normative and thereby shape not only the calculus of utility maximization but probably the formation of preferences as well.[16] There is an instrumental politics to the ways in which the categories change, certainly, but once they have become institutionalized they shape the rules by which rationality is perceived and exercised.

The kinds of "politics" possible in different institutional arenas also depend upon societal structure. The limits, the instruments, and the structure of power vary institutionally. Those limits and how they change should be a key issue. It

is the institutional origins and consequences of uncertainty and power that are theoretically problematic.[17] Neither uncertainty nor power is sufficient to explain institutional transformation. Millions of women are today uncertain whether they shall ever find mates, but that has not led to institutional changes in marriage or the criteria of attractiveness or sexuality. Citizens are uncertain whether the next war will destroy us all, but that has not produced serious infringements on national sovereignty and national monopolies of the instruments of mass violence. States are more powerful today than ever before in terms of the reach of their administrative apparatus, yet they are unable to regulate effectively the deployment of the human and material resources within their territorial boundaries.

Uncertainty, risk, power, and interest can be conceptualized and measured independently of the institutional environment in which they are observed. But the analytic powers of such constructs must be specified. What constitutes uncertainty and hence the tolerable levels of risk are institutionally defined in historically specific ways. So too, just as power is a theoretically contested concept within the social sciences, power as concept and praxis is culturally and institutionally contingent. Thus, the persistent tendency for Americans to construct decentralized state structures, to separate governmental powers, to prevent the emergence of national banks, and to foster market regulation aimed at preventing market concentration derives in part from a culturally contingent concept of power, embedded in a notion of liberty derived from the original settlers' experience of a highly intrusive, regulative English state. The American concept of freedom is a negative one (freedom *from*), whereas the Continental European concept is a more positive one (freedom *to* or capacity), and hence facilitated the fashioning of concentrated institutional powers in pursuit of various objectives (Sharpe 1973a, 1973b). This institutional approach is not inconsistent with the impact of actors who occupied particular social locations, who had "interests" in particular structures. But American culture partially constituted those interests and provided symbolic resources upon which they could draw to defend them.

Institutional transformations are simultaneously material and symbolic transformations of the world. They involve not only shifts in the structure of power and interests, but in the definition of power and interest. DiMaggio makes this point when he says, "In other words, the institutionalization of an organizational form required institutional work to justify that form's public theory: legitimating accounts that organizational entrepreneurs advance about labor markets, consumer markets, expertise, and distinctive products or services" (1988a:25). A given public theory works when the world has been appropriately constructed. Categorical structures only make "sense" when they organize our lives. The deployment of material resources not only involves real material relations; it also communicates meanings. The inability of non-Western societies to absorb the technologies and material goods of the West

without profound cultural transformation indicates the problem. So does the West's inability to absorb non-Western values without material transformation.

DiMaggio is certainly right when he contends that institutional theory is not currently adequate to explain "the origins, reproduction, and disappearance of institutionalized social and organizational forms" (1988a:16). But we will not succeed by going back to utilitarian individuals anxious to maximize something or avoid uncertainty, or to survival-oriented organizations trying to maintain power over their environments, in both cases abstracted from their institutional contexts. These two dynamics that DiMaggio discerns in most of the new institutionalist work are important to an adequate explanation, but they are not sufficient. To explain institutionalization, we must rethink the meaning of institutions.

Deep Play and Hard Work: Reconceptualizing Institutions

The classical social theorists all believed that the world was built from the ground up, from the material conditions of human life which they believed existed prior to the consciousness its participants had of them. The ideal world reflected, legitimated, or functionally concealed that real material structure of society. Durkheim's religion of individuality, of the irreducible value of the human being, derived from the unique and differentiated roles in a rising organic division of labor. Weber's officials legitimated their dominance by convincing subordinates of the rationality of the structures they controlled. Marx's capitalists and workers understood their relationship in the market as free exchange concealing the exploitation transpiring daily behind their backs. This materialist-idealist, or base-superstructure, theoretical dichotomy has been the appropriate way for theorists to apprehend the "real" social world for much of the nineteenth and twentieth centuries. This model must be reconstructed by asserting the centrality of the symbolic in the organization of social life.

Perhaps the most profound challenge to structural approaches to society has come from interpretive or cultural analyses, which have emphasized the metaphorical mechanisms by which we not only understand the world, but by which we literally live. These approaches reject the materialist-idealist duality that has characterized Western social theory. In their view, cultural symbols are both media and sources of individual behavior.

In Clifford Geertz's interpretations of the Balinese cockfights, for example, individuals do not simply jockey for power, wealth, and status (Geertz 1973). The fight is a dramaturgic expression of the nature of status and power in Balinese society. The cocks, held between the legs of the owners, stroked and incessantly evaluated, are repeatedly pushed into the ring, where they rip at each other with specially sharpened spurs until one dies. Enormous sums of money can change hands at each match, sums that are irrational from an indi-

vidualistic, utilitarian perspective. The higher the sums, the more evenly matched the cocks are arranged to be, and the more likely the odds on which the bet is made are even. The greater the sum of money at stake, the more the decision to bet is not individualistic and utilitarian, but collective—one bets with one's kin or village—and status-oriented. Those who bet together love, live, or irrigate together. Here money is not just a measure of utility, but "a symbol of moral import" (p. 433). Because such matches are arranged to be equal, in the long run there is no redistribution of wealth.

In Geertz's analysis, these cockfights are a means not only to express the status structure and rivalries of Balinese society, but to create them. The cockfight not only provides a vehicle for understanding daily life—the ascriptive status competition, the murderous male impulses contained below the formalized politesse of Bali, the atomized, nondirectional organization of time—it creates the subjectivities upon which that daily life depends. "Art forms generate and regenerate the very subjectivity they pretend only to display" (p. 451).[18]

But all life involves such art forms, such rituals—where the media by which values are expressed, the rules for the attainment of ends, and the valuation and conceptualization of those ends are symbolically constructed and yet allow men and women to survive in the material world. Lévi-Strauss pointed out the ways in which a stomach could be filled and a cosmology revealed simultaneously through food preparation and eating practices. Similar arguments could easily be made for games, clothing, travel, architecture, urban planning, sexuality, conquest, distribution, child rearing, not to mention worship. In modern society, instrumental behaviors oriented to power, wealth, or sexuality express social cosmology just as much as marginal rituals like cockfights, gossiping in markets, or the processions of monarchs and potentates (Geertz 1983).

The Logic of Institutions

Each of the most important institutional orders of contemporary Western societies has a central logic—a set of material practices and symbolic constructions—which constitutes its organizing principles and which is available to organizations and individuals to elaborate. The institutional logic of capitalism is accumulation and the commodification of human activity. That of the state is rationalization and the regulation of human activity by legal and bureaucratic hierarchies. That of democracy is participation and the extension of popular control over human activity. That of the family is community and the motivation of human activity by unconditional loyalty to its members and their reproductive needs.[19] That of religion, or science for that matter, is truth, whether mundane or transcendental, and the symbolic construction of reality within which all human activity takes place. These institutional logics are symbolically grounded, organizationally structured, politically defended, and

technically and materially constrained, and hence have specific historical limits.

Commodity producers attempt to convert all actions into the buying and selling of commodities that have a monetary price. Capitalist firms cannot exchange unpriced human activities that may be rational for an organization or useful to individuals. Bureaucratic state organizations attempt to convert diverse individual situations into the basis for routine official decisions and cannot easily handle conflicting claims over the substantive ends toward which bureaucratic rationality is directed or demands for popular participation in them. Parliaments and electoral institutions convert the most diverse issues into decisions that can be made either by majority vote or consensus among participants, and cannot directly recognize claims of authority based on technical expertise or class privilege. Families attempt to convert all social relations into reciprocal and unconditional obligations oriented to the reproduction of family members. Families are not infrequently threatened when market-based inequalities, universal bureaucratic rules, or religious differences become the basis of affiliation, obligation, or loyalty. Contemporary Christian religions attempt to convert all issues into expressions of absolute moral principles accepted voluntarily on faith and grounded in a particular cosmogony. Christianity cannot handle easily the organization of social life made possible by the accumulation of power through bureaucratic mechanisms, including its own, nor can it easily manage the relativization of values through democratic or market mechanisms.

The central institutions of contemporary Western societies—capitalism, family, bureaucratic state, democracy, and Christianity—are simultaneously symbolic systems and material practices.[20] Thus institutions are symbolic systems which have nonobservable, absolute, transrational referents and observable social relations which concretize them. Through these concrete social relations, individuals and organizations strive to achieve their ends, but they also make life meaningful and reproduce those symbolic systems. Social relations always have both instrumental and ritual content.[21] The materialist-idealist dualism, which has suffused so much of social theory over the last century, hobbles our capacity to understand.

Private property, for example, is a nonobservable symbolic relation concretized through ownership, a social relationship by which human beings control certain activities and the disposition of material goods in time and space. The buying and selling of commodities is simultaneously a symbolic and an instrumental behavior. Similarly, love is concretized through forms of sexual interaction ranging from marriage to specific forms of courtship and sexual stimulation. Marriage or lovemaking are both symbolic and instrumental behaviors. Democracy is concretized through voting, which is both a way in which people ritually enact the symbolic system and a means by which they attempt to control those who rule them. Or God is concretized through prayer

and other ritual behaviors in church. And these ritual behaviors too have both an instrumental aspect by which people attempt to assure their position in the universe as well as obtain particular benefits on earth, as well as the obvious symbolic consequences.

This does not mean that when one buys, makes love, votes, or prays that property, love, democracy, or God really exists or really obtains as a result of those behaviors. It means that the behaviors make sense to those who enact the behavior only in relation to those transrational symbolic systems and that those symbolic systems only make sense in terms of the behavior. To believe that "the people rule," "a nation decides," "love conquers all," "the market is efficient," is no more rational than to hold that "God watches over us all." This does not mean there is any one-to-one relationship between behavior and meaning simply because of an institutional location of that behavior. Any given behavior can carry with it alternative meanings. Sexual intercourse, for example, can be an expression of affection, of passion, of power, of a divine commandment to reproduce, or of property.

The routines of each institution are connected to rituals which define the order of the world and one's position within it, rituals through which belief in the institution is reproduced. Voting and inaugurations; the signing of contracts; marriages and divorces; the issuance of budgets and plans—each involves real social relationships through which instrumental behavior is accomplished. But each too entails symbolic and ideological constructions of more than instrumental consequence.

When social analysts have analyzed the "symbolic" or "ritual" role of different kinds of activities, like planning, they have often studied those instances where the activity does not organize material life, where it is a hollow legitimation, for example, a way to co-opt potential opponents in an ineffectual exercise (Alford 1975; Edelman 1967; March and Olsen 1984). But through the quotidien and most institutionalized ritual behaviors, individuals reproduce the symbolic order of the institution and the social relationships that connect this world to a transrational order. Individual participation in various social relations should be analyzed not only in terms of the material interests that operation of the institutions serves, but in terms of the symbolic meaningfulness of that participation. Just as differentiated religions have their cosmological systems which account for the origin of the world and the words by which they understand it, so too do the most important institutions—whether they be national histories of the state, public theories of the market, or romantic myths or analytic psychologies of sexual and family life.

Institutional transformations are therefore associated with the creation of both new social relationships and new symbolic orders. Social revolutions, for example, restructure both the organizational relationships between the state and society, and the symbolic order of the society. Lynn Hunt has persuasively argued in her study of the French revolution that the new symbolic behaviors of

the revolution were not simply the means of power, but their ends (1984). The new categories of ideology and citizen were ritually created. A new political culture made possible the emergence of new organizational forms and political elites. Political mobilization arises not only out of the organizational capacities of groups, which are stressed by resource mobilization theorists of social movements, but out of the violation of meanings, or disruption of the organizational conditions necessary for meaningful life, which they neglect. The defense of "daily life" as a source of political mobilization as posited by Richard Flacks (1988) is relevant to this latter concern. And the worldviews of those social movements which aim at institutional transformation shape the kinds of strategies they are likely to use (Friedland and Hecht 1989, 1990).

Intimately related to the materialist-idealist dualism in social theory is the dualism between means and ends. The retreat from society has been associated with an analytic strategy that builds upon a supposed universalism of means, as opposed to the historical particularism of ends which increasingly fall outside the purview of the social sciences. But this science of means lacks meaning. The new institutionalist work has demonstrated the normative organization of means, such as the diffusion of multidivisional forms among corporations, or manager forms of government among municipalities. Through these means, the studies indicate, organizations obtain legitimacy, but no necessary efficiency.

Institutions constrain not only the ends to which their behavior should be directed, but the means by which those ends are achieved. They provide individuals with vocabularies of motives and with a sense of self. They generate not only that which is valued, but the rules by which it is calibrated and distributed. Institutions set the limits on the very nature of rationality and, by implication, of individuality. Nonetheless, individuals, groups, and organizations try to use institutional orders to their own advantage.

This conception of institution is consistent with recent work in cognitive psychology which argues that individuals do not approach the world in an instrumentally naïve way, but rather learn routines, that their individual strategies and behaviors contain within them certain institutional priors. Rationality as well as the appropriate contexts of its use are learned. This conception is also consistent with Mary Douglas's recent argument in *How Institutions Think* (1986).[22] This volume is a slashing critique of rational-choice theory for neglecting the institutional constraints on individuals' conceptions of their needs, preferences, and choices. Whereas rational-choice theorists assume a sovereign individual whose preferences are not of theoretical concern, Douglas argues that both rational and irrational decisions are influenced by the "hold that institutions have on our processes of classifying and recognizing" (1986:3). Society is thought as it is enacted, and social solidarity depends upon the extent to which "classifications, logical operation and guiding metaphors" are held in common. Douglas argues that institutions require a cognitive base

that naturalizes and rationalizes the conventions which constitute the institution. Thus systems of classification are a form of social praxis.

Institutional routines do not derive solely from bounded rationality, the requisite of trust, or uncertain technologies. Public-choice theory uses simplistic decision rules derived from the market to generate the formation of institutional structures from which those decision rules were originally derived. From an egoistic rational point of view, it is impossible to explain individual decisions to vote given its high costs, minimal impact on the outcome, and probability that benefits will be obtained even in its absence. If the political behavior of citizens can be accurately analyzed using a model of benefit maximization at minimum cost such that free-rider dilemmas abound, or if equity theory accurately explains the labors of love, then the institutional logic of capitalism has penetrated deeply into society. It is arguable that this rationality has contributed to the decline in electoral participation and the growing instability of familial relationships. Why do the unconditional loyalties which are the ideal of familial relations not provide a model for collective forms of political action? When such loyalties are recognized, as in the Mafia or political machine, they are regarded as deviant, traditionalistic, or pathological. A similar logic makes it appropriate to analyze mate selection and fertility choices as marketlike decisions, where children can be conceptualized as inferior goods (Becker 1981).

In his important critique of the undersocialized theories of economists and their importation of oversocialized models of institutional structure, Mark Granovetter stresses that both market exchange and bureaucratic hierarchy are embedded in social relations which affect their operations (Granovetter 1985). But how these relationships affect exchange and hierarchy is still ambiguous. In the essay, he points out that these relations may hinder *or* facilitate the operation of each structure. Thus social networks enable firms to acquire information about potential employees without hiring them, while other social networks make centralized control difficult within the firm. Social networks may facilitate interfirm exchange under the conditions where the new institutional economists would predict internalization through hierarchy. However, social networks per se do not have any content and as such do not entail interests, values, motives, beliefs. And as he himself points out, the asymmetrical nature of these social relations must be clearly taken into account. However, without content—that is, the distinctive categories, beliefs, and motives created by a specific institutional logic—it will be impossible to explain what kinds of social relations have what kind of effect on the behavior of organizations and individuals. The meaning of participation in these social relations must be understood. That content can best be understood by situating those social relations within a particular institutional context. Otherwise, the "embeddedness" approach can easily be assimilated to a rational individualist perspective wherein individuals maximize utility through sociability, prestige, or power or to the functionalism of the new institutional economics wherein social relations are

derived, just like hierarchy, through the limits of exchange. Without the content of these social relationships, we are unable to understand what trust—so central to these discussions—actually means.

To this point, we have argued that institutions are constituted by symbols and material practices, and that society is composed of multiple institutional logics which are available to individuals and organizations as bases for action. However, our conception of culture is neither consensual nor functionalist. In the following section, we explore the politics of culture.

The Politics of Culture

One of the central problems in social theory is the analytic status of culture, usually considered as both normative systems of values and cognitive systems of classification and theory. The dominant sociological tradition has been materialist in the sense that culture is understood as a "reflection" of underlying social relations. Symbols are reduced to their material foundations. This ranges from the most transparent case of culture as routinized behavior to more baroque formulations in which shared understandings of the economy, for example, are distorted and legitimating representations of exploitation.

More recent interpretive traditions, centered in anthropology, give ontological primacy to culture as an explanatory factor. One of the most serious drawbacks of almost all interpretive approaches in cultural anthropology and in the text-based hermeneutical analyses of society is that they lack politics. Michel Foucault shattered the subject-object dualism of the human sciences, delineating as he did the materiality of discourse. In his archeologies, he drew the historical connection between power and discourse, bridged through the concept of discipline which included technologies of control, mechanisms of normalization and reconstitution of the human subject, and new kinds of human sciences. The subject's movement in space, in time, his very identity and needs, are seen as shaped by the normalizing power of the state. These analyses focus on power, but without agency, without conflict. Although he analyzes the historical disjunctures in dominant discourses, Foucault is as trapped in historical time as Lévi-Strauss is frozen in ethnographic space. The inhabitants of the asylum are silent; we only hear the voices of their most sophisticated keepers, usually backed by the power of the state.[23] Dominant discourses are not contested; they move across time according to an alchemical logic of sign and symbol. The residents of the prison, the asylum, the mental hospital are not—by design—analyzed as human beings, as subjects.

The discourses not only constitute individuals, they seem to determine them. Statements, we are told by Deleuze, constitute both subjects and objects (1988). As a result, we do not understand the process of how people ended up in these normalizing organizations, or the choices through which people became participants in these historically variant discourses and thereby contributed to

that history. Without actors, without subjectivity, there is no way to account for change.[24] And without multiple institutional logics available to provide alternative meanings, subjects are unlikely to find a basis for resistance. In Foucault's approach, governmentality is a modern form of discourse and institutional practice aimed at the regulation of populations with the objective of increased collective productivity. Its science is political economy; its dominant technical means are the security apparatuses of the state (Foucault 1983, 1979). Foucault's power-centered analysis of modern society unhinges "governmentality" and "bio-power" from any particular institutional configuration. Foucault's insistence on delocalizing discourse and power must depoliticize it. Such an analysis is perfectly compatible with his denial of the subject. We should not be forced to choose between an acultural analysis of power and an apolitical analysis of culture.

Our argument, in contrast, is that individuals can manipulate or reinterpret symbols and practices. Ethnomethodological studies of microinteractions in both interpersonal and organizational settings have shown that people are highly sensitive to context in rule use. Under some conditions, they are artful in the mobilization of *different* institutional logics to serve their purposes. Sometimes rules and symbols are internalized and result in almost universal conformity, but sometimes they are resources manipulated by individuals, groups, and organizations.

The success of an attempt at institutional change depends not simply on the resources controlled by its proponents, but on the nature of power and the institutionally specific rules by which resources are produced, allocated, and controlled. The institutional nature of power provides specific opportunities for not only reproduction, but transformation as well. For example, the recent emergence of the hostile takeover through U.S. capital markets is an institutional change which is changing the ways in which power is exercised within and between corporate organizations, interest is conceptualized, organizations are defined, and resources in the economy are allocated. Although opposed by the most powerful actors in the economy, this artful use of property law changed the allocation of resources in the economy.

The meaning and relevance of symbols may be contested, even as they are shared. Individuals, groups, and organizations struggle to change social relations both within and between institutions. As they do so, they produce new truths, new models by which to understand themselves and their societies, as well as new forms of behavior and material practices. As Mauss pointed out, debates about the true nature of Christ were intimately connected to cultural conflicts over the social construction of individuality. They parallel contemporary debates between, for example, psychoanalysts, behaviorists, and linguists about the nature of agency. These arguments diffuse into social practices—in law, in the welfare state, in urban planning, in education—and thereby help constitute the individuality about which they argue. Through the actions of in-

dividuals and organizations, the institutional structures of society are not simply reproduced, but transformed.

When institutions are in conflict, people may mobilize to defend the symbols and practices of one institution from the implications of changes in others. Or they may attempt to export the symbols and practices of one institution in order to transform another. Analysts such as E. P. Thompson and Michael Hechter have pointed to the ways in which groups use particular institutional orders—religion and territorial governance—to reach for power within both state and capitalism (Hechter 1975; Thompson 1963). Thus the sources of change and resistance within institutions are just as likely to be found in the contradictions between them.

We would argue that the bases of individual and organizational autonomy, and some of their most characteristic internal tensions, derive from the contradictory relationships between institutions. Thus the ancient Greek dramatists first represented individual choice through role conflict, as in the case of Sophocles' Antigone who is torn between familial duty to bury her brother and a political obligation not to bury a traitor (Hollis 1985).[25]

This analysis suggests a critique of two traditional approaches to the relationship between individual and society: role theory and rational-actor models. Role theory abstracts the role from the person and the institutional memberships that he or she must manage. Because humans live across institutions, it is necessary, unlike in role theory, to specify the institutional conditions under which individual behavior can be explained by a person's role as worker, voter, or lover. Conversely, rational-actor models which generalize microeconomic theory to all institutional arenas abstract person from role, assuming an egoistic, calculating actor that can be specified independent of the multiple roles that constitute the self. Because the meanings and relevance of individuality and rationality depend upon the specific institutional context, it is also necessary to specify the institutional conditions under which it makes sense to analyze individual behavior in these terms.

Because institutional symbols and claims can be manipulated and their meaning and behavioral implications contested, any activity—take voting, for example—can carry multiple meanings or motivations. Thus the decision to vote can convey, at the individual level of analysis, membership in a national community, an instrumental attempt to attain state benefits, a routine obligation of citizenship, a belief in a particular ideology or worldview. The ambiguous and contested nature of symbols circumscribes the applicability of abstract models of individual or organizational behavior. There is no one-to-one relationship between an institution and the meanings carried by the practices associated with it. Thus it is unlikely that capitalist economies, bureaucratic states, or nuclear families obey systemic laws which can be specified ahistorically.

As one moves from the societal to the individual or organizational level of

analysis, instrumental images of rationalizing, maximizing, satisficing, or scheming behavior *are* more appropriate. The ways in which individuals or organizations do so are institutionally constrained, but they are not determined. The combination of multiple levels of analysis and contradictory institutional logics prevents a priori functionalist or consensual interpretations.

The Politics of Institutional Contradiction

The major institutions of contemporary society are interdependent and yet also contradictory. Thus, for example, bureaucratic states may depend upon democratic mechanisms to legitimate their decisions and to buffer and routinize the external political environment, but the extension of democratic procedures also threatens to undermine the coherence of the rational bureaucracy, whether in the adoption of consistent policies or the exercise of force in the relation between states. Or capitalist markets may depend upon families in order to minimize the costs of supplying a labor force, but at the same time, the labor market may undercut the capacity of families to support reproduction. These are just examples, but they suggest to us that institutional contradictions are the bases of the most important political conflicts in our society; it is through these politics that the institutional structure of society is transformed. A key task of social analysis is to understand those contradictions and to specify the conditions under which they shape organizational and individual action.[26]

Some of the most important struggles between groups, organizations, and classes are over the appropriate relationships between institutions, and by which institutional logic different activities should be regulated and to which categories of persons they apply. Is access to housing and health to be regulated by the market or by the state? Are families, churches, or states to control education? Should reproduction be regulated by state, family, or church? Or more recently in the case of Baby M, do rights of contract supersede those of biological parentage? Does equal protection apply to competition in the labor market? Should women be treated by the same exchange principles as men in the market? Do the rights of citizenship apply to the economy or do those of the market apply to the state? Can money be used to acquire grace or expiate wrongdoing? Should church offices be purchasable or heritable? Should foreign policy decisions be determined by independent state bureaucracies, multinational firms, or popular institutions? Although these struggles are acted out by groups and organizations, their consequences alter the interinstitutional relations constituting a society.

Through individual, organizational, and class politics, institutional contradictions may be politicized and institutions transformed. For example, in the United States, feminists have extended the logic of the capitalist market into the family, perhaps partly in response to the erosion of the unconditional loyalties

which previously characterized it. The household division of labor is respecified "contractually" between husband and wife; indeed the use of contract has been formalized in a significant number of marriages. Feminists thus stress the unpaid, potential monetary value of a woman's labor in the household and what it would cost a family to purchase those services in the marketplace.

Capitalists and workers have attempted in different ways to extend the logic of democracy to capitalism. Thus in the early twentieth century, capitalists successfully achieved the legal status of a juridical person for the corporations they owned, thereby limiting their personal liability and allowing mobilization of capital through stock markets. More recently, workers in many capitalist societies have pushed for the democratization of the workplace and the extension of "citizenship" rights of due process and even participation to the employment relation in private firms.[27] Workers attempt to redefine the social relations of production as defined by democratic rights of citizenship rather than contractual property rights. In the United States, which is weakly unionized, there is evidence that class politics have institutional, as opposed to merely organizational, effects. In her study of the diffusion of due process in the workplace, Lauren Edelman studied the diffusion of grievance procedures which eroded the "employment at will" common-law doctrine which had regulated the relationship between owners and workers (Edelman 1985). In her contrast of the diffusion of union and nonunion grievance procedures, two things stand out. First, unionized organizations were no more likely than nonunion organizations to adopt grievance procedures, and second, there was little difference in the functional form of diffusion between union and nonunion sectors. Both followed roughly an exponential growth curve. These findings suggest that class conflict can operate not only within organizations, at the "point of production," but institutionally through their effects on corporate and legal practices which affect the definitions of workers "rights" throughout the economy.

One source of class struggle can be conceived as a contradiction between use value, presumably grounded in the logic of the family, and exchange value, rooted in the logic of capitalism. The implication is that working-class consciousness may develop out of the importation of an institutional logic external to capitalism. When workers struggle for wages, for rights of representation, for influence in the workplace, for public control over capital investment, they appropriate the logic of other institutions in order to transform the places where they work—the logic of the family and human needs, the logic of democratic citizenship and participation, the logic of rationality enforced by the state. Thus, for example, both Smelser, a structural functionalist, and Joan Scott, a feminist theorist, have pointed to how changes in the organization of production disrupted normative patterns of family life, leading to working-class political mobilization, although Smelser reconceptualizes it as a reactive symptom of insufficient institutional differentiation (Smelser 1959; J. Scott 1984). Others have pointed to the ways in which wage structures were established

to defend particular organizations of gender or family cycle (Robertson, forthcoming).

The politicization of institutional contradiction appears in socialist societies as well. Before perestroika, in a number of societies at the periphery of the Soviet Union, reformers—whether Solidarity in Poland or planners in Czechoslovakia and Hungary—were already attempting to extend the logic of democracy to the administered economy. Valtre Komarek, a long-time planner and director of the Institute for Forecasting of the Academy of Sciences, who had been charged with planning Czechoslovakia's likely future, emphasized the importance of his country's democratic tradition as the basis of adaptation to technological change.

> If up to now our society has shown a strong trend to centralized manipulation of human beings as objects, this has to be changed into a situation where human beings become sovereign subjects. Without this, at this stage of technological change, no modern society is possible. . . . We need a greater radius of action for each individual. . . . It is our centuries of democratic tradition that has enabled them [the Czechs] to work in nonstandard conditions. (Quoted in Kamm 1987:4)

Thus reform was promoted and experienced not as a contradiction between capitalism and socialism, but between democracy and bureaucracy.

Recent anthropological work on China also suggests the importance of historically specific institutional contradictions. Dissecting what she calls "the cultural economy of power," Mayfair Yang delineates three modes of exchange in the contemporary Chinese economy: state distribution, commodity markets, and a gift economy—the last a system of *guanxi,* rooted in Confucian kinship ethics (Yang 1989). Yang notes: "Each mode follows its own rules of operation, its own corpus of etiquette and good form in social relations, produces its own system of valuation and rates of exchange, and represents a unique style of the tactics and strategies of domination" (1989:32). While these institutional orders each give rise to specific "microtechniques of power," Yang contends these techniques are not institutionally confined, but can be used by individuals outside of their institutional locus to gain advantages and even subvert the logic of other institutions.[28] The possibility of "tactical" subversion is established by the personal discretion inherent in the distributive state economy. Unlike a commodity, a gift is not an object, alienable from its owner, and thus independent of the social relationship in which it is exchanged. Yang argues that the practice of *guanxi* is rooted in a culturally specific relational conception of the person, where identities are constructed through the medium of "face," or internalization of others' judgments. *Guanxi* depends upon creating identities, whatever the basis, between people such that norms of mutual obligation can be activated. Gift giving is an aggressive material and symbolical construction of

commonality, of "insideness," from which obligation logically flows. Through gifts, lower-status persons take possession of powerful persons whose substance they have penetrated with their own. The accumulation of symbolic capital can compensate for lack of material wealth or bureaucratic office. Individuals make use of the institutional logic of kinship to penetrate state definitions of needs and social categories.

The premise of institutional contradiction derives from class theory. Contemporary class theorists, particularly those influenced by critical and Gramscian theory, have understood class conflict as simultaneously culturally and materially generated through institutional contradiction. However, they have assumed that the limits of institutional arrangements are functionally determined by the requirements of capitalism. As a result, class theory has been incapable of understanding the multiple contradictions of democratic capitalist societies. Thus, for example, some class theorists have converted the contradiction between democracy and capitalism into a problem in the legitimation of capitalism. They assume that a capitalist economy has a systemic tendency toward crisis, a logic independent of the consciousness of the agents who enact it. Without normative regulation from outside, the system cannot reproduce itself. Thus Habermas has referred to the democratic aspect of the state as a "legitimation" system (Habermas 1975). More recently, he has maintained that there is a contradiction between rational communication achieved through language and the rationalized systems based upon purposive rationality—state and capitalist economy—which coordinate action through money and power (Habermas 1984). Habermas, like Parsons, depoliticizes the organization of production by assuming that the forms that emerge are determined by the requirements of technical efficiency. The conflictive normative dimensions of the economy or society are lost from view.[29]

Claus Offe also argues that capitalism generates the dynamics of the social system, yet it "neutralizes meaning" upon which its reproduction increasingly depends (Offe 1984:82). The apparently autonomous, unconscious laws of capitalism require normative, noncommodified forms of intervention which intrude upon it. Offe argues that the rationality of the state has no meaning except in terms of its consequences for capitalism. Offe thus subordinates the bureaucratic and democratic aspects of the state to the functions they perform for capitalism.

Not only do these analyses privilege the capitalist economy as the dominant institutional order, but they make culture a functional element in the maintenance of capitalist social order. Each institutional order is both potentially autonomous and contradictory with others. We do not believe that societal crises derive primarily from the tendency to export the internal contradictions of capitalism. Rather they may equally derive from external institutional contradictions between democracy, capitalism, state, family, and religion.

Conclusion

If the institutional constraints on behavior are not specified, the social sciences risk becoming ideologies of the institutions they study. Foucault has pointed to the double relation between truth and power, between forms of knowledge and power relations, between the development of the human sciences and the state (Foucault 1980). When social scientists import the dominant institutional logics into their analyses of individuals and organizations in unexamined ways, they unreflectively elaborate the symbolic order and social practices of the institutions they study. These elaborations subsequently become factors in the reproduction of these institutions and thus contribute to their hegemony, whether through socialization of institutional personnel or formulation of public policy (Giddens 1986, 1984).[30]

By becoming part of the grounding assumptions of social theory, the systematic ways in which individuals act out of these logics take on the aura of natural law, which is not unlike the way in which ordinary individuals themselves experience them. It is not accidental that public-choice theory has flourished and that one of its American champions has been crowned as a Nobel laureate at the same time that efforts are under way to disengage the state from major areas of distribution and production. The power of theory in part reflects the dominance of the institutions from which it derives its models. Categories of knowledge contribute to and yet depend upon the power of the institutions which make them possible. Without understanding the historical and institutional specificity of the primary categories of analysis, social scientists run the risk of only elaborating the rationality of the institutions they study, and as a result become actors in their reproduction.

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Notes

1. Skocpol argues that a "state's means of raising and deploying financial resources" is the most important single factor explaining a state's "capacities to create or strengthen

state organizations, to employ personnel, to coopt political support, to subsidize economic enterprises, and to fund social programs" (1985:17). Why this is the most important factor she does not argue.

2. Mauss traces the origin of the "social fact" of the person to the development of Roman citizenship, and the attachment of legal rights to persons, linked to the history of the persona, as a right to a set of names. Mauss sees a historical movement from personnage, to personne, to self.

3. When Homer wrote, biography did not exist. By the fourth century it was a distinct literary genre.

4. Sappho, the lyric poet whom Plato referred to as the "tenth Muse," made personal requests to Aphrodite and was thought to have committed suicide because of her unrequited love of a boatman.

5. Durkheim wrote that in the view of the French economists of his day, "there is nothing real in society except the individual; it is from him that everything emanates and it is to him that everything returns. . . . The individual . . . is the sole tangible reality that the observer can attain, and the only problem that science can pose is that of discovering how the individual must behave in the principal circumstances of economic life, given his nature" (Lukes 1972:80).

6. From his *Leçons de sociologie,* in Lukes 1972:271.

7. See Shweder and Bourne 1984 for the Indian case. While these analysts showed that Indians were intellectually able to abstract, they did not do so with respect to the concept of the person. Unfortunately, the researchers did not specify the context in which an abstract concept of the person might be more or less likely to develop.

8. Unlike Judaism, whose sacred texts narrate a collective history, Christianity's text is sacred biography. S. N. Eisenstadt argues for the importance of an axial age which split mundane and transcendent orders in several civilizations. Indicative of this transformation, God was no longer symbolized in human terms. This transformation established the possibility of a direct individual relationship with the transcendent order and thus established the symbolic conditions necessary for individuality. See Eisenstadt 1983.

9. Dumont argues that the progressive individuation reaches its height with Calvinism, which identifies human will with the will of God (Dumont 1982).

10. This study both failed to take the symbolic content of social structure seriously and neglected key institutional orders of the modern world, particularly religion and family. The book is also missing a last synthetic chapter. We offer this essay as partial compensation.

11. Stenbeck stresses the importance of alternate Raschian measurement techniques for assessing person variability in structures of meaning in order to determine scalability. These techniques are built on the assumption of a probabilistic relationship between societal structure and individual action rather than on a deterministic one (Stenbeck 1986).

12. Bureaucratic organization, for example, assumes abstract individuals, else it would not be possible to separate persons from offices.

13. We are indebted to Paul DiMaggio for this point.

14. Hirschman also argues that the analytic concept of interest has become a "vacuous tautology" (1986:50).

15. The construction of this indicator of performance is even more arbitrary within organizations (Eccles and White 1988).

16. Cross-national variations in rates of return might provide a particularly fruitful avenue for institutional analysis. The Japanese case of low rates of long-term return is a relevant puzzle. That the government absorbs long-term risks may not be an adequate explanation. Economists are increasingly recognizing the limits of neoclassical return on equity models to explain asset price variation. This area too suggests a fruitful area for institutional analysis.

17. Giddens makes the same kind of analytic approach when he stresses that the importance of "ontological security" derives from the routines of daily life, which, if disrupted, make people available for new institutionalization.

18. Schneider has written a trenchant critique of Geertz's account of the cockfight in which he argues that Geertz conflates significance and signification and provides no evidentiary base that the Balinese experience the meaning of the cockfight in the way that Geertz does or says they do (1987). But other than pointing out the incidence of cockfights elsewhere, Schneider has not shown that the Balinese *do not* experience them, whether discursively or nondiscursively, that way.

19. Where the boundaries are drawn, whether parochially as a "private" nuclear family, ethnicity, religion, nation, "master race," or all humanity, is problematic.

20. This list is only meant to be suggestive. While institutional boundaries are contested and hence fluid, they should in principle be observable in patterns of material and symbolic practice. This is not to say there is not a set of technical functions that any society must accomplish, only that the functions do not uniquely determine the institutional structure through which they are accomplished. In some sense, our title—"Bringing Society Back In"—is a misnomer, for while institutional orders may coincide in time, they do not necessarily cohere in space. Giddens is quite right to argue that it is the ability of the state to territorially bound other institutions in space that comprises the object of sociology—society.

21. This is not to say that under certain conditions. participation in these social relations may make life meaningless and individuals unable to achieve their ends. The existence of ideologies represents struggles over institutional boundaries and definitions of reality.

22. While Douglas recognizes the existence of the incompatible principles which organize different institutions (1986:126), she does not theorize them, given her concern to establish the basis of social solidarity in shared categories of knowledge.

23. Yet in *Madness and Civilization,* the one time they act—the objection of other prisoners to their common confinement with the mad—that action is deemed central to the transformation of the categorical system.

24. In his last work on the history of sexuality, Foucault takes up the subject of resistance to power, which he argues is not only universal, but "interior" to the power relation. See Foucault 1980.

25. As Hollis notes, "They choose as persons who are their masks, not as individuals who play their parts" (1985:222).

26. Our account here emphasizes interinstitutional, as opposed to intrainstitutional, contradictions. We began to analyze the internal contradictions within the state of its democratic, capitalist, and bureaucratic aspects (Alford and Friedland 1985). The theoretical challenge is to understand the relationship between internal and external institutional contradictions, as these are lived by persons and managed by organizations, such that the interinstitutional structure of society is either reproduced or transformed.

27. This, of course, was the expectation of T. H. Marshall, who predicted a gradual expansion of citizenship rights, or what we would call the logic of democracy, sequentially through juridical, political, social, and eventually economic realms (Marshall 1964). Conversely, Marxists argued that other social activities would increasingly fall under the logic of capitalism through commodification, as in the understanding of voting as a market exchange, the privatization of public services, and the tying of social benefits to labor market position.

28. Yang defines microtechniques in Foucault's sense as "forms of power relationships having the effect of disciplining and normalizing the population" (1988:30). Here Yang draws on Foucault's notion of governmentability. In fact, her text can be read as an empirical challenge to Foucault's state-centered institutional analysis of modern society, which unhinges "governmentality" and "bio-power" from any particular institutional configuration. For the microtechniques are strongly correlated with institutional orders, and their multiplicity, as in the case of gift giving, does not "discipline" the population, but is a means by which the population may evade the determination of "needs" by the state.

29. Parsons too stresses the formal rationality of production.

30. Giddens makes this point regarding the concept of balance of power and national sovereignty in the relationships among states (1986).