

OLLI HERRANEN

# Social Institutions and the Problem of Order

A Relational Approach to Neo-Institutionalism through  
Social System theory, Social Constructionism,  
and Critical Ideology Theory



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and Critical Ideology Theory*

ACADEMIC DISSERTATION

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Siskoni Katin muistolle | Dedicated to the memory of my sister Kati

Olli Herranen

Tampere, 9.1.2020

# ABSTRACT

One of the most profound social scientific questions pertains to social order – the stability, change, and functioning of human societies. Two prongs to this question inform the background to operationalising any institutional theory: how a society can simultaneously maintain its integration and co-ordination (e.g., division of labour) and whether a society can be understood as more than the sum of its parts. The most influential contemporary tradition of institutionalism, known as neo-institutionalism, is no exception with regard to these interconnected questions. Celebrating a new era for institutionalism in the 1990s, some members of that school declared a ‘reconciliation agenda’ aimed at overcoming the vast gulf between ‘system’ and ‘lifeworld’ thinking in the social sciences, a chasm that separates between traditions on the basis of their perspective on the problem of order. Moreover, the neo-institutionalist pursuit, as a more nuanced exercise, was intended to offer a foundation for social studies that consider society to be structured but still changing, in all its richness and variety, without being unnecessarily formalistic. While neo-institutionalism today shows greater variety than ever, this reconciliation has not yet come about.

In-depth study pinpoints this failure is rooted in neo-institutionalism’s theoretical premises and in the need for academic demarcation. That conclusion is based on critical reconstruction of two branches of neo-institutionalism: historical institutionalism (HI), which represents ‘system’ thinking, and so-called ideational scholarship (IS), representing the ‘lifeworld’ approach. The main problem with theoretical underpinnings is related to their background ontologies’ connection, on one hand, with dichotomies such as agent–structure and material–ideal and, on the other, with linear causal reasoning. For example, IS tends to create theoretical *causal objects* as tools for empirical enquiry (‘causal’ because science is based on causal reasoning and ‘objects’ since only ‘real’ things may possess causal powers). The task of explaining empirical cases entails giving these abstractions an ontological status, making them ‘things’ with inherent properties. This objectifying leads to ambiguous conceptions of how the social world operates, though. Imaginary causal objects may detach actors from their concrete conditions, or the entirety of institutional reality may be derived from individual cognitions. In general, the essence of institutions for

neo-institutionalists typically involves a weird combination of mental states with unexplained ‘materialism’ or, alternatively, a mixture that includes rules, norms, cognitive frames, and other manifestations of the social relations behind institutions.

Although neo-institutionalists’ adoption of a more fine-grained and empirically based approach to institutions has addressed some shortcomings of earlier work, the ‘social’ denominator of the equation still appears to be neglected. Research into the highly debated issue of how to explain the institutional nature of society in a manner beyond the system–lifeworld dichotomy seems to suggest that the common denominator involves proceeding from *social relations*. A project was undertaken to revitalise the reconciliation agenda through reconstruction of further theoretical approaches. The selection used these three criteria: 1) having a direct or indirect connection with neo-institutionalism; 2) tackling the problem of order as a concrete issue as it serves as a point of reference for all the approaches; and 3) applying relevant neo-institutionalists’ development aspirations, such as Paul Pierson’s research agenda, according to which HI should address ideology theories. Among the traditions investigated were the social system theory of Talcott Parsons, Peter L. Berger and Thomas Luckmann’s social constructionism, and the critical ideology theory of *Projekt Ideologietheorie* (PIT). Both HI and IS were considered in light of these traditions and, thereby, supplemented, complemented, and challenged by them. In addition, independent consideration of the various traditions and original readings were carried out.

The social system theory reconstructed in the project complements HI with a coherent structure to the theory. The perspective formed by a new reading of Parsons as a relational theorist offers a detailed description of institutional integration mechanisms also. The reconstruction of social constructionism, in turn, spotlights the problems of cognition-based lifeworld theories. Rather than describe institutionalisation, accounts in this tradition seem to focus on the (historical) formation of actors’ experiences. That formation is a key issue in all the traditions examined. One element of departure, in contrast, is that all the ones mentioned above assume people’s equilibrium-seeking behaviour, while PIT turns this around. It asks how modern capitalist societies have held together notwithstanding their internal contradictions (where these contradictions stem primarily from capitalist competition relations that, while beyond individuals’ control, form very real conditions for each individual acting in market relations). Accordingly, PIT presents capitalist society as a contradiction-rich whole, where various groups, with differing interests, must come together to sufficient extent to maintain or challenge the prevailing order. Ideology theory describes the contradictory nature of society and

explains how social relations produce disorder as an unintended consequence of mundane, institutionalised practices. To synthesise the findings on all of these traditions and their underpinnings, the dissertation project's outputs include a synthesis of social relations that extends beyond the system–lifeworld division in examining how a society may operate as more than the sum of its parts.



# TIIVISTELMÄ

Yhteiskunnallista ja sosiaalista vakautta ja muutosta sekä yhteiskuntien toimivuutta koskeva järjestyksen ongelma on yksi yhteiskuntatieteiden keskeisimpiä peruskysymyksiä. Järjestyksen ongelma esimerkiksi kysyy, kuinka yhteiskunnallinen järjestys voi pysyä yllä rinnakkain yhteiskunnallisen koordinaation (esim. työnjako) kanssa, ja voiko yhteiskunnan ymmärtää enemmän kuin osiensa summaksi. Tämän hetken vaikutusvaltaisin institutionalismitutkimuksen suuntaus, uusinstitutionalismi, on myös pyrkinyt vastaamaan näihin kysymyksiin. Suuntauksen noustua laajempaan tietoisuuteen 1990-luvulla jotkut sen kannattajat pyrkivät 'yhteensovitusagendallaan' ylittämään juovan 'järjestelmiin' ja 'elämismaailmoihin' perustuvien ajattelutapojen välillä – juovan, joka erottaa erilaisia järjestyksen ongelmaan kiinnittyviä teoriatraditioita. Uusinstitutionalismiin toivottiin myös tarjoavan aiempaa rikkaamman ja monisyisemmän perustan inhimillisen toiminnan tulkinnalle formalismin rasittamissa yhteiskuntatieteissä sekä silti mahdollistavan laajan yhteiskunnallisten rakenteiden ja muutosten tarkastelun. Vaikka nykyinen uusinstitutionalismi on moninaisempaa kuin koskaan, odotettua yhteensovittamista ei ole tapahtunut.

Yhteensovituksen epäonnistuminen johtuu tutkimukseni mukaan uusinstitutionalismiin teoreettisista lähtökohdista ja tarkoitushakuisesta oppialarajojen vetämisestä. Johtopäätökset perustuvat kahden uusinstitutionalismiin haaran – järjestelmäajattelua edustavan historiallisen institutionalismin ja elämismaailmaajattelua edustavan ideationaalisen opin – seikkaperäiseen tarkasteluun. Niiden keskeisimmät teoreettiset ongelmat liittyvät erilaisiin ontologisiin kahtiajakoihin, kuten toimija–rakenne ja materiaallinen–ideaalinen, sekä toisaalta lineaariseen kausaalipäätelyyn. Esimerkiksi ideationaalisella opilla on taipumuksena tuottaa teoreettisia *kausaaliohjeita* empirisen analyysin työkaluiksi ('kausaalisia', koska tiede perustuu kausaalipäätelyyn, ja 'objekteja', koska vain 'oikeilla' asioilla voi olla kausaalivoimaa). Tästä seuraa, että nämä abstraktiot saavat tapaustutkimuksissa ontologisen statuksen ja ne nähdään näin ollen 'asioina', joilla on ominaisuuksia itsessään. Tämä esineellistäminen johtaa ongelmallisiin käsityksiin yhteiskunnan luonteesta ja sosiaalisesta toiminnasta, kuten ihmisten eristämiseen heidän konkreettisista olosuhteistaan tai koko institutionaalisen todellisuuden johtamiseen

yksilöiden mielentiloista. Uusinstitutionalistien instituutiokäsitykset ovat yleisemminkin outo yhdistelmä mielentiloja ja selittämätöntä 'materialismia'. Toisaalta he ymmärtävät instituutiot tyyppillisesti sääntöinä, normeina, kognitiivisina kehikkoina ja muina instituutioiden taustalla olevina yhteiskunnallisten suhteiden ilmentyminä.

Uusinstitutionalistien aiempaa hienojakoisempi ja empiirisempi lähestymistapa on selkeästi paikannut joitain aiempia instituutiotutkimuksen puutteita. Tästä huolimatta heiltä puuttuu edelleen teoreettinen 'sosiaalinen' tai 'yhteiskunnallinen' yleisnimitystä. Yhteiskuntateoreettisen kentän valtavasta moniaineksisuudesta huolimatta voidaan sanoa, että järjestelmä–elämismaailma-jaon ylittävät lähestymistavat, jotka selittävät yhteiskunnan institutionaalista luonnetta, löytävät yhteisen nimittäjän *yhteiskunnallista subteista*. Yhteensovitusagendan elvyttämiseksi olikin tutkittava ja sovellettava täydentäviä teoriaperinteitä, jotka valikoituivat kolmella perusteella: 1) selkeä yhteys uusinstitutionalismiin; 2) järjestyksen ongelma konkreettisena teoria-premissinä; ja 3) uusinstitutionalistien omien kehityssuuntien hyödyntäminen, kuten Paul Piersonin ideologiateoreettinen tutkimusagenda historialliselle institutionalismille. Historiallista institutionalismia ja ideationaalista oppia täydentäviä ja haastavia teoriaperinteitä olivat Talcott Parsonsin järjestelmäteoria, Peter L. Bergerin ja Thomas Luckmannin sosiaalinen konstruktionismi, ja *Projekt Ideologietheorien* kriittinen ideologiateoria, joista kaikista myös tehtiin itsenäiset uudelleenjäsennykset ja -luennat.

Historialliselle institutionalismille oli mahdollista muodostaa johdonmukainen teoreettinen rakenne soveltamalla sosiaalisten järjestelmien teoriaa. Parsonsin teorian uudelleenluenta tarjoaa myös täsmällisen kuvauksen instituutioiden integraatiomekanismeista. Sosiaalisen konstruktionismin uudelleenjäsenitys taas valottaa kognitioperustaisten elämismaailma-teorioiden ongelmia. Institutionalisaatioprosessien kuvaamisen sijaan ne tuntuivatkin keskittyvän toimijoiden kokemusten (historialliseen) muodostumiseen, joka on keskeinen tekijä kaikissa tutkituissa teorioissa. Toisaalta, siinä missä muut perinteet ottavat inhimillisen toiminnan tasapainohakuisen luonteen lähtökohdaksi, kriittinen ideologiateoria kääntää asetelman ylösalaisin. Se kysyy, kuinka nykyaikaisten kapitalististen yhteiskuntien järjestykset ovat pysyneet yllä niiden sisäisistä ristiriidoista huolimatta. Nämä ristiriidat juontuvat pääsääntöisesti yksittäisten ihmisten ulottumattomissa olevista kilpailullisista suhteista, jotka he kohtaavat markkinoilla toimiessaan konkreettisina olosuhteina. Kriittinen ideologiateoria käsittääkin kapitalistisen yhteiskunnan ristiriitojen läpäisemänä kokonaisuutena, jossa ryhmät joutuvat sovittelemaan kilpailevia intressejään riittävässä määrin yhteen haastaakseen vallitsevan järjestyksen

tai pitääkseen sitä yllä. Teoria kuvaa yhteiskunnan ristiriitaista luonnetta ja sitä kuinka yhteiskunnalliset suhteet tuottavat epäjärjestystä arkisten, institutionalisoituneiden käytäntöjen tahattomana seurauksena. Väitöskirjan johtopäätöksissä ehdotetaan tutkittuihin teoriaperinteisiin perustuvaa yhteiskunnallisia suhteita jäsentävää synteesiä, joka ylittää järjestelmä–elämysmaailma-jaon ja kuvaa kuinka yhteiskunta voi olla enemmän kuin osiensa summa.



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# ABBREVIATIONS

DI	Discursive institutionalism
HI	Historical institutionalism
IS	Ideational scholarship
PIT	<i>Projekt ideologietheorie</i>
RCI	Rational choice institutionalism
SI	Sociological institutionalism



# 1 INTRODUCTION: IN SEARCH OF SOCIAL ORDER

One of the most profound social scientific questions pertains to ‘social order’, or the stability, change, and functioning of human societies. Social scientists ask how people who have vastly different needs, desires, and understandings of how things should be managed and done can keep complex societies functioning without anyone controlling or planning the larger entity, the society as a whole. In other words, how can people form collective entities that, while no-one actually controls them, function nonetheless? Resources and various (joint) operations, with their respective necessary social functions, must be constantly distributed and co-ordinated among individual actors and across group boundaries so that these (co-)operations are sufficiently synchronised and integrated. As they simply go about their life, the people still fulfil their purpose in this highly specialised division of labour. The most striking question is how all these seemingly free, autonomous individuals who are capable of decision-making could possibly come to all the right decisions simultaneously in such a way that the whole system works.

This issue of simultaneous integration and co-ordination is far from trivial, since multitudes of operations overlap, entwine, and interleave on so many levels, in numerous layers, that their conscious governing is next to impossible – and not necessarily even desirable. This intermeshing and overlapping causes contradictions and even crises that are not under anyone’s control and whose interpretation may be difficult since their reasons are invisible to the naked eye. On the other hand, societies are sustained because people have historically created accumulated sets of rules, laws, and socialising institutions, whose deeper constitutive principles and logics are not immediately observable. They are made manifest only as perceived conduct. Thus, as history unfolds, people tend to create formal and informal arrangements that operate behind and beyond immediate perception, with these bringing tight integration between people but also contradictions and interpersonal conflict.

As development establishes greater formal and informal governance of social order, that order becomes more and more institutionalised. What do we mean by this? While the etymology of the word ‘institution’ refers to arrangements,

foundation, and establishment in a juridical sense, the *Stanford Encyclopedia of Philosophy*'s entry on social institutions (Miller 2019) specifies that these are 'complex social forms that reproduce themselves such as governments, the family, human languages, universities, hospitals, business corporations, and legal systems' (interestingly, this is the encyclopaedia's only entry on institutions – one might consider whether there are any other kinds of institution than social ones). This underscores a distinction from other social forms, such as social structures or social norms, while simultaneously delineating a connection under the rubric of 'social' (ibid.)<sup>1</sup>. The latter is understandable, since there have been attempts to derive institutions from individuals alone, as we will see later. Hence, the prominence of the word in the title of this dissertation: the question of interest here revolves around the 'social', which belongs to the field of social theory. Social institutions are the subject of study, while the problem of order serves as a background condition.

One central reason for the existence of social theory is that only a few individual actions make sense as isolated incidents: without understanding the context of the observed action, one cannot explain it meaningfully. We act in relation to other people and/or some kind of (social) conditions. Since our actions are fundamentally relative, a reasonable question with regard to almost any situation is 'in relation(s) to what?' – change becomes understandable only in relation to stability, etc. In my reading, the stuff of social theory is relations between people that co-ordinate, are constitutive of, and integrate people's lives in collective, social surroundings. Those relations lead at the same time to contradictions, and the contradictions, in turn, cause disorder, which may readily exist alongside order. Regardless of this, some branches of the social sciences still take individuals and their decision-making as the starting point and build the institutions from there. In this thinking, which usually has utilitarian underpinnings, human societies may be understood as pure aggregates of individual actions wherein each person individually has voluntarily chosen, in a rational decision, to give up some autonomy for the sake of the collective order.

I find individualistic premises insufficient to explain social phenomena, and this dissertation represents and defends 'structural thinking' – which addresses more specific (dis)ordering standards, of which an institution is an empirical manifestation. One could peer deeply into an individual and try to find, for example, some gene

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<sup>1</sup> From this point onward, I use the term 'social' in its broadest, most general meaning, which also covers phenomena that could be described as *societal* in nature. English, unlike Finnish or German, usually does not differentiate between these two meanings, while the social in, for example, the Finnish language involves closer or more immediate/intimate relationship than does the societal. For the sake of clarity, I will use 'social' to encompass both unless stating otherwise. The same goes for 'socialisation'.

that, as a building block of our biological heritage, explains the order, but upper-level phenomena tend to have emergent properties that transcend the properties of genes or whatever other building blocks there might be. While one still may explain the social order through genes, or pin the order to individuals' decision-making, I find it more intellectually satisfying to speak of social institutions that constitute the social order. Furthermore, considering institutional behaviour structural has the advantage of representing a social-theory idea wherein social phenomena cannot be derived from micro-foundations. Accordingly, and to differentiate further, I specify that the relations-based institutional order is at stake here.

What good does it do, then, for most of us to know how institutions hold? Why should one go down to the shore and peer into the murky waters of social theory? Precisely because even our common sense is theoretical. Every time we interpret phenomena that extend beyond our sensory perception, we make theoretical judgements. If we are to understand our existence as social beings, we must first understand the ties that bind us together. In my understanding, for example, the contemporary decay of social explaining of social issues stems largely from the notion of abstract individuals, a phenomenon I find to be ideological and, paradoxically, a social one. Our belief in our individuality is collectively produced and confirmed, and this holds us back from building a more stable, fair, and generally humane society. Understanding the nature of social institutions is an essential building block of effective social science and, therefore, something worthy of study. Hence, I want to contribute to the project of building a theory that helps us to understand the society as a whole.

To address the above-mentioned institutional order, I begin the dissertation by presenting an investigation of the most influential contemporary tradition of institutional scholarship: *neo-institutionalism*. The reasoning is as follows. In the early years of its existence, neo-institutionalists set a 'reconciliation agenda', according to which it should bring together all the various social scientists who take questions centred on social stability and change – and hence order – seriously. Moreover, they thereby sought to overcome the profound gulf between 'system' and 'lifeworld' thinking, with its sharp boundaries based on the thinker's perspective on the institutionalisation of society. The new form of institutionalism was supposed to offer a foundation for social scientists who wanted to view society simultaneously as structured and changing, in all its richness and variety, without imposing unnecessary formalism (Ethington & McDonagh 1995). As our discussion progresses and more about such divisions emerges, it becomes clear too that this reconciliation has not yet been achieved – quite the contrary (see Blyth et al. 2016, for instance). I trace this

problem back to the theoretical premises related to institutions and to the need for (un)conscious academic demarcation. For reconciliation to take place, then, there should be some kind of shared understanding about the subject of study, which ultimately is a theoretical issue. Toward this end, I aim at reviving the agenda, through careful reflection on the corpus of neo-institutionalist theory and the following suggestions for at least partial resolution. I find reviving the reconciliation agenda to be the most effective way of implementing my idea of comprehensive institutional theory that addresses society as a whole.

I began my research with the hypothesis that, while neo-institutionalists took a more fine-grained and empirically based approach to institutions because of the prediction failures and other shortcomings of their predecessors' efforts (Blyth 2002b, 296–299), they forgot the 'social' denominator of the equation. For reasons of history, it is understandable that neo-institutionalism is usually considered to be political science: institutionalism has usually been about studying political institutions (March & Olsen 2006). I suggest that finding a common social denominator behind the institutions breathes new life into the reconciliation agenda and bridges the gap between system and lifeworld thinking that today divides neo-institutionalists more than ever. The following research questions were at the core of my study: *What is the 'social' that unites different institutions? What common denominators or fundamental divisions can be found in neo-institutionalism's institutions? What are the institutions under neo-institutionalism, and what kind of social institutions are they?* Since my investigation was not limited strictly to neo-institutionalism but extended to other institutional theory as well, I asked secondary questions also: How do the other theories answer the above questions and tie in with neo-institutionalism in that sense? At the same time, how do they supplement, complement, comment upon, and relate to each other? These questions become tractable *in relation to* the problem of order, since it offers a point of reference for all the theories in the form of a concrete issue they (must) address.

I start the discussion with the more general and traditional social scientific approach to the question of social order and institutions. More specifically, I introduce the classic question that Émile Durkheim posed for sociology as a discipline: is society more than its constituent individuals? According to Durkheim (1982 [1895], 127), social phenomena should not be reduced to individuals' consciousness, because institutions 'exert *outside* pressure on individual consciousnesses' (emphasis added<sub>2</sub>). Hence, 'societies cannot exist if there are only individuals' (Durkheim 2005 [1897], xxxvi). A bit of enquiry into Durkheim's main

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<sup>2</sup> Unless otherwise mentioned, all emphasis in the quoted material comes from the original text. When I have added emphasis, this is indicated in brackets.

methodologically oriented works serves as a basis for the relational-structural approach that I suggest. After this, I reconstruct the premises behind neo-institutionalist theory to investigate how its main branches, following the system/lifeworld division, understand the social world and what precipitates demarcation between them. The main theoretical divide between these approaches is related to how they address institutional stability and change. As I find it important for neo-institutionalism to reach beyond its own theory corpus and in seeking to offer my relational-structural resolution in pursuit of the above-mentioned reconciliation agenda, I perform further reconstructions, of several social-theory traditions, selected for their substantive basis and their relationship with neo-institutionalism.

Firstly, I challenge neo-institutionalism's typical stance to the structural-functionalism of Talcott Parsons. Reconstruction of his 'system theory' lays bare what he himself characterised as its 'wholly and fundamentally relational' premises (Parsons 1991 [1951], 541), alongside similarities with so-called historical institutionalism. His theory provides a general description of those mechanisms supporting institutional integration that are not fully addressed by neo-institutionalists. Next, I reconstruct the social constructionist institutionalisation theory of Peter L. Berger and Thomas Luckmann (1991 [1966]), whose lifeworld-oriented approach was developed as an alternative to Parsons' system theory and provided the basis for the second main branch of neo-institutionalism, known as ideational scholarship. The lifeworld theories seem to maintain some distance from system theories by dint of their emphasis on the cognitive aspect of collective human action. While I identify this as a problem to be overcome, I go further, suggesting an alternative way to utilise social constructionism in institutional theory. By that point in the discussion, it will be clear to the reader that all the above-mentioned theories ultimately regard collective human behaviour as equilibrium-seeking. Therefore, and because of the explanatory category of 'ideas' in neo-institutionalism, the last tradition reconstructed is Marxist critical ideology theory (Rehmann 2013, 2014), which turns this equilibrium-related premise around and offers a relational-structural view on the interconnection of system and lifeworld. The chapter devoted to this final stream of theory also responds to general neo-institutionalist critique of Marxist theory and speaks to the ideology-theory agenda that historical institutionalist Paul Pierson (2016) has set.

My primary aim with this work is to illustrate how the neo-institutionalist understanding of institutional order and change, along with the reconciliation agenda, would benefit greatly from a relational-structural approach. This, again, takes

place through critical reconstructions of several theoretical approaches. At the same time, my research agenda extends to the other reconstructed traditions as well, since they all are also investigated as independent theories through original readings. These reconstructions lead to further, secondary output of my research, a relational-structural synthesis. This too ties back in with the reconciliation agenda, since neo-institutionalism should offer a conjunctive theoretical view on institutions. Without this, it has no common denominator, offers no basis for shared operation, and hence has no reason to exist. Moreover, reconstructing the other theories enables one to position neo-institutionalism along the historical continuum of social theory and thereby sheds some light on discontinuities on general theory development in the social sciences. In summary, all the traditions are treated and commented on as independent though interrelated work; through this approach, the dissertation connects with wider social-theoretical discussion, especially that pertaining to social relations and structures.

## 1.1 The Research Agenda and Setting

With regard to social phenomena in general, I consider concepts such as social order, structures, and institutions to refer to the same thing (albeit in descending order by abstraction) insofar as they denote collectively co-ordinated and ordered behaviour that is mostly beyond the individual's controls.<sup>3</sup> In this sense, I also position my study within the wider field of contemporary social theory, although it is obvious that I cannot introduce all known theoretical perspectives or bring out everything that could be said about phenomena that are social or institutional in nature. There already exist sensitive, elegant readings and reconstructions of various canons of social theory (e.g., Therborn 1976; Giddens 1979; Alexander 1987; Heiskala 2003; Joas & Knöbl 2009; Rehmann 2013) and ample debate about questions such as 'what

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<sup>3</sup> While I am aware of how troubling this kind of bundling of concepts may appear, further differentiation is performed only when needed. Of course, one may find an entire school of thought focused on each concept. This is related to the historical use and development of these concepts. As François Dosse brings out in his *History of Structuralism* (1997 [1991], xxii), it is very hard to define the limits of a concept or an -ism. Yet we know that '[t]he term "structure" – nowhere to be found in Hegel and only infrequently in Marx, with the exception of the preface to the *Critique of Political Economy* (1859) – was established in 1895 by Durkheim, in *The Rules of Sociological Method*' (ibid.). The key problem in more recent years has been variation in usage between branches of the social sciences (Sewell 1992, 3), including various definitions of 'institution' (see, among others, North 1991; Hodgson 2006; Lawson 2015; Miller 2019), an issue that has prompted several proposed solutions (in addition to Sewell, see, for example, Mayhew 1980; Haslanger 2016).

is social theory?’ (e.g., Heiskala 2014) and ‘what kinds of social theories are there?’ (e.g., Abend 2008; Selg 2013). The originality of my presentation is instead in its focus on the *essence* of social order and the structures and institutions that follow, whereas the typical approaches differentiate between particular *kinds* of institutions and orders: I consider institutions and structures relational in essence.

I recognise also that there has been a very recent ‘turn’ to social relations (Latour 2005; Pyhtinen 2016; Dépelteau 2018a; Vandenberghe 2018). My contribution in this regard lies in coupling a relational-structural point of view, which shows parallels with, for example, Sally Haslanger’s (2016) recent account, with use of the classics of social theory to point out how ‘relational thinking has always been with us’ (Dépelteau 2018b, 3). However, the interest in relational theorising is not limited to scholars taking part in the contemporary relational turn and the theorists whose work they have drawn in. Rather, there is a movement of young scholars emphasising the relational nature of the whole of society. Moreover, whereas they criticise the discursive and linguistic ‘turns’ preceding them, they dig all the way down to the most fundamental premises of the social sciences with the aim of connecting critical structural theory to its relational premises and illuminating why society still exists (see, among others, Kortesoja 2016; Torssonen 2019). With my dissertation, I engage in this enterprise.

Moreover, I offer novel readings of classic theorists such as Parsons, whose standing as a relational theorist has not been recognised in recent accounts addressing general social-theoretical questions (for example, see Watts 2014)<sup>4</sup>, just as his movement toward a relational point of view usually gets connected with only his later work (Emirbayer 1997). At the same time, I recognise a problem emphasised by some prominent theorists, such as William H. Sewell (1992) and Bruno Latour (2005): the ‘social’ denominator and ‘structures’ operating in the social sciences tend to be approached in such a way that, in general, they far too often remain unexplained themselves; these are the ‘stuff’ that explains things just by its essence, with no further elaboration on that essence seeming to be needed<sup>5</sup>. As I offer a supplement to the neo-institutional theory corpus and, through this, tools for the reconciliation agenda, I shed light on the classic traditions devoted to seeing society

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<sup>4</sup> Deeper analysis of the article by Watts or his general comments on social theory would not go amiss. Before this, one would be wise to see the critique of Watts by Turco and Zuckerman (2017) and his response (Watts 2017).

<sup>5</sup> For Latour (2005), the same goes for ‘structural’, ‘context’, ‘conditions’, and similar concepts describing the social ‘circumstances’ in question.

as a whole, and I suggest relations to be the ‘stuff’ that holds between and divides things.

### 1.1.1 Methodology and Data

My investigation provides cross-illumination between contemporary institutionalist theory and classic social thinking. The abstraction level is high, because this is a theoretical contribution and theories are abstractions of reality. Moreover, all scientific investigation is, at base, theoretical. A body of research data does not speak for itself, so we need theory for scientific reasoning. The premises of the theory reveal its ontology, how it fundamentally conceives of the world. If we are to call any theory institutional, it should be grounded on some premises that explain the institutional nature of a relevant phenomenon. In the course of the theoretical investigation of neo-institutionalism here, as I situate each premise, I also point out some of its problematic relations with other traditions I consider. This is to illuminate that separate traditions may be astonishingly similar in their premises but be unaware of this, or even actively deny those premises.

According to Charles Camic (1992, 422–423), there are two main ways of identifying one’s intellectual predecessors in social theory development. Camic’s approach is mostly concerned with the history of theoretical ideas, but I can apply it to my theory-building and reconstruction, choosing to call the two options ‘historical’ and ‘pragmatic’, in line with his general division. According to Camic (*ibid.*, 422), ‘predecessor selection is the act through which the social theorist delimits the universe of existing work, circumscribing what may then be incorporated, transmitted to, and read by his or her students and colleagues and by those exposed to his or her writings’. To put it bluntly, in historical selection, any chosen intellectual is the ‘next entry in the series’ of descendants, whereas the process of pragmatist selection starts with ‘identifying the problems and issues that provided the intellectual starting point for the thinker under study’ (*ibid.*). Once the problem is identified, all the material at hand will be used to solve the problem. While recognising that the historical and pragmatic approaches usually overlap, I choose to call my approach pragmatic with regard to the problem of order.

The texts dealt with below are used for pointing out the everlasting problems of social order and institutions, and how theoretical traditions (must) address them. Methodologically, these shared problems and the views taken by the various traditions on them form the common thread of my work. In the dissertation, I distil

their theoretical premises in their contexts and pinpoint differences and similarities. This, of course, entails ignoring a host of problems and issues related to these theories. Neither an uncritical attitude nor indifference is intended; my intention is to point out something that can loosely be called an ontological fingerprint: how these questions continue to leave their mark in social scientific treatments of the real-world problems tackled. This also is an essential motivational factor for the present work, since theories inform all empirical social research. Deciding between theories in empirical science entails deciding between ontological worldviews, and thereby these decisions trickle all the way down to the conclusions.

The body of research data has a twofold nature. On one hand, it features individual pieces of neo-institutionalism literature, since there is no clearly defined corpus of neo-institutionalism theory as such. In fact, the central problem for this investigation is the fragmented nature of the neo-institutional theory corpus and varying views about the core problems addressed. On the plus side for this enquiry is that the basic story of the development of (the branches of) neo-institutionalism is replicated in highly similar fashion between historical and descriptive volumes and texts (e.g., Blyth 2002b; Rhodes et al. 2006; Schmidt 2008, 2010a; Gofas & Hay 2010a; Béland & Cox 2011a; Peters 2012; Scott 2014; Fioretos et al. 2016a). My study supplemented those volumes with a set of other works, most of them independent theoretical works – books, chapters in edited works, articles, and essays – but also including some presentations of empirical testing and commenting on these theories with the aim of extending, verifying, or falsifying them or parts thereof. While the total number of neo-institutionalism writings is huge – after all, neo-institutionalist literature has been produced for decades – the number of texts that can be addressed here is very limited. Hence, the focus on theoretical texts.

At the same time, my research data represent classic social-theory texts and some selected commentary on them (e.g., Marx 2010 [1867]; Durkheim 1982 [1895]; 2005 [1897]; Parsons 1991 [1951]; Berger & Luckmann 1991 [1966]). This is because these classics contribute to contextualisation of neo-institutionalism and its reconciliation agenda but also, simultaneously, to general debate on social relations and social theory. In addition to commenting on neo-institutionalism, my reconstructions of these classic texts are independent readings, but without an attempt to comment on the theorists' overall bodies of work. As I lay out my major original findings on the writings, some reflections on pertinent secondary sources are presented, with a few secondary comments found in footnotes also. Now that the agenda, position, methodology, and data have been introduced, we may begin our search for social order, by compassing the problems that Durkheim set for social science.

## 1.2 An Introduction to Social Institutions As a Research Object

One of Durkheim's significant contributions as a founding figure of the social sciences was to introduce the research subject for the entire field of sociology. It has even been said that '[b]efore Durkheim sociology was a provocative idea; by his professional endeavors it became an established social fact' (Tiryakian 1978, 187). Durkheim was the one behind the world's first full professorship in the social sciences, a chair in Social Science established at France's University of Bordeaux in 1896. In the following year, he taught the first university course in social sciences at the same university, from which he moved to the Sorbonne to hold the Science of Education chair in 1906. There, the title for his chair title changed to 'Science of Education and Sociology' in 1913, in a highly significant move for sociology that was aptly reflected on by Dominick LaCapra (1985, 35) in his intellectual biography of Durkheim:

Comte's<sup>6</sup> neologism, barbarically combining Greek *logos* and Latin *societas*, finally gained official recognition in the University of France through the instrumentality of a thinker who questioned the preponderant role of the classics in traditional French education.

This would be the start to institutionalised social science, which brought institutional recognition of the question surrounding social phenomena. It would also mean the beginning of a new discipline that set itself apart from moral philosophy and found its place alongside (political) economic science and other social sciences, eventually. Along with many other classic social theorists', Durkheim's thinking was firmly grounded in the soil of a political economy, which has served as a point of departure for many specialist social scientific fields (Therborn 1976, 244–262). This also explains in its part why so many theorists, Durkheim among them, have expressed commitment to ideas such as states of equilibrium of a society. Of course, Durkheim was not responsible for the birth of the social sciences, whose roots may be identified as far back as classical antiquity, but his contribution toward the demarcation of this branch of science is hard to exaggerate. His *The Rules of Sociological Method* laid a cornerstone for the social sciences and social research that even today defines the sociological question's framing: '[O]ne may term an institution all the beliefs and modes of behavior instituted by the collectivity; sociology can then be defined as the science of institutions, their genesis and their functioning' (1982 [1895], 45).

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<sup>6</sup> LaCapra refers to French philosopher Auguste Comte (1798–1857), the first to present the word 'sociology'.

In his quest for sociology to become a science, Durkheim created methodological rules that would be expected to support its move onto the objective scientific stage. In the finest positivist spirit, he saw that ‘social phenomena are things and should be treated as such’ (ibid., 69)<sup>7</sup>. In Durkheim’s vocabulary, these ‘things’ are known among sociologists as social facts. At this point, it is worth recalling that this is, indeed, a *methodological* rule, involving a strict scientific attitude toward social phenomena such as family, property, and crime. Durkheim emphasised this because of his observation that enquiries into the social basis of morals are often clouded by human sentiment (ibid., 73).

By the same token, social objects should not be confused with logical necessities either, in abstract speculation about things that might appear to be natural laws but really ‘are mere counsels of practical wisdom’ (ibid., 69). He saw this extreme as evident with ‘the celebrated law of supply and demand [that] has never been established inductively as an expression of economic reality. Never has any experiment or methodical comparison been instituted to establish whether, *in fact*, it is according to this law that economic relations are regulated’ (ibid., 68). This nicely demonstrates Durkheim’s attitude: treating phenomena as things means treating them ‘as *data* [which constitutes] the starting point for science’ (ibid., 69). He expressed his fundamental position on the social, or social facts, thus:

Since [the] essential characteristic [of sociological phenomena] is the power they possess to exert outside pressure on individual consciousnesses, this shows that they do not derive from these consciousnesses and that consequently sociology is not a corollary of psychology. (Ibid., 127)

Did Durkheim go too far in seeing a society as a ‘thing’, to ‘reifying the social and situating it in an indeterminate zone between actors’ consciousness and positive facts’ (Bloch 2015, 285)? This would be one of the central criticisms levelled against him (see also LaCapra 1985; Pope 1998). For Durkheim (1982 [1895], 128), the authority that society has over us – and ‘the distinctive sign of social fact’ – is the pressure ‘which all exert upon each individual’. Since we all exert pressure upon all, we all are involved. Therefore, the *associations* between people bring the necessity for individuals to act and think in ways that are ‘consecrated by [societies] authority’

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<sup>7</sup> The term ‘positivism’ usually refers to an idea wherein the scientific disciplines have a hierarchical and evolutionary order with respect to each other. The science of man completes this positive evolution among the disciplines. The historical order also refers to a logical order in which the methods and concepts of the natural sciences can be applied to the human sciences. Durkheim’s predecessor who coined the term ‘sociology’, Auguste Comte is considered the father of positivism. For a short introduction of positivism, see Giddens (1974).

(ibid.), and Durkheim builds his case against psychology on the basis of the principle of associations (which he discusses in more depth on pages 128–136). Nonetheless, with his ‘social facts’, Durkheim cannot skirt the problem with which I began this introductory chapter:

[Durkheim], like Marx, emphasizes social structure. Durkheim helped to create classical sociology because he located social forces outside [the] individual actor. But at this point the serious theoretical problems really begin. The problem for Durkheim, as for Marx, is what structure means: How does structure hold within its limits? Of what are these limits composed? If structure exists, somehow, outside of the individual, can it act only in opposition to freedom? (Alexander 1982, 75)

For an answer to this question, we must dig into the case Durkheim built in *Suicide* (2005 [1897]), which is the fundamental work justifying sociology’s existence as a discipline in its own right and will be scrutinised in the next part of the chapter in its relevant parts.

### 1.3 Social Facts as Institutions

Durkheim’s classic investigation of suicide as a social phenomenon is based on the sociological methodology he created, present in brief above<sup>8</sup>. Therefore, it ‘rests wholly on the basic principle that social facts must be studied as things, that is, as realities external to the individual [...]. But if no reality exists outside of individual consciousness, it wholly lacks any material of its own. In that case, the only possible subject of observation is the mental states of the individual, since nothing else exists’ (Durkheim 2005 [1897], xxxvi). According to Durkheim, if the essence of institutions such as marriage or religion ‘consists of individual needs [...] [t]hese institutions themselves, with their varied and complex historical forms, become

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<sup>8</sup> The most commonly mentioned classic works by Durkheim in addition to *The Rules of Sociological Method* and *Suicide* are *The Division of Labour in Society* (originally published in 1893) and *The Elementary Forms of the Religious Life* (originally published in 1912). For purely practical reasons, we do not address these here but take it as a given that the necessary theoretical formulations put forward in the former are present in his later work discussed here. Furthermore, the theory of religion presented in the other of these works is not needed for purposes of proceeding to the next generation of theorising on social institutions – namely, the theory of social systems presented by Parsons, who took the religious function of a society into account. I do refer to several of the many texts on Durkheim’s overall thinking (for a comprehensive biography, see Lukes 1985 [1973], while a shorter one and an introduction to his general sociological and philosophical conceptions are provided by, among others, LaCapra 1985; a more in-depth theoretical review is provided by, for instance, Alexander 1982 and a briefer one by, for example, Pope 1998 or Tiryakian 1978). Therborn provides a general critical reading of Durkheim’s theory (1976, 244–270).

negligible and of little significance. Being superficial, contingent expressions of the general characteristics of the nature of the individual, they are but one of its aspects and call for no special investigation' (ibid.). Of course, Durkheim did not accept this 'if.

Durkheim's key insight is twofold. Firstly, for him, the social world should be seen as an extraneous factor *in relation to* any given person. The social world consists of institutions that are of a historical nature; therefore, he calls the object of his investigation a social fact, an institution. Secondly, if reality exists only within the consciousness of an individual, all institutions could be studied through examination of mental states. Since we are usually incapable of changing the state of an institution by changing our individual-level mental states, we should take the idea of an external element seriously. In other words, if one denies the existence of the social, we have nowhere else from which to derive the effects of the collective than mental states.

Durkheim's *Suicide* is a fitting jumping-off point for my introduction to sociological and social theorising since it is regarded as a theoretical milestone for the social sciences, in that it 'permitted him [Durkheim] to meet psychology on its own ground [and] [t]o prove that this [suicide] was nonetheless a social phenomenon with social causes [and, therefore,] would be a powerful demonstration of the importance of the social factors' (Pope 1998, 47). In *Suicide*, Durkheim sets forth his major thesis pertaining to the social nature of what is regarded as the most private of decisions, that to commit suicide – to pursue the most individual-based solution of them all. I elect not to enter into very broad discussion of the general picture of such a famous and widely debated theorist's thinking but to pick a text that directly addresses the problem at hand, of the nature of institution. Description of the process of the formation of social institutions is my starting point and remains my emphasis throughout.

### 1.3.1 The Social Institution As an Emergent Altered State

The key feature of Durkheim's work was that he 'sought to differentiate sociology [from the other disciplines] by eliminating their shortcomings' (Pope 1998, 47). In his scientific worldview, each discipline should have distinctive subject matter, with the respective sets of subject matter set in a hierarchy in accordance with the levels of reality: 'The interaction, organization, structural relations, and interconnectedness of phenomena at one level of reality give rise to new, emergent phenomena at the next higher level: most importantly, the physical to the chemical, chemical to

biological, biological to psychological, and psychological to sociological' (ibid., 47–48). In this sense, Durkheim's effort was to institutionalise the discipline of sociology with its own subject matter, as a social science wherein the social is understood as a higher-level *emergent phenomenon* in comparison to psychology. Theoretically, his study was founded on an empirical premise according to which '[t]he existence of societal suicide rates had been firmly established by moral statisticians [...]. His objective was to provide a sociological theory explaining these rates of suicide' (Therborn 1976, 260). In other words, the phenomenon of statistical consistency of suicides was already known, and this was a phenomenon for which Durkheim suggested a theoretical interpretation.

The various levels in the hierarchy of reality exist in organic relation to each other, but a phenomenon at one level cannot be reduced to a lower level, since the phenomena are emergent in nature. This emergence, again, means that a society should be seen as a whole. Therefore, the society is fruitfully investigated through studying not individuals but systematic relations, associations, and parts of that society in functional relationships to each other. Analogies to nature offered a baseline for Durkheim's enquiries that were to reveal 'definite [social] relations called laws' (LaCapra 1985, 14). The properties of a society cannot be derived from the characteristics of its individuals, just as the properties of life cannot be derived solely from the characteristics of oxygen, hydrogen, carbon, and nitrogen. According to Durkheim (2005 [1897], 274–275),

collective tendencies and thoughts are of a different nature from individual tendencies and thoughts, that the former have characteristics which the latter lack. How can this be, it is objected, since there are only individuals in society? But, reasoning thus, we should have to say that there is nothing more in animate nature than inorganic matter, since the cell is made exclusively of inanimate atoms. To be sure, it is likewise true that society has no other active forces than individuals; but individuals by combining form a psychical existence of a new species, which consequently has its own manner of thinking and feeling.

In the extract above, Durkheim makes another comparison to the natural sciences and points to the everyday perception according to which there is nothing but individuals and hence no such thing as society can exist. Just as cells composed of inanimate atoms form life when organised into a whole, human beings as a collective bring life to a new form of being, a social being whose characteristics are not found as such by considering its constituent individuals:

Of course the elementary qualities of which the social fact consists are present in germ in individual minds. But the social fact emerges from them only when they have been transformed by association since it is only then that it appears. Association itself is

also an active factor productive of special effects. In itself it is therefore something new. When the consciousness of individuals, instead of remaining isolated, becomes grouped and combined, something in the world has been altered. Naturally this change produces others, this novelty engenders other novelties, phenomena appear whose characteristic qualities are not found in the elements composing them. (Ibid., 274–275)

Here, Durkheim suggests that social facts emerge when individual minds associate and transform into something new. Simultaneously, he acknowledges that there are no forces acting in society other than individuals. Nevertheless, after association of individuals takes place, ‘something in the world has been altered’ and phenomena appear ‘whose characteristic qualities are not found in the elements composing them’ (ibid., 275). Clearly, this new, altered world is the ‘thing’ we encounter when we face social facts. What is this thing, then, and what is at stake here?

In *The Rules of Sociological Method*, Durkheim largely focuses on proving that there is an actual need for social research by defining the method and the object, but he skips the question of what the process is in which the social is developed. In that work, he says that ‘society is not the mere sum of individuals [and] no collective entity can be produced if there are no individual consciousnesses [so] these consciousnesses must be associated and combined, but combined in a certain way. By aggregating together, by interpenetrating, by fusing together, individuals give birth to a being, psychical if you will, but one which constitutes a psychical individuality of a new kind’ (Durkheim 1982 [1895], 129). This somewhat vague description recognises how individuals must come together in a certain way. That way is identified as ‘associations’ whose origin is in the social environment, which consists of things and persons, such as the law and established customs, literary works, and artistic monuments, all this in the active human environment (ibid., 135–136). However, only *Suicide* provides a more detailed account of the process wherein associations produce the altered state that is needed for society to exist. What takes place is ‘a sort of levelling [that] occurs in the consciousness’ within the same social group ‘which undergo[es] the action of a single cause or number of similar causes, [...] which leads everyone to think or feel in unison’ (Durkheim 2005 [1897], 75). After stating this, Durkheim proceeds to dissect the process:

A number of men in assembly are similarly affected by the same occurrence and perceive this at least partial unanimity by the identical signs through which each individual feeling is expressed. What happens then? Each one imperfectly imagines the state of those about him. Images expressing the various manifestations emanating, with their different shades, from all parts of the crowd, are formed in the minds of all [...]. Once aroused in my consciousness, these various representations combine with one another and with my own feeling. A new state is thus formed, less my own than

its predecessor, less tainted with individuality and more and more freed, by a series of repeated elaborations analogous to the foregoing, from all excessive particularity. (Ibid., 76–77)

When assembled into a crowd, people expose themselves to signs and (mental) images that express individual feelings and are distributed by the same occurrence. When imagining the state around the self, one starts to combine it with one's own feelings, creating a combination of states: partly one's own and partly of the crowd. This state appeals to others by its likeness, its resemblance to the other person's own feeling. It is a state wherein everyone involved gives a part of the self, absorbs another part, and merges into the crowd. Then one begins to serve the crowd's function while giving an individual part of the self for it, thus transforming its composition. In other words, the crowd starts to speak via the individual with its language that is absorbed after entry in unison into the state of the existing feeling, and the crowd itself simultaneously transforms in proportion to said individual's contribution. Through this event of fusion, a collective state is created: a levelling of consciousness.

This is the first of the two differentiations that Durkheim makes in contrast against the psychological explanation for people acting in a uniform manner – namely, imitation. According to Durkheim (ibid., 74), an imitation as purely psychological phenomenon is often confused for 'the origin of social facts in general and of suicide in particular'. To understand the social, one must make a clear distinction between these, since it is the collective influence that we are interested in here. Whereas the levelling of consciousness as thinking and feeling in unison represents a stark contrast to imitation – because of this fusion wherein a new, collective state is formed – the second differentiation implies imitative reproduction, or at least '[t]he same name has been given the impulse which drives us to seek harmony with the society to which we belong' (ibid., 76).

When conforming to adopted manners and customs such as legal and moral practices, we usually follow 'ways of thought or action that surround us [...]. Whenever we are ignorant of the reasons for the moral maxim we obey, we conform solely because it possesses social authority' (ibid.). This is because we are drawn by the *likeness* that we recognise in other people. It is based on sympathy, which constrains us from wounding our fellows' feelings and, on the other hand, on respect 'we feel for collective ways of acting and thinking and the direct or indirect pressure exerted on us by this collectivity to avoid dissension and maintain in us this sense of respect' (ibid., 78). In other words, what unites us with others is the sympathy and

respect that we recognise in them as likeness<sup>9</sup>. Yet this is not to be confused with imitation, since ‘the reasons making us consent are the determining causes of our action, not the example before our eyes. We are its authors, even though not its inventors’ (ibid., 79).

On the same page, Durkheim points out that between the representation and the execution of the act there is ‘an intellectual operation’, something that separates the social cause from the mere imitation. Therefore, it is not an act of imitation for one to ‘share a common feeling [or] yield to the authority of opinion [because] [n]o reproduction [imitation] occurs in the first case; in the second it results only from logical operations, judgments and reasonings, implicit or explicit, but themselves the essence of the phenomenon; and thus reproduction cannot be the definition’ (ibid., 80). The imitation exists only when there is ‘no explicit or implicit mental operation which bears upon the intrinsic nature of the act reproduced intervening between representation and execution’ (ibid.).

This account is an illustration of the relationship between the individual and the collective. In my understanding, this description can be extended beyond the immediate meeting of people (i.e., the crowd). Durkheim’s examples range from public reports to newspapers. He thus describes how the altered state, an institution, comes into existence and, at the same time, how the social authority appeals to us. However, while Durkheim sees the production of this dominant state as ‘too complex to be solved solely by introspection’, he remains puzzled by questions of how ‘the combinations occur[,] resulting in the collective state, what are its constituent elements’ (ibid., 81). If these questions are to be answered properly, according to Durkheim’s own methodological tenets (1982 [1895], 147–158), it is comparative empirical examination of social conditions that should be conducted. This is why Durkheim builds an empirical case based on statistics of voluntary deaths.

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<sup>9</sup> In Durkheim’s prior work, the term ‘likeness’ was used to refer to ‘the ancient mechanical societies, [where] social life and solidarity were derived from the similarity between the members of each society’ (Therborn 1976, 249); although this may be ‘a very poor analysis of the social organization’ with regard to many societies, Durkheim seems to refer to special mechanisms present in forming (lack of) solidarity and binding relations within groups that influence such outcomes as people’s decision to end their life for social reasons. These people need not even acknowledge it themselves: ‘Durkheim was concerned [with] how the solidarity function[s within] the division of labor in general, not to analyze different specific forms of this division of labor’ (ibid.). Maybe it is not that we recognise likeness in all groups so much as we see it in the groups or other associations that matter to us – the groups or relations that are responsible for the norms that may weaken and become absent in some circumstances.

Empirically we may observe ‘that suicides do not form, as might be thought, a wholly distinct group, an isolated class of monstrous phenomena, unrelated to other forms of conduct, but rather are related to them by a continuous series of intermediate cases. They are merely the exaggerated form of common practices’ (Durkheim 2005 [1897], xliii). As preposterous this may sound, there are volumes of contemporary statistical data showing that suicide rates remain relatively constant; because of this constant nature, they cannot be explained purely as a series of independent decisions<sup>10</sup>. On the basis of his data review, Durkheim discriminates among three main classes of independent social variable affecting suicide rates: religious, domestic, and political (ibid., 167). All these come together in the *degree of integration* as the central factor regulating the quantity of suicides and on which basis he formulated his famous law: ‘suicide varies inversely with the degree of integration of the social groups of which the individual forms a part’ (ibid.).

To explain suicide as a social phenomenon, he further formulates four theoretical explanatory categories in relation to the general law presented above: suicides as social phenomena are altruistic, fatalistic, egoistic, and anomic in nature. Altruistic and fatalistic suicides, which are not of particular interest for our purposes, follow from over-regulation of one’s life, from a situation wherein the social integration is too strong (ibid., 175; 239). From our point of view, the other two types are more interesting. Egoism refers to excessive individuality, meaning incapability of attachment to any common cause and excessive emphasis on private interests. Thus,

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<sup>10</sup> Criticism has been levelled against Durkheim’s empirical work. It has been suggested that the empirical investigation he conducted does not fulfil the requirements of modern statistics (Alexander 1982, 76) and that the relations he defined do not necessarily operate so unequivocally, with one example cited being the correlation between change in prosperity and suicide rates (LaCapra 1985, 161). In the most recent critique, Töttö (2012) indicates that he was unable to replicate Durkheim’s empirical research when applying modern statistical methods to Durkheim’s own data. However, I still consider Durkheim’s general theory and insights valid (as does Töttö, according to personal correspondence). For instance, one finds in Official Statistics of Finland material (2017) a clear trend wherein there is very little variation between years. Since the early 1970s, there has been a slight, continuous increase in the number of suicides. The differences within a 10-year radius amount to less than 10 cases, except when recession hit Finland in the early 1990s. Although the variation at that time was still not large, the quantity of suicides started to fall soon after this brief peak – in a steady downward-sloping curve – which might seem to go against common sense, in that they ‘should’ go up during financial crisis. Still, the downward trend is exactly in line with what Durkheim (2005 [1897], 206) said about the consequences of a depression: ‘Poverty may even be considered a protection.’ The simple explanation is that the depression rouses the people’s co-operative spirit, as they concentrate on working for the society and its growth. On the other hand, economic turmoil most definitely exacerbates the tendency toward suicide, as he indicates, but in the short term. The point, made on page 203 of *Suicide*, is that ‘if voluntary deaths increased because life was becoming more difficult, they should diminish perceptibly as comfort increases’. Since this is not the case, the reason must be the turmoil itself.

the moral support for people's life disappears, and they grow exhausted to a point where they see no other option than to give up their life (ibid., 167–168). Suicide of a highly successful person caused by burnout might be one example.

Anomic suicide would be the flipside of this<sup>11</sup>, since it refers to the disappearance and absence of social regulation of people's conduct, alongside the consequent suffering: 'Those who have only empty space above them are almost inevitably lost in it, if no force restrains them. Anomy, therefore, is a regular and specific factor in suicide in our modern societies; one of the springs from which the annual contingent feeds' (ibid., 219). This makes egoistic and anomic suicides parallel phenomena: they both result from the absence of society in the individual's life. Examples are relatively easy to come by: divorce, financial ruin, being abandoned by a highly relevant ideological community, anything causing the social regulation to vanish from one's life. The central conclusion from egoistic and anomic suicides could be formulated thus:

If [...] industrial or financial crises increase suicides, this is not because they cause poverty, since crises of prosperity have the same result; it is because they are crises, that is, disturbances of the collective order. (Ibid., 206)

It is the collective order that matters. In other words, one does not find the precipitating element behind these types of suicide by looking at the phenomenon itself; it stems from the underlying common variable of the two phenomena. The situation is similar to that in substance-abuse treatment and mental-health care. Too often, for people to get help for their mental-health problems, they are told to treat the substance problem first. Also, there is a common denominator to the specific types of suicide, in that 'the conditions of life are changed, the standard according to which needs were regulated can no longer remain the same [...]. The scale is upset; but a new scale cannot be immediately improvised. Time is required for the public conscience to reclassify men and things' (ibid., 213). Durkheim continues by stating that if the social forces are unregulated, and their respective values are unknown, society cannot return to equilibrium.

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<sup>11</sup> Durkheim saw egoistic and altruistic suicides as opposites, but I have chosen instead to present the contrast between egoistic and anomic suicides, since these represent the suicide types usually found in the modern condition. Anomie is one of the Durkheimian concepts elaborated upon further, especially by Merton (e.g., Merton 1938).

## 1.4 Preliminary Conclusions on Social Institutions and Order

The purpose of this chapter has been to position the question related to social institutions and so lay the foundations for the rest of the work. I have pointed out that the question requires theoretical treatment since the causes of social phenomena are beyond the reach of the naked eye. The fundamental issue for social theory is this: if we cannot construct the logic of social life from the individuals alone, where should we construct it from? Usually, social scientists speak a lot about social order, structures, and institutions, but the social itself all too often remains unexplained. The previous sections of this chapter remind us that people in particular circumstances are willing to give up even their life voluntarily because of the contradictions and suffering caused by the absence or overemphasised presence of certain kinds of social regulation. In my interpretation, we find a useful starting point in Durkheim's suggestion that it is the 'associations' that regulate our collective behaviour and form the basis for the institutional social life.

Since the foregoing questions are all closely linked to the themes and subjects I tackle here, I will consider Durkheim's 'associations' – which I find to be equivalent to social relations, the primary explanatory category I aim to advance – in light of Jeffrey Alexander's influential commentary (1982). This offers the further advantage that the dividing line between Alexander's and my interpretation represents in itself the deep-rooted question that Durkheim posed as to whether the social phenomena have a status of their own.

According to Alexander (*ibid.*, 229–230), Durkheim refers to associations in *The Rules of Sociological Method* when he discusses the social forces that are external to individuals; however, while Alexander understands the term to refer to an extra-individual factor in Durkheim's theory, he ultimately sees them as subjective feelings, from which it follows that '[t]he [social] order therefore is subjective'. He draws this conclusion from a more general position, from which he finds Durkheim's social structures to be a result of human emotions; he sees them having the same ontological status (*ibid.*, 218–219). All this is based on the first chapter of Durkheim's book, a brief section after which, according to Alexander (*ibid.*, 217), nothing very interesting is said. In a stark contrast with Alexander's interpretation, I find it quite clear that Durkheim is talking about the social relations in their own right as the source of the social structures that cannot be derived from subjective emotions.

Firstly, in addition to beliefs, Durkheim refers to the modes of behaviour as a basis for the institutionalisation of the social world, on page 45. This idea is further

developed near the end of the book, where he articulates that the pressure ‘which all exert upon each individual’ is what operates as the social environment where the things, such as laws and customs, are historically institutionalised (1982 [1895], 135–136). It is a somewhat dubious claim that these practices and the peer pressure holding up historically created laws and customs could be traced back to the human emotions alone. This is because the external factor *in relation to* the individual seems to be the common behaviour, wherein – unlike in the Hobbesian ‘war of all against all’ – *all control all* at the same time: a process very clearly outside the control of any given individual’s emotions.

Secondly, it is true that Durkheim refers to collective sentiments as the basis of morality (ibid., 101), and if transformations of the prevailing conditions should be possible, the morals should not mitigate against this. However, what is stated very generally about associations in the latter work is further developed in *Suicide*. There, Durkheim says that we avoid hurting our fellows’ feelings and act out of respect for one another, which causes yielding to the social authority (2005 [1897], 76–79). Yet, while these emotions boil down to the likeness that inscribes us in other people – a recognition – this is only part of the description Durkheim gives of the mechanisms by which we integrate with the collective. He describes the associations as an active productive factor *in themselves*, and the emergence taking place when these associations transform into a new state of existence, something that we face when entering the social reality (ibid., 274–275)<sup>12</sup>. Thus, when people merge into a crowd, something new is created, resulting from interdependencies between people. In a situation wherein our emotions would not lead to respect toward others, it would be this altered state as the ‘thing’ existing outside us that we must face as a consequence.

The relation between the social and the (reasoning) individual is not merely a group of imitative impulses but a metamorphosis, a levelling of consciousness and a combination of evaluated acts merged together through signs and images representing common opinions, practices, or beliefs / individuals creating their active relationship with those common opinions, practices, or beliefs. The continuity has a historical form as some of these practices and beliefs get institutionalised and affect people again as an external force. In any case, one always is in an interdependence relationship to the common and is forced to position oneself in

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<sup>12</sup> One potential reason Alexander and I disagree about the ontological status of the human emotions in associations lies in the connotations of the term. Whereas ‘association’ may refer to relation, it refers also to a mental picture or idea. The difference in interpretation may result from how Durkheim is seen in general: for Alexander, he represents the essence of the idealist tradition, whereas I read him from the perspective of materialist social relations.

relation to it. Also, we may find in this the roots for social change, an idea formulated loosely by Durkheim and subject to more extensive discussion in the next chapter.

When speaking about the levelling of consciousness, Durkheim states that people are exposed to identical signs and images that represent the society. In my interpretation, this means that the collective representations are images of the shared rules and values that later get described, in a situation wherein the collective order is shaken – i.e., when the regulating standard, the scale, is upset (*ibid.*, 213). This has two kinds of implications. Firstly, people might have difficulties in adjusting their views to the picture presented of the functioning of the society by the social authority. This may lead to contradictions or reconciliation moves in which individuals actively seek solutions that fit their purposes or restore peace of mind, or at least produce a compromise they can live with. It is possible that a person in a case of unresolved contradiction may strive to change the prevailing situation. According to Durkheim (*ibid.*, 212), ‘discipline can be useful only if considered just by the peoples subject to it. When it is maintained only by custom and force, peace and harmony are illusory; the spirit of unrest and discontent are latent; appetites superficially restrained are ready to revolt’.

Secondly, if the standard that regulates people’s behaviour vanishes or breaks down for one reason or another, there are courses of action other than suicide that may appear. People may seek each other out for new solutions or ideas for alternative actions. For Durkheim, the regulating standard clearly represents the kind of equilibrium toward which the collective action is directed if not interrupted. LaCapra (1985, 72) has characterised Durkheim’s general idea of society’s normal state as ‘a primary quality of the normal state of society was the existence of solidarity’. In this, Durkheim commits to the notion of social equilibrium as the usual state of society, and he sees the collective behaviour as heading toward spontaneous equilibrium because of the normalising forces – collective representations operating as a scale, a regulating standard – that makes us respect our fellows. If we do not find this respect intrinsically, this social control transforms into social pressure.

Durkheim compared the subject of the new discipline to the natural sciences’ by pointing out the phenomenon of emergence: just as the liquid form of water cannot be derived only from ‘the two gasses of which it is composed’ (1982 [1895], 39), society cannot be derived from its constituent individuals alone. Society is an altered, emergent state resulting from the associations between people that are governed by rules and norms (Durkheim 2005 [1987]). In a contrast to Alexander’s portrayal, I find the Durkheim’s methodological works paint a seamless continuum between human lifeworld and the objective forces encountered in the social world.

I have taken Durkheim as a springboard for undertaking my investigation of institutional order. As a founding institutional scholar, he brought out how institutions must be something other than a mere aggregate of individuals' consciousness. Durkheim set the stage through his problem setting, with the idea of emergence and associations, and via his preliminary description of the mechanisms through which these associations work. However, he was aware of limitations in his theoretical description: it was not sufficient to explain the phenomenon, so empirical research would be required. Moreover, seeing conflicts as undesired and 'normal' progression as the desired way to continue, Durkheim did not admit ways of thinking and acting outside the given set of circumstances. Still, he presented the dividing lines between structures, individuals, and their lifeworlds, which continue to puzzle theorists today.

With this groundwork laid, our investigation takes us next to neo-institutional theory of institutions. With the following chapter, my reconstruction of the neo-institutionalist theory is aimed at locating its theoretical premises, which will be compared with the ideas presented above. All this work is directed, more generally, toward seeking answers to the question of how institutions and the order that ensues are understood in contemporary theorisation.

## 2 INSTITUTIONS AND IDEAS

Institutionalism research in the Anglophone world is divided into at least two major, partly overlapping branches today: institutional economics and varieties of new institutionalism (or neo-institutionalism). This division has a strong historical background that reflects the division of labour within the social sciences that persists in the form of economics on one hand and the rest of the social sciences on the other. Notwithstanding the differences, there has been strong interconnectedness among institutionalism studies throughout their history, and this is reflected in their central problems and concepts. Neo-institutionalism represents the latest phase in institutionalist studies, which, in addition to achieving popularity, has been relatively successful in bridging the gap between economics and other social sciences. For example, one of the most prominent contemporary economists, Harvard professor Dani Rodrik, has applied neo-institutionalist ideas from political science in his recent economic theory development (Rodrik 2014; Mukand & Rodrik 2018). This is a significant result when one considers the antagonistic relationship that economics and other social sciences have been set in throughout their history.

Historically, the new institutionalist movement's reconciliation agenda has its roots in discussion found in the journal *Polity* in 1995, when potential was identified for this new movement to bring together institutionalists from all traditions and eras, even transcending the profound division between system- and lifeworld-based thinking (Ethington & McDonagh 1995). New institutionalism was supposed to offer an umbrella for social scientists who wanted to see society holistically but still in its full richness and variety and without unnecessary formalisation getting in the way (*ibid.*). As this has not come about, my investigation of its theoretical premises in the following chapters is focused on pinpointing the problem and offering an alternative approach. In this chapter, I introduce neo-institutionalism theory, especially its two key variants, historical institutionalism and ideational scholarship. My aim is to reconstruct the theoretical premises of these two variants since they represent neo-institutionalist theory in its most general terms with regard to social order. The reason for this parallel reconstruction is to uncover how both, on one hand, understand the institutions and social order and, on the other, produce understanding of the social world. The former task is undertaken for understanding

how society and the social world are understood within this theory, and the latter – following from the former – is aimed at understanding what kind of reasoning these premises inform and, thereby, how they influence the evaluation of real-world phenomena. This should provide the necessary grounding for locating the obstacle to the reconciliation agenda.

Neo-institutionalism calls for this treatment since I have identified it as the most influential tradition in contemporary social science that takes the so-called structural questions seriously and therefore aims at more general and comprehensive understanding of society. While it has spread and divided into many branches and fields<sup>13</sup>, it still operates upon a common denominator, institutions, and addresses the classic problems of social theory. In his neo-institutionalism textbook, B. Guy Peters (2012, 175) has associated the term ‘institution’ with ‘classic problem in social analysis – the relative importance of structure and agency’. He also highlighted the question of change and stability (i.e., the problem of order) throughout the book, where he tackles it not as separate from but as a dimension of the structure–agency dichotomy. This is because ‘one of the common ways of thinking about structure–agency debate in social theory is to ascribe stability to structure, and hence to institutions’ (ibid., 182). In other words, the entire concept of an institution stands in fundamental relation with classic social theory.

Hence, neo-institutionalism seeks answers to general questions about societies and the social sciences. In this sense, it is interesting that neo-institutionalism studies seems to build its own, self-sufficient theory corpus, which is usually evaluated in its own terms. This will be elaborated upon further on in the analysis. One explanation might be that neo-institutionalists usually consider themselves to be political scientists so see their theory as ‘a general approach to the study of political institutions, a set of theoretical ideas and hypotheses as to the relations between institutional characteristics and political agency, performance, and change’ (March & Olsen 2006, 4). I conclude, however, that, as theory striving for answers to general social scientific questions, it can be evaluated in terms of general social theory not confined to political institutions alone. Furthermore, by positioning neo-institutionalist theory in relation to classic social theory, I can clarify and supplement it via systematic theory-building that has taken place in other traditions. The following introduction to neo-institutionalist theory and critical reconstruction of it from the above-mentioned foundations is aimed at pinpointing its theoretical

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<sup>13</sup> In his textbook *Institutional Theory in Political Science* (2012), Peters distinguishes among eight distinct branches: normative, rational choice, historical, empirical, discursive, constructivist, sociological, and international institutionalism.

premises that can be evaluated in terms of other theories, addressing the same questions.

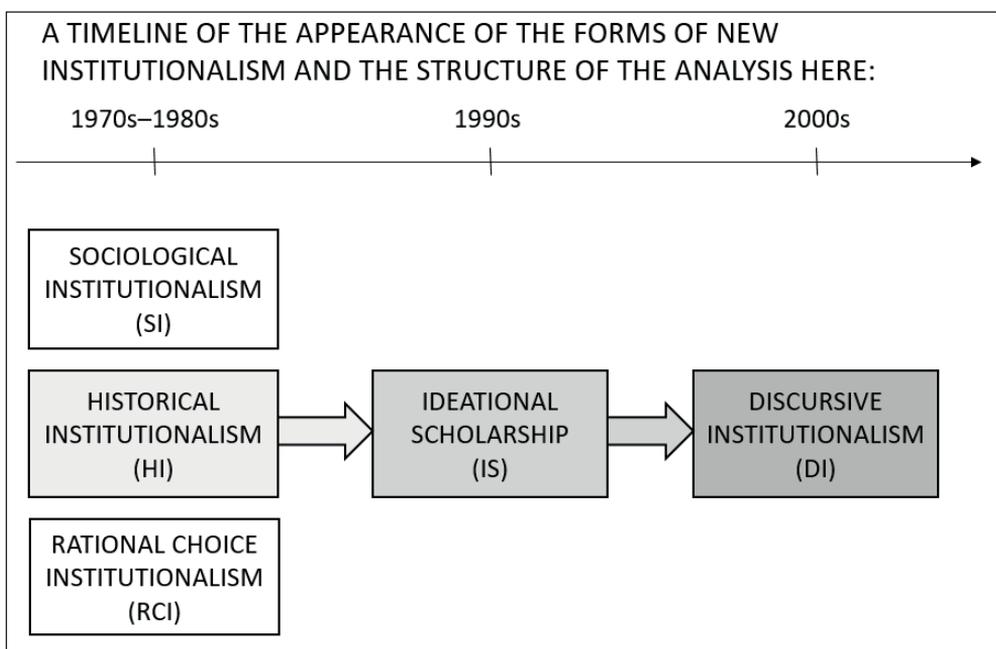
In institutionalism studies, institutions lack any single definition; there are many kinds of institutions. While no singular definition for an institution has emerged, there have been aspirations to develop one. It has usually been philosophers who have been interested in this kind of effort (e.g., Searle 2005; Lawson 2016; Miller 2019), but some institutionalists themselves have offered suggestions for the fundamental definition (e.g., North 1991; Hodgson 2006; March & Olsen 2006). That said, most (neo-)institutionalist literature and work by social philosophers alike identifies (systems of) rules as the most basic element of institutions (*ibid.*), and the consensus usually ends about here. Accordingly, there are several institutionalisms and several neo-institutionalisms, between which a division is drawn in accordance with their fundamental understanding and definition of an institution and its role in human life. Thus, neo-institutionalisms identify institutions not only with the rules but also with norms, values, cognitive frames, etc. This obviously leads to the following question:

Why not say that rules are the operative element rather than some superordinate entity – the institution – composed from those rules? [...] In short, what is the utility of using the label institution, or ‘new institutionalism’ for empirical analysis rather than simply looking at rule-based behavior, or the impact of particular rules of norms? (Peters 2012, 91–92)

While the institution could be considered an overarching concept for various definitions, rules, norms, values, etc., it far too easily ends up transferring the burden of proof from one abstract concept to another. Saying that institutions are rules or values will not tell us much about the thing we are dealing with as such or, even worse, associates it with a common-sense understanding of the phenomenon. This kind of ‘chaining’ of concepts (institutions are rules, rules are norms, and norms are cognitive frames), in which the actual explaining of the effective mechanisms is neglected, happens too often. Equally, understanding rules through the behavioural manifestation falls short of explaining the underlying cause, just as Peters (*ibid.*) suggests. It just transforms the immediate perception into theory of an abstract phenomenon. What we need, instead, is a plausible theory for explanation of the empirical observations, so that they make sense as social phenomena. This was already made apparent by Durkheim, who did not simply insist that ‘social facts’ exist but provided preliminary theoretical explanation with his ‘associations’, which expanded into empirical enquiry into those general laws that regulate self-destructive behaviour, with the description of mechanisms that operate therein.

Until very recent years, three main neo-institutionalisms dominated the field: *historical institutionalism* (HI), *rational choice institutionalism* (RCI), and *sociological institutionalism* (SI). Several variations have appeared since, but the focus in addressing these will be on so-called ideational scholarship (IS), which grew out of HI and ended up entering a contradictory relationship with its original host. The distinctive feature of IS is that it brings together various sorts of approaches that identify themselves through one key concept, the ‘idea’, which itself serves as a key justification for this wholly new tradition within neo-institutionalism. It denotes a lifeworld in general and, at the same time, a counter-movement against the ‘system thinking’ of HI, which had originally represented the main solution for the reconciliation problem. Hence the word ‘scholarship’ (note that ideational institutionalism is only one branch of IS). The development, in the form of specialisation and demarcation, did not end here but produced another distinctive branch of investigation as an outgrowth of the general field of IS: *discursive institutionalism* (DI) Its founder, Vivien A. Schmidt (2008, 2010a), has called it the fourth new institutionalism because of its attempt to bring all ‘idea’ studies under the same discursive umbrella. Therefore, I see it as falling along the development continuum illustrated below. The structure of the analysis in this chapter also follows the timeline presented below.

**Figure 1.** A timeline of the appearance of the forms of new institutionalism and the structure of analysis here.



Schmidt's aspiration to bring the concept of discourse to institutional analysis is interesting in two, interconnected ways: it represents juxtaposition between the structural and lifeworld theories, and, thus, makes an attempt to bring the structures back into discussion – but in terms of socially constructed meanings. Neo-institutionalism draws all these topics together in a somewhat contradictory manner. On one hand, one of its great benefits is that it thematically covers a wide range of topics of social theory and social science in general. This can be seen in the names of the neo-institutionalisms, coined in response to the need for academic demarcation. On the other hand, the demarcation in question is problematic since it may build artificial borders between the disciplines. I will let Mark Blyth (1997, 244–245) elaborate on the neo-institutionalist division of academic labour, the above-mentioned juxtapositions, and the position of the classic agent–structure dichotomy and the problem of order in these discussions:

[H]istorical institutionalism derives from sociology, and rationalist institutionalism from economics. Irrespective of their different lineages, all institutionalist arguments are ultimately concerned with two sides of the same problem: how order is created and maintained and how change is possible. Structural sociology traditionally conceived of agents not as individuals pursuing self-interest, but as passive 'bearers' of class or values responding to external structures and internalized norms. Critiques of the functionalist logic of such models and of their lack of microfoundations popularized alternative economic perspectives. Whereas classical sociology operated with an 'oversocialized' conception of man, neoclassical economics operated with a highly 'undersocialized' one. Whereas sociology 'solved' the problem of order by making agents 'automatons' of external social forces, economics 'solved' the problem by eliminating social relations from the intellectual agenda and separating the economy from other aspects of social life.

This very illuminating quotation brings out the confrontations that serve as justifications for developing such somewhat mutually independent but historically interconnected traditions as HI and IS, which cling to these stereotypical descriptions from classic social theory. While DI aims somewhere in between, it is still clearly a descendent of IS. I treat HI, IS, and DI as independent traditions whose interconnections are mediated through the problem of order and the dichotomies produced in response to it, such as agent–structure. Thus, the disposition of this chapter. With the above quotation, Blyth sets the scene for this enquiry and my 'intervention' for neo-institutionalism. What follows next is a very brief historical overview of the most canonised neo-institutionalisms, which begins with some general history. Then, we will be ready to look at each of HI, IS, and DI.

## 2.1 From Old to New: The Origin and Branches of Neo-Institutionalism

When it comes to the label ‘neo-institutionalism’, the clear implication is that there have been some previous institutionalisms but now the enterprise is back, in new and improved form. Textbooks and other introductions to neo-institutionalism indeed make a distinction between ‘old’ and ‘new’ (see, among others, Blyth 2002b; Rhodes et al. 2006; Peters 2012; Scott 2014)<sup>14</sup>; however, the common denominator of all institutionalisms is that they have always been dissenters, opposing mainstream social sciences, according to historian of the American social sciences Dorothy Ross. Ross (1995, 117) states that

what is most striking about institutionalism is its recurrence. In the United States institutionalism has been repeatedly invented, first in economics<sup>15</sup>, then in political science and sociology. Each time it develops as an opposition movement, a dissenter from mainstream social science paradigms. Having waxed and waned, it is reinvented again some decades later.

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<sup>14</sup> For further discussion of old institutionalism, see, among others, Rhodes (2006).

<sup>15</sup> The first economics school under institutionalism dates back to the late 19th and early 20th century, with the classics of modern economics and the so-called German historical school, investigating the historical background of economics and economics. The historical component mostly involved articulating that, if one understands the development of (American) capitalism and its institutions, one should see that no artificial or rigid categories separating between areas of life were needed – these could even be harmful. While many of the influential early American institutional economists shared these premises, it was the evolutionary thinking that left its lasting mark on the new economic institutionalisms that followed: The institutional logic of figures such as Thorstein Veblen (1857–1929), one of the most notable individuals in the field, displayed certain general historical traits, but the strongest inspiration came from Darwin’s evolutionary thinking. At the same time, the concept of ‘habit’ that Veblen introduced in an influential article (1898) has been widely used in social theory. Usually, it is associated with Max Weber (1978, 31), who understood habit as crucial for understanding the prevailing order: ‘An order which is adhered to from motives of pure expediency is generally much less stable than one upheld on a purely customary basis through the fact that the corresponding behavior has become habitual.’ However, Camic (1986, 1076), in an extensive article combing through the theoretical history of the concept, highlights that it was ‘progressively discarded from the language of the sociology’ over many years. Interestingly, the main idea behind the concept has surfaced in contemporary behavioural economics (Kahneman 2011) and also in neo-institutionalism (Finlayson 2004) but without reference to Weber or other sociologists. This tells us something about the manner of development of these demarcated social scientific fields. For further elaboration on institutional economics and its evolutionary background, see authors such as Hodgson (1998, 2007, 2008, 2015). For comparison between evolutionary thinking in institutional and Marxist economics, see Dugger and Sherman (2000).

As the quotation suggests, there might not be much new in neo-institutionalism, but there seems to be a recurring need for it<sup>16</sup>. According to Ross, its continuous resurgence occurs because American social scientists seem to soar repeatedly ‘into excessive abstraction, formalism, [and] reductionism’ (ibid.). The institutional schools have tried to get the social sciences to land on their feet every time, back on the firm ground of ‘historical contingency, the agency of historical actors, and the contextually based continuities of social relations, ideas, and values that shape their fields of study’ (ibid.). History with its contingencies, apparently, is a key aspect of institutionalism, and its own history has seen it serve as a shared breeding ground and meeting place for thinkers from separate disciplines. While the return of institutionalism most definitely represents advantageous and progressive motion in the development of social science, one could ask whether it is victim to its own diversity, which may hinder its development.

Delving a little further into the past, one sees that what gathered social scientists together under the flag of institutionalism in the 1880s and 1890s was the view that the state, economy, and society were not mere reflections of human nature; they ‘were constructed according to historically evolved patterns, which they called institutions, that are open to modifications through wise legislation. The old institutionalists who flourished between 1880 and 1920 emphasized the state as the guiding institution among all social institutions’ (Ethington & McDonagh 1995, 88). The first institutional intervention, then, was to bring the social institutions under discussion instead of accepting human nature as the ultimate explanatory category with regard to social evolution. The attitude of early-20th-century political institutionalism toward state institutions, in particular, and the ensuing discussion could be summarised as follows:

[T]he institutional school that developed at the turn of the 20th century exhibited several defining features. First, it was preoccupied with formal structures and legal systems [...]. Second, the approach emphasized detailed accounts of particular political systems, resulting in ‘configurative description’ – intricate descriptive accounts of interlinked rules, rights, and procedures [...]. Third, the approach was conservative in the sense that it emphasized origins but not ongoing change [...]. They were regarded as completed products. Fourth, the work was largely nontheoretical, primary attention being given to historical reconstruction of specific institutional forms. Finally, the tone of these studies was more that associated with moral philosophy and less that of empirical science. (Scott 2014, 8)

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<sup>16</sup> Even the founders of the new institutionalism do not claim it to be something completely new but understand the problematic nature of such a claim.

According to Peters also (2012, 3–11), the old institutionalism was about structured and legalistic political systems that are holistic and historical in nature yet in the sense displayed in the above quotation: institutions are heavily structured, determining, bureaucratic systems of rules that leave very little room for individuals' manoeuvring. This was probably because old institutionalism 'took much of its inspiration from the Prussian state as *the* model of good governance and proper public administration' (Blyth 2006, 493). This one static case provided general lessons for political scientists, which eventually turned out to be a doomed strategy, when World War I began. Blyth (*ibid.*) regarded this as proof of the field's 'misplaced foci as much as predictive failures' arising from an incapability of understanding political realities that stemmed from its one-sided focus on 'study of constitutions, laws, parliamentary procedures and so on' (Blyth 2002b, 296). Thus, one could characterise 'old' institutionalism as mostly about formal institutions aiming for a good administration model.

Between the eras of old and new institutionalism was a time of so-called behavioural revolution (sometimes called behaviouralist but not to be confused with the school of psychology). It emphasised empirical science and orientation to political behaviour instead of governmental structures. Another distinguishable feature of behaviouralism was that its theory put emphasis on the intangible research objects and introduced 'relations' instead of formal institutions as an object of enquiry (Ethington & McDonagh 1995, 88). Still, relations were clearly a heavily undertheorised object, and the behaviour of groups and individuals in various situations was elevated to be the primary unit of analysis accordingly (*ibid.*). Methodological individualism was brought into the picture with a strong rationalist influence, since the relations only imply ways in which one person's actions may affect others'. The main point was that the emphasis was moved from rules and structures to utilitarian-orientation behaviour in pursuit of a political scientific theory the discipline could call its own (Scott 2014, 8–9; see also Peters 2012, 12–23.). Simultaneously,

a number of candidates for general theories were developed and 'tested'. For example, in comparative politics – the area most akin to the old institutionalism – structural-functionalism [...] was a major candidate for theoretical domination. This system approach argued that all political systems must perform certain requisite functions [...]. (Peters 2014, 12)

Structural-functionalist ideas have had a foothold in institutionalism, but – unlike in the social system theory of Parsons (introduced in the next chapter) – the functionalism stemmed from the utilitarian-individualistic presuppositions, while the connection with the problem of order was still maintained. For example, one key

functional theorist of the day, James Coleman (1986, 16), stated that ‘sociologists have characteristically taken as their starting-point a social system in which norms exist, and individuals are largely governed by those norms’. What appealed to political scientists, in Coleman’s phrasing of the question, is the sentiment that ‘sociological theory has little to say about how [...] collective decisions are made’ (ibid.). This crystallises one of the major divisions addressed in the dissertation, which manifests itself repeatedly since the lifeworld theorists suggest that the (structural) system theorists cannot provide satisfactory explanation for the origins of society or for the diverse actions within institutions that cannot be derived solely from structures.

After the experiences of the Great Depression and the Second World War, these still relatively stable and static institutional understandings faced the problem ‘that the real world events of the 1960s, both domestically [from a US perspective] and internationally, simply overwhelmed them’ (Blyth 2002b, 297). As the stable, ready-made institutional structures were challenged by utilitarian-individualistic explanations, a quite different question that demanded an answer started to emerge: ‘why it was that in moments of great economic distress it was the state [...] which attempted to resolve such crises’ (ibid., 298; see also Blyth 2006). By the early 1980s at the latest, the state was brought back in with a vengeance, though with greater sensitivity to changing historical situations than the old institutionalism had shown. ‘[I]f one wanted to explain why it was that certain trade union movements were stronger than others, or why national pension systems differed in their systems of delivery, one had to deal with the lower level of abstraction’, stated Blyth (2002b, 299). A shift toward finer-grained, more empirically grounded analysis of historical institutions took place with the aspiration for a new institutionalist movement.

Indeed, it had become widely accepted no later than the early 1990s that a simultaneous historical and institutional turn had taken place in the social sciences that would meet the above-mentioned requirements (Ethington & McDonagh 1995; Blyth 1997). The widespread recognition of the former turn, closely related to the ‘renewed debate about institutions as objects of inquiry and institutionalism as a method of inquiry’ (Ethington & McDonagh 1995, 85), led to a roundtable discussion at the Annual Meeting of the Social Science History Association in 1993. The output of this discussion, which involved prominent members of the institutionalism field, was nine short articles in *Polity* in 1995. The ensuing debate deserves some attention since it could be considered a sort of ‘interim report’ on neo-institutionalism’s issues early in its radical upswing. It also represents the stage in its theoretical development in which all the phases from old to new

institutionalism seemed to be topically present. This discussion set the agenda for the neo-institutionalist movement.

The 1995 *Polity* debate was about defining an institution and new institutionalism. The roundtable topics reflected pressing issues that still sound familiar today, with titles such as ‘Order and Change’ (Skowronek 1995), ‘Ideas and Institutions’ (Orren 1995), and ‘Institutionalism, Rational Choice, and Historical Analysis’ (Kloppenbergh 1995). The proceedings were edited by Philip J. Ethington and Eileen L. McDonagh (1995), whose title for their introduction is itself revealing: ‘The Common Space for Social Science Inquiry’. The idea was to bring the various branches of social science and generations of institutionalism together by offering them a peer group of scholars from several fields that share a common denominator. The harmonisation agenda went as far as seeing the new institutionalism overcoming the seemingly everlasting disagreement about system vs. lifeworld and reconciling the differences among old institutionalism, new institutionalism, and behaviouralism (ibid.). After the pages of this debate were printed, it gets much harder to find the optimistic, unifying tone across several fields of social science, making it a sort of a watershed. Of course, not even all the roundtable contributors were convinced about the agenda. For example, Morris Fiorina (1995, 107) told of how he was ‘not completely persuaded that the “new institutionalism” amounts to much beyond the normal progression of the social science stimulated by the normal desire of young scholars to distinguish themselves from the generation ahead of them’.

While not everyone fully agreed as to the novelty of this rising movement, Ethington and McDonagh approached the reconciliation agenda from two perspectives as editors of the volume: on one hand, they aimed at bridging the gap between formal (state) and informal (societal pressures) institutions, while, on the other, they wanted to draw multiple definitions, theories, and methodological approaches together. When it came to formal old institutionalism, the object of enquiry was written documents, laws, presidency materials, court systems, and other visible outputs or manifestations of the institutions. Correspondingly, the informal side entailed an interest in the intangible and therefore unobservable – objects such as ideas, beliefs, and meanings. From the standpoint of the new institutionalist agenda, the problem on both sides was obvious: the concept of institution was useless since the object of investigation was either a visible institution itself or, in the case of an intangible research object, an attitude, a process, a belief, or some equivalent.

Still, Ethington and McDonagh (1995, 86) were optimistic with regard to bringing various orientations together, since they concluded that ‘the common term [...]

applies to the full spectrum of social science objects of inquiry'. To offer a common term, they defined an institution in line with the thinking of S.J. Gould (1987), as regularised principles of conduct, action, or behaviour that governs social life and endure over time. They continued: 'Scholars too often confuse debate about "institutional" versus "non-institutional" analysis with what is really a debate about proper definition of an institution in terms of how tangible or intangible it may be' (Ethington & McDonagh 1995, 86–87). This would be their agenda setting: to approach institutions not as 'ontologically' separate objects in accordance with their immediate observability but also in line with their underlying principles, such as regularities of relatively enduring principles of collective human conduct.

Moreover, Stephen Skowronek (1995, 94–95) suggested further distinguishing criteria to apply in place of seeing institutions just as channelling or constraining individual actions through rules: 1) investigation of how institutions historically construct persistent motives, prescribe actions, and assert legitimacy; 2) taking into account that the individual institutions in complex societies are likely to have distinctive histories, resulting in a 'multiple order thesis'; and 3) recognising that political institutions are directed at controlling individuals or other institutions even outside their declared sphere. The implication of the last suggestion is that politics is not necessarily about the order of things, or even multiple orders, but about coercive ambitions with a sustaining asymmetry of power, incongruities, and frictions. Thus, politics means a stubborn 'intercurrence of different standards of legitimate action' (ibid., 95). The more general suggestion emerging from these further criteria is that the new institutionalism should be something 'more than another formulation of the traditional study of system, order, and regularity' (ibid., 96).

One of the most profound embodiments of this suggestion is the appearance of the explanatory category of 'ideas', which would be one of the key novel elements. Tackling the intangible object of enquiry, this also represents several aims that were set for new institutionalism, among them bridging the system/lifeworld gap (Ethington & McDonagh 1995). It led to new questions too, such as these: Do 'ideas or ideologies have significant political life of their own, even as the institutions or practices that once reinforced them have become weakened? [...] How loosely attached can ideas be to institutional developments and remain politically viable?' (Orren 1995, 98). These efforts notwithstanding, the gap materialised immediately, in the contribution of Theda Skocpol (1995b, 105), who declared herself to be a historical institutionalist<sup>17</sup> who believes 'that causal analysis and hypothesis testing

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<sup>17</sup> Skocpol was one of the first to use the term 'historical institutionalism' and has made several key contributions to the field. Though her work had a significant influence, we will not consider it in depth

about variations are the way to proceed methodologically. It is not enough just to explore how people talk or think. We must also find patterns in what they do. I do not think that institutions are simply or primarily systems of meaning or normative frameworks'. This marks out the division that, having not been transcended to this day, remains in focus for the remainder of the present work on neo-institutionalism.

So far, we have located three new items on the institutionalist agenda: Firstly, new institutionalism sought primarily to unify the fields of social science in a theoretical sense by offering a common denominator with which to operate. Secondly, in aspirations related to this effort, the unifying definition for an institution should go beyond the fundamental problems of previous institutionalisms, and even the whole of social theory with its two camps. Now the real challenge reveals itself: at the same time, under the third objective, new institutionalists should aim for more detailed accounts of institutions than previously: they should be able to think in a more broad-based and fine-grained way at the same time.

Clearly, the contributors believed that institutionalisms need more fine-grained analyses, not just because the theoretical-methodological apparatus has been insufficient but also because things have changed. For example, according to Karen Orren (1995, 100), what can be observed is 'the parallel devolution of institutions and ideas, of encompassing institutions of control and of meaning, over time'. The widely shared view in this is that the world itself is more fragmented and dispersed than ever (see also Skowronek 1995; Smith 1995). As 'idea' was set as a key vehicle for promoting this new institutionalist agenda, the following question could be asked: is there specific call – in relation to past theory or to the situation that prevails in today's world – for putting such an explanatory category as 'idea' forward in its own right? After all, as Terrence McDonald (1995, 130) brings out, 'every shift in the paradigms of social sciences brings costs and benefits'. In light of the above question, it is worthwhile to assess the weight of these costs and benefits. However, before venturing into the world of historical institutions and ideas wherein this problem setting manifests itself, let us consider the main branches of neo-institutionalism in their context.

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here, because of her 'organizational realist approach to institutions, viewing them as actual patterns of communication and activity', which I interpret as a result of her orientation as an empirical scientist 'primarily interested in political processes and outcomes' (Skocpol 1995a [1992], 105). Her sophisticated definition of an institution as a set of relationships that persists, albeit in an inherently conflictual and tension-filled manner, is equivalent to the standard HI definition, which will be dealt with in connection with HI in the next part of the chapter.

## 2.1.1 The Main Forms of Neo-Institutionalism

The differences between old and new institutionalism could be summarised thus: in relation to the old form, new institutionalism is ‘characterized by an explicit concern with theory development and by the use of quantitative analysis. [...] [The] analysis looks at actual behavior rather than only the formal, structural aspects of institutions [and focuses on] outcomes in the form of public policies and other decisions. [Moreover, it talks] about institutions in more genuinely comparative ways’ (Peters 1996, 206–207). The canonical tradition-establishing texts are from the late 1970s (e.g., Mayer & Rowan 1977; Shepsle 1979), from the early 1980s (e.g., DiMaggio & Powell 1983; March & Olsen 1984), or even from the 1990s (e.g., Steinmo et al. 1992; Hall 1993; Blyth 1997), depending on which thread one wants to follow. The project of discovering and addressing the diversity of research subjects and the subtlety of social and political life brought with it a growing number of theoretical advances, with the earliest and most central of these being sociological institutionalism, rational choice institutionalism, and historical institutionalism (Blyth 2002b).

The table below sets the main branches of neo-institutionalism side by side to illustrate their differences in relation to their central questions, revolving mostly around the problem of order. In addition, I have included what I interpret to be their objects of explanations, primary explanatory categories, etc., paraphrasing part of Schmidt’s similar table (2010a, 5). The branches that are at the centre of my investigation are presented in shaded cells.

**Table 1.** The main branches of neo-institutionalism

	<b>Sociological institutionalism</b>	<b>Rational choice institutionalism</b>	<b>Historical institutionalism</b>	<b>Ideational scholarship</b>	<b>Discursive institutionalism</b>
<i>Theoretical descendent of ...</i>	Organisational sociology, social constructionism	Economics, economic history, positive (positivist) political theory	Structural sociology	Social constructionism	Social constructionism
<i>Object of explanation</i>	The norms and culture of the agents, isomorphism	Behaviour of rational agents	Structures and change of historical institutions	The ideas of agents in an institutional environment	The ideas and discourse of agents
<i>Major categories of explanation</i>	Cognitive frames, norms, values, scripts	Maximisation of utility, rational individuals' decision-making	History, structures, common expectations	Ideas, communication	Ideas, discourses, communication
<i>Definition of institutions</i>	Organisational structures maintained via shared meanings	Collections of rules and incentives	Historically developed rules, norms, and practices	(Structures formed of) shared ideas, which are manifested as rules, norms, beliefs, etc.	The discursive environment of ideas – i.e., structures and constructs
<i>Approach to stability</i>	As maintained through rituals, myths, and the like	Equilibrium-seeking behaviour, chosen structures	Structured choices that meet the shared expectations	Sustaining ideas	Agents' background ideational and foreground discursive conformism both
<i>Approach to change</i>	Evolution of organisational meanings and practices, emulation	Changing preferences	Shocks, crises, power-distribution conflicts, contradictions between rules	General contingency of human action, changing ideas	Agents' abilities – both background ideational and foreground discursive

As the table suggests, while sociology is usually considered the general social science, sociological institutionalism in its present sense is only one of the directions that institutionalism studies took, one usually associated with organisational studies. Accordingly, in SI it could be hard to draw a clear distinction between organisations and institutions (e.g., Peters 2012, 127; Schmidt 2010a, 13). One indication of this is that SI has also been called organisational institutionalism (e.g., Campbell 1998)<sup>18</sup>. The beginnings of this tradition go back at least to the 1970s and are usually associated with the name John W. Meyer (Jepperson 2002). In one of the most influential texts of the SI field, John Mayer and Brian Rowan (1977) suggest that organisational structures that have remained rational and efficient are, in fact, products of socially constructed myths. This went against the grain of surrounding scholarship in that they saw the organisational ‘formal structure [as] a blueprint for activities’ (ibid., 341–342), which does not go through the type of process of constant rationalisation that had been assumed to be at play. According to Mayer and Rowan (ibid., 343),

[w]hen norms do play causal roles in theories of bureaucratization, it is because they are thought to be built into modern societies and personalities as very general values, which are thought to facilitate formal organization. But norms of rationality are not simply general values. They exist in much more specific and powerful ways in the rules, understandings, and meanings attached to institutionalized social rules, understandings, and meanings attached to institutionalized social structures. The causal importance of such institutions in the process of bureaucratization has been neglected.

This challenged the common sense pertaining to the rationality of bureaucratic structures, since the rationality identified by Mayer and Rowan was not consistent with the archetypal efficiency criteria of their time. For them, the above-mentioned meanings were sustained in myths in ceremonial rituals in which these meanings, rules, and norms were shared and upheld. It seemed that, rather than commit to some economic efficiency rule, in the organisational environment it is more important to follow the shared rules based on shared meanings. Interestingly, Mayer and Rowan viewed ‘[i]nstitutionalized rules [as] classifications built into society as reciprocated typifications or interpretations’ (ibid., 341) in the social constructionist sense proposed by Berger and Luckmann (1991 [1966])<sup>19</sup>. This raises the social rules as *cognitive frames* to the fore as a primary explanatory factor in the institutional

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<sup>18</sup> There is also institutional economic sociology. For an introduction, see Nee (2005).

<sup>19</sup> Berger and Luckmann (1991 [1966], 73) found it ‘theoretically important that the institutionalizing process of reciprocal typification would occur even if two individuals began to interact *de novo*’.

environment, rendering institutions an ultimately cognitive phenomenon – a phenomenon of consciousness.

In further echoes of the spirit of Berger and Luckmann, the pair's theory emphasised the organisational structures' nature as highly institutionalised rules functioning as myths that get rationalised afterward. This does not necessarily have anything to do with efficiency criteria, but the myths are criteria that appear rational. The ritually legitimated structures are bound up with 'the evolution of organizational language' (Meyer & Rowan 1977, 353). Most importantly, these findings served an attempt to explain the isomorphism spanning various kinds of organisations even between countries, while the purposes and needs for the existence of the organisations may vary greatly<sup>20</sup>. These findings were a game-changer and, without doubt, represented important insights, especially in the field of organisational studies. They were so vital that the tradition in SI is known as the Stanford School<sup>21</sup>, and Meyer's name can be found in almost any paper dealing with SI and in writings from many other fields of neo-institutionalism. Its basic presuppositions are still based on Berger and Luckmann's social constructionism – scrutinised in the next chapter – with its emphasis on meaning construction and 'recipe knowledge' (Jepperson 2002, 232). For the most part, it brings the cognitive frames and socially constructed norms and rules into the theoretical foreground. This is the general framework that operates in SI in general; that is,

the sociological [institutionalist] literature emphasizes the cognitive elements of organizational theory. That is, the sociological literature has become more concerned with how members of an institution perceive situation within their structure and the 'frames' that they bring to bear on those situations in order to make decisions about them. (Peters 2012, 133–134)

In addition, there have been attempts to build marriages of theory wherein the organisational-institutional cognitive framework is combined with HI's ideas of institutionally determined material interests (Campbell 1998). However, those attempts falls into the category of ideational scholarship so will be dealt with later in its more theoretically substantial parts. Therefore, I consider SI to belong to organisational studies in the main and treat it as a branch of classical social constructionism with all the attendant properties (see Section 3.2) specified in the analysis by Berger and Luckmann (1991 [1966]). On the other hand, its concepts,

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<sup>20</sup> This idea of isomorphism has been fleshed out significantly since Meyer and Rowan's 1977 paper. Its further development has produced more articles that are considered classics of the field (e.g., DiMaggio & Powell 1983).

<sup>21</sup> For an introduction to the Stanford School, see Buhari-Gulmez (2010).

such as the cognitive framework, are the core elements of IS, so I consider the SI field covered for the purposes of this dissertation with regard to these too, as far as is useful. A notable exception would be the ‘logic of appropriateness’, a term coined by James March and Johan P. Olsen in 1989 with a very Parsonian tone, in accordance with which institutions’ order and predictability is cast as based on the intersubjective rules for what is considered appropriate action (March & Olsen 2006).

Rational choice institutionalism could be seen as a link between economics and the other social science in neo-institutionalism. This is because of its roots in the economic theory of the firm, economic history, and positivist political theory, alongside its emphasis on individuals with well-defined preferences maximising the utility they gain (Weingast 1996; Peters 2012). According to Schmidt (2010b, 191), this is the only approach within neo-institutionalism that remains ‘caught up in the pretence of being “science”, and is still focused on lawlike explanation through causes and the “logic” of rational action, with assumptions about the existence of an “objective” material reality that makes it possible to attribute interests to actors’.<sup>22</sup> While this separates it from the other branches, RCI has an important role in the neo-institutionalist division of labour, as RCI furnishes many of the core concepts.

RCI sees institutions, whether as exogenous constraints (or exogenously given game form) or in a subtler version, as ‘the rules of the game [that] are provided by the players themselves; they are simply the ways in which the players want to play’ (Shepsle 2006, 25). Whatever direction one wishes to take from here, the important thing is that the institutions ‘are simply equilibrium ways of doing things’ (ibid., 26). They ‘are modeled via their effects on the set of actions available to each individual, on the sequence of actions, and on the structure of information available to each decision-maker’ (Weingast 1996, 169). In short, in RCI, ‘institutions are conceptualized as collections of rules and incentives that establish the parameters on the behavior of individuals’ (Peters 2012, 48). Thus, it is the actors’ evaluations of the outcomes of their choices in relation to constraints and the available information that constitute the key factor from the RCI perspective. What matters is the *preferences* stemming from the inner reality of an actor, whose origin is not to be questioned. The rationality component is people’s ability to shape these preferences, based on which they are capable of making choices in which they take other people’s preferences into account.

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<sup>22</sup> Though Schmidt was critical of RCI (2011, 59), her discursive institutionalism is similarly based on ‘micro-foundational logic’, albeit ‘another kind of’ it. This will be scrutinised further in Section 2.4, which addresses DI.

Another way of situating RCI in the field of neo-institutionalism is by seeing it as 'interested in [...] a deeper understanding of some theoretical principle of logic that might be operating in the specific institutional and/or historical context. [An RCI scholar] may be quite satisfied with a partial understanding – an understanding of those parts of the phenomenon that illuminate the operation of the theoretical principle of interest' (Fiorina 1995, 110). This illustrates that RCI is guided by its theoretical principles in such a way that its scholars aim at finding the institutional setting that corresponds to different environments rather than pursue 'comprehensive understanding of some real institutions or historical phenomenon' (ibid.). In this sense, Fiorina found RCI to be complementary to other institutionalisms rather than a competing line of research.

Blyth (2002b, 298) stressed that RCI and HI were, at base, products of the same modernisation theory, in response to the same kinds of real-world events that could not be explained by prior theories<sup>23</sup>. When the state as an institution was brought to the foreground on account of apparently being the source of intervention in all the major crises, RCI made a counter-movement with its proposals about the nature of the state. These usefully illuminate the differences between HI and RCI. According to RCI, 1) public servants came to be seen as 'budget-maximisers' with self-interest, rather than faithful public servants; 2) the question of low public participation on the political front became a matter of free riding, as in 'why bother?'; and 3) game theory seemed to offer a way of conceptualising social change that meshed well with the self-interest perspective (ibid., 299).

As these insights illuminated the 'darker' side of the state, the inconvenient aspect that emerged with regard to RCI's explanation was that in a purely self-interest-dominated world, the problem of order inevitably rears its head. This prompted the question of whether institutions can be seen 'as *instrumental* products that agents use to "structure choices", rather than the historical consequences of prior "structured choices" as they are for historical institutionalists. Such instrumental, "chosen structures", it was argued, produced the stability for which their theory needs to account' (ibid., 300). The institutions were supposed to be results of a rational, individual-level choice, and people should be able to trust each other to make the same choices at the same time. However, '[i]n rational choice terms, agents will always prefer someone else to supply the institutions that would stabilize [any empirical situation] than do it themselves, and, if everyone else thinks the same way, then no such institutions will be supplied' (ibid., 303). Correspondingly, HI scholars

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<sup>23</sup> For further theoretical elaboration on the relationship of RCI and HI, see, for instance, Blyth (1997).

had a hard time explaining change in an environment wherein all choices are institutionally (structurally) dictated.

One can see the fundamental problem associated with order, and a question that we too will examine: should the social structures be treated as a precondition for agents' action, or should their origin be explained instead? This was cause for disagreement between proponents of Parsons' social system theory and Berger and Luckmann's social constructionism. Rather than get ahead of myself (after all, both are addressed in the next chapter), I will proceed to examine HI, with its premises that led to the discontent within IS, then consider IS, in turn. Indeed, this is the only way to answer the question of whether there is specific call for the explanatory category of 'idea', in relation to past theory or to the prevailing situation in the world. As I will bring out below, idea scholars were not satisfied with ideas being purely supplemental in HI theory; they demanded treating them as 'an object of investigation in their own right' (Blyth 1997, 246).

## 2.2 Historical Institutions

Historical institutionalism is the terrain from which ideational scholarship grew before turning against its host. Blyth et al. (2016, 142) refer to IS's odd relationship with HI as 'unconscious uncoupling' and provide their own explanation for it, but, on account of what Blyth and colleagues characterise as an insistence that 'ideas need to be there' (ibid., 158), I perform my own reconstruction of both HI and IS to find out why and, thereby, especially in later chapters, place ideas in their context and suggest an alternative approach for tackling the problem of order. As I investigate the premises behind its handling of institutions and the main bone of contention via reconstruction, I also examine what kind of social theory it is and, so, how it explains social phenomena in general. Thus revealing the theoretical terrain lays bare how the problem of order is understood in neo-institutionalism. If the institutions' static nature was the problem in all previous historical institutionalisms, while problems related to institutions were seen only as problems of 'good governance', this should be the starting point of our enquiry: what is the novelty in the latest HI, and what is the role of history in this branch of new institutionalism?

Material for this enquiry is relatively easy to find. The advantage for an HI scholar is the existence of *The Handbook of Historical Institutionalism* (Fioretos et al. 2016a), whose pages address all the key theorists and other researchers in the field. Through this handbook, one may locate the main strands of theory and the field's core

concepts. Moreover, HI studies has established concepts such as path-dependence and gradual change such that the debates revolve around them, so the key theoretical texts are relatively easy to identify (e.g., Pierson 2004; Streeck & Thelen 2005; Mahoney & Thelen 2010). The nature of my investigation dictates that I will focus on the latest understanding of the theoretical premises of the field. My respective use of the handbook as a central textual source is, of course, supplemented with attention to other key texts.

While, as noted above, HI has a special role in neo-institutionalism for connecting it with the old institutionalism tradition through an emphasis on history and a structural perspective, new institutionalism differed from previous historical turns in institutionalism studies greatly, in bringing history to the centre of social processes through unprecedented theoretical frameworks, provide the idea of historical-institutional contingencies, and draw questions of power into the foreground of historical enquiries. In the early 1990s, one publication in particular, *Structuring Politics: Historical Institutionalism in Comparative Perspective* (Steinmo et al. 1992), had a major influence on standardising the HI label. In their contribution to this volume, Kathleen Thelen and Sven Steinmo state that ‘in general, [historical] institutionalists are interested in the whole range of state and societal institutions that shape how political actors define their interests and that structure their relations of power to other groups’ (1992, 2). This added power, interests, political struggles, and class structures to the scope of historical institutionalism studies. A particularly important link between institutions and power was the observation that institutions ‘are the source of the structural power’ (Fioretos et al. 2016b, 19).

Two contributors to the discussion in *Polity*, Orren and Skowronek, had already suggested that only the relation between order and time in the institutional context provides ‘the foundation for an institutionalism genuinely worthy of the appellation “new”’ (1994, 312). Their reasoning continued with description of temporality as no longer understood to be one clear-cut historical underpinning for all the institutional processes. Rather, institutions are based on differing ordering logics that follow varying rates of temporal development:

[I]nstitutions, both individually and collectively, juxtapose different logics of political order, each with their own temporal underpinnings. Separate institutions and institutional arrangements, operating according to distinctive ordering principles, structure the passage of time – the sequences and cycles, the changes and lulls – at varying rates [...]. The single presumption abandoned is that institutions are synchronized in their operations or synthetic in their effects; the more basic idea, that institutions structure change in time, is retained. But this strategy reverses the direction of analysis, which now moves no longer from history to order, but from orders (plural) back to history. (Ibid., 320–321)

Pierson (2004, 2–5) likewise found the novelty of the ‘new’ HI to lie in its understanding of history as various temporally unfolding processes of social life that take place in differing circumstances, as opposed to seeing history only as a methodological data source, a store of past events and processes, or illustrative material. However, he went on to state: ‘We largely lack a clear outline of why the intensive investigation of issues of temporality is critical to an understanding of social process. The declaration that “history matters” is often invoked but rarely unpacked’ (ibid., 5). Pierson’s suggestion is that, instead of serving as mere data or methodological guidance for enquiry, history should be theorised upon through historical causation mechanisms (ibid., 6–7); HI should go beyond single events and unique cases, to ‘provide stronger theoretical grounds for emphasizing the “stickiness” of inherited social arrangements, for questioning functional explanations [...], for concentrating on issues of timing and sequence, and for investigating long-term processes of social change’ (ibid., 8). Even more broadly, HI should address ‘macrolevel social phenomena [and] develop broad generalizations about social processes that apply across sweeping stretches of time and space’ (ibid., 8–9). In a later work, Pierson (2016, 134) added that ‘the most important contribution of historical institutionalism to social science is its commitment to understanding the ways in which inequalities of power are built deeply into the subterranean structures of modern societies’.

It is clear that HI’s general research agenda somewhat matches Blyth’s (1997, 244–245) earlier depiction of structural sociology. That is, HI grapples with big social questions, about the stability that operates in the background of smaller, more distinctive events, which are visible only through theoretical understanding. Also, it remains cautious with regard to functionalist reasoning, ‘in which institutional arrangements are explained by their consequences’ (Pierson 2004, 14; see also such sources as Conran & Thelen 2016, 53). After articulating his research agenda, Pierson (2004) provides an account of various kinds of unfolding causal processes of history in human life, addressing the nature of historical institutions by highlighting the idea of context. Whereas Pierson dealt with context and the stickiness of historical processes via concepts such as path-dependency, Wolfgang Streeck and Thelen’s (2005) general theoretical handling of institutional change and Mahoney and Thelen’s (2010) more specific theory of gradual institutional change added such notions as critical junctures and gradual change itself to HI’s conceptual toolbox. The ‘historical causation’ that Pierson (2004, 7) emphasised connects through these concepts (see also Mahoney et al. 2016, 87). This causation is usually manifested in both stability and the various modes of change, speaking to how both are possible,

in what conditions, and in what kind of relation to each other (after all, it is the order as a function of time-related processes that may remain, wither, or just break). These above-mentioned categories presented in HI describe this relation.

Firstly, path dependencies are self-enforcing sequences wherein ‘each step in [a] particular direction makes it more likely that a unit will continue to follow that same direction’ (Mahoney et al. 2016, 82). The institutions adopt specific, constantly developing logics that structure the behaviour of individuals, who, in turn, adopt these logics themselves, since it would be costly to reverse course from the chosen path. Moreover, in these conditions, it may be hard even to imagine any other mode of operation (for an extensive account of path-dependency, see Pierson 2004, Ch. 1). Under the concept of gradual change, the change and stability are regarded as two sides of the same coin since institutions are constantly, slowly, and incrementally evolving creatures. The motion exists because people may have adopted or be simultaneously following different/multiple sets of rules. The contradictions that hence arise show a tendency to move or break the rules while institutions try to maintain order (Mahoney & Thelen 2010). Finally, there may be critical junctures as events take place in a ‘short period of time during which an event or a set of events occurs that [have] a large and enduring subsequent impact’ (Mahoney et al. 2016, 77; see also Capoccia 2016). Some kind of shock or crisis may serve as an example.

The concepts presented above involve mainly the logics of stability or change. As for the concept of causality itself, ‘HI researchers often understand causes as conditions that are necessary for specific outcomes [...] and/or conditions that combine together with other conditions to create packages of causes that are sufficient for specific outcomes’ (Mahoney et al. 2016, 72). Another important feature of historical causation is that it may have ‘dynamics triggered by an event or process at one point in time [capable of reproducing] themselves, even in the absence of the recurrence of the original event or process’ (Pierson 2004, 11). In sum, it is the (social) conditions that evolve as a function of time, such that various kinds of (institutional) processes come together to strengthen or collide in a particular (chosen) path. As these historical paths evolve, their origins may become shrouded by time, for they have become self-sufficient (just as neo-institutionalist theory itself has). Moreover, according to Steinmo (2016, 108), historical causality and actors’ experiences are inherently linked together:

[H]istory matters not just because it provides different contexts in which rational actors made choices, but because history affects actors’ beliefs, values, and preferences. History matters for our understanding of politics because history provides experience and experience can change the beliefs and preferences of citizens and their elites.

In this account, causality is related to experiences, so the actor's experience is always a historical one. However, one problem remains, that of locating 'where in [the] sequence of events the cause is located' (Fioretos et al. 2016b, 17). This points to another unresolved question, of whether the history should be seen as a causal factor in itself, since the stability and changes through history are explained not through causality *per se* but by multi-factor constitutive conditions that temporally come to prevail and change.

At this juncture, some further observations are warranted. Firstly, concepts such as path-dependence and gradual change explain theoretically why stability and/or change occurs, but they lack more detailed description of the underlying mechanisms that operate in the social environment. Secondly, in spite of its 'anti-functionalism', HI (however unintentionally) points to or calls for functionalist explanation, since it speaks of 'necessary conditions for specific outcomes' (Mahoney et al. 2016, 72). For stability to continue, some conditional functions must be fulfilled, but these functions should be explained such that the outcomes do not end up serving as explanations. This is clearly connected with the fact that HI and its perception of causality has much to do with explaining social conditions in which people must act – in other words, historical institutions (the HI understanding of institutions is described on this basis in the next part of the chapter). Thirdly, as people are not machines, history matters in providing varied experiences for people. That is a valuable insight in relation to HI's representation of historical agents. We return to all of these topics later.

The above definitions and characterisations of HI can be found in all the key volumes describing the field. *The Oxford Handbook of Historical Institutionalism's* editors, Orfeo Fioretos et al. (2016b), define it in largely similar fashion but mostly in terms of political science. They have described the central distinguishing feature of HI as its focus on the examination of 'how temporal processes and events influence the origin and transformation of institutions that govern political and economic relations' (ibid., 3). This makes HI 'distinguished by a conceptual toolbox that draws attention to the role of temporal phenomena [and to] the causal impact of history and institutions on political life' (ibid., 5). While 'rules, norms, and practices that organize and constitute social relations' are deployed as theoretical concepts for historical institutional research, 'institutions [are] examined for their role in creating constraints and opportunities for political action, in distributing political power, and shaping political preferences over time' (ibid., 7; see also, for instance, Pierson 1993).

Overall, these features in the study of historical institutions can be pinned down to the era following the latest historical turn: the multiplication of institutional

(power) orders and logics in relation to time and individuals, accompanied by some turnarounds in the related causal logics. Before finer-grained accounts accordingly entered the scene, institutional politics was ‘normal’, ‘in equilibrium’, or ‘politics as usual’, while change or normative breakdown was something extraordinary leading straight back to shaping of a new equilibrium (Orren & Skowronek 1994, 312; 316). After the latest ‘historical turn’, simplistic and monolithically oriented assumptions about the nature of institutions were consigned to history, and history itself was deemed best understood as developing as institutions, representing a broad spectrum, with their individual logics operate to move it. In other words,

[t]hrough the 1990’s [...] historical institutionalists emphasized how configurations of institutions in the past structure politics in the present and in ways that often run counter to the interests or preferences of individuals. At the same time, influential scholars within the historical institutionalism downplayed (or in some cases rejected outright) the cognitive dimension of institutions. They argued that institutions reflect distributions of material resources and that once established, institutions may continue to structure political affairs and distribute governing authority long after initial conditions do not hold [...] [M]uch of the early work placed an emphasis on structural and materialist features. (Fioretos et al. 2016b, 8–9)

The above account raises several interesting questions related to the nature of institutions themselves. It suggests that institutional arrangements may have effects on people’s preferences and motives, even to such a degree that they do not benefit themselves. Immediately after this, the ‘cognition’ domain is identified in opposition to ‘structural’ and ‘materialist’ factors. When one recalls that these authors spoke one page earlier about ‘rules, norms, and practices that organize and constitute social relations’, it appears that social relations are understood in their common-sense meaning within HI, or at least that there is no integrated base of theory in this regard. Moreover, Fioretos et al.’s book provides a figure in which three main institutionalisms are identified and positioned on two axes: micro–macro and interests–ideas. Ideas are set against interests because interests are understood as *material (and/or resources)*, as opposed to *ideal (and/or cognitive)*, a division that poses an especially thorny issue for ideational scholarship (see, for example, Schmidt 2008, 2010a, 2010b; Gofas & Hay 2010c; Tønder 2010; Mehta 2011; Hay 2011), as will be clearer further on in the discussion. This constitutes one of the basic dichotomies of HI, alongside exogenous–endogenous and agency–structure. These are of course interrelated, since, for example, HI puts ‘emphasis on the endogenous (institutional) origins of preferences by offering more structural rendering of the world’ (Fioretos et al. 2016b, 7).

In other words, the institutional causal force in HI comes from the ‘inside’ and is considered structural, whereas the more agentially oriented approaches take institutions as an ‘outside’ force in relation to the self. The important point here is that the neo-institutional tradition is in many ways rooted in dichotomies, with the world revolving around somewhat clear-cut distinctions between inside and outside, material and ideal, agents and structures. One result is that, from the HI standpoint, institutions shape individual goals rather than *vice versa*, since in neo-institutionalism it has to be either/or. Another result of employing these dichotomies is that the separate branches of neo-institutionalism may regard each other to be treating people as ‘dopes’: HI sees sociological institutionalists’ cognitive norms and routines rendering actors as ‘cultural dopes’ (ibid., 8), whereas ideational scholars accuse HI of seeing actors as ‘structural dopes’ (e.g., Blyth 2003; Blyth et al. 2016)<sup>24</sup>. I consider this to be because social relations are not taken seriously as constitutive, a matter that is addressed throughout the rest of the dissertation. However, the novelty of HI could be summarised otherwise also:

[HI] crystallized around a set of claims about the ontological status of institutions and the influence of temporal processes. [...] [I]nstitutions were not merely effects of the redistribution of preferences or the structure of political constellations at a given moment in time, but [...] over time institutions also became potential causes behind preferences and patterns of political contestation. (Fioretos et al. 2016b, 9)

Again, the institutions people form over the course of history may end up being the source of their preferences and logics. There is no clear distinction between institution and individual, since an institution that people build get reflected straight back into them as it develops to the point where it reaches beyond the individual’s control. While institutional logics may vary and do not adhere to neat typologies and timelines, it remains clear that they may end up going against individuals’ preferences or interests, since the surroundings carry accumulated historical baggage. Hence, to understand the organised nature of human (political) societies, we should pay attention to the organisation of historical institutions that govern human life in differing surroundings as a function of time. From the standpoint of research, the historicity can be summarised as follows: ‘[F]or historical institutionalists, one [will]

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<sup>24</sup> The assertion of classical structural sociology’s tendency to render actors over-socialised dopes – or ‘automatons’, as Blyth (1997, 245) expressed it – seems far-fetched in light of Durkheim’s explanation (2005 [1897], 79) of an ‘intellectual operation’ performed between the social representation and the execution of the act. This was to point out that social causes should not be confused for pure imitation of action between people: people make judgement calls.

really have to “go back and look” if one wants to explain the character of contemporary institutions’ (Conran & Thelen 2016, 60).

The following definitions for HI have been proffered thus far: Firstly, there is no single order or politics as usual; neither is there extraordinary politics. Rather, there exist layers of structure-based institutional action in differing sequences of timing. Exit singular-system thinking and enter the temporal logic with different institutions with individual logics. In the second definitional articulation, power, classes, interests, and control are brought into the picture. People or institutions do not automatically work together for a common goal but have individual objectives and ambitions, which may not be consistent with benefiting the whole. Still, the institutions and/or structures offer the basis for the power-use, individual interests, and preference-shaping. Thirdly, HI operates through dichotomies such as material–ideal, which simultaneously underscores the division between lifeworld and systemic thinking whereas the underlying institutional problem of order gets manifested in agent–structure dichotomy. That said, subtler definitions exist, such as the account in which Stuart Hall (2016, 35) depicts ‘political actors as relational actors [which] implies, ipso facto, that their actions cannot be explained without reference to multiple dimensions of the relations in which they are embedded’.

Because of these parallel definitions and theoretical descriptions, it becomes hard to distinguish what constitutes ‘structures’, and especially in relation to ‘agents’, who simultaneously are the individuals creators and carriers of these structures, which operate upon them from ‘outside’. To grasp the premises that, on one hand, explains the essence of these institutions and, on the other, explain why HI could not serve the reconciliation agenda, we must proceed to more nuanced consideration of the theoretical underpinning of institutions.

## 2.2.1 Institutions from the Perspective of Historical Institutionalism

The most typical way of defining institutions within the HI tradition is to see them as formal and informal rules, routines, practices, procedures, and norms that are treated as ‘relatively enduring features of political and social life [...] that structure behavior and that cannot be changed easily or instantaneously’ (Mahoney & Thelen 2010, 4). As organisations, institutionalised rules and procedures usually appeal to features codified by law and/or deployed by the states or state-like bureaucracies, in which various kinds of contending social forces and groups meet each other and use them as tools. Definitions of historical institutions vary greatly but usually refer back

to relatively stable rules and procedures (see, for example, Thelen & Steinmo 1992; Hall & Taylor 1996; Campbell 1998; Streeck & Thelen 2005; Mahoney & Thelen 2010; Schmidt 2011; Conran & Thelen 2016; Fioretos et al. 2016b). As distinct from formal ones, informal institutions usually have unwritten form so are created and followed outside official lines – ‘informal institutions may be *complementary*, *accommodating*, *competing*, or *substitutive* vis-à-vis formal ones’ (Tsai 2016, 275; for an early institutionalist account of the distinction between informal constraints and formal rules, see North 1991). Defined in relation to formal ones, they operate in environments where, for example, corruptive, patrimonial institutions undermine ‘the intended functions of formal institutions’ (Tsai 2016, 276).

As brought out in previous sections, institutions structure people’s interests, preferences, and constraints, while also serving as the sources of power through their structural development over time. The general criticism raised with regard to HI’s concept of structure, elaborated upon by Schmidt (2008, 314), is that they are exogenous, meaning ‘external to the actors collectively. Institutional rules about acting in the world serve mainly as constraints’. For this reason, the theoretically sound entry point for defining an institution entails understanding it through its structural properties that illuminate the processes whereby the institutions is structured. This is because the rules etc. only *represent* the structures in question as observable structural logics in a given context. As we have seen, people’s actions seem to be structured within the institutions, which implies that it is the relative stability of the collective behaviour that must be explained. The rules cannot be the cause for the relative stability, since they are merely visible *manifestation* of the underlying structures. Instead of seeing structures as external to people in the dichotomist sense, we may fruitfully aim to reconstruct the kind of structural formula proceeding from HI literature that enables addressing the question of stability and change in terms that explain the structural mechanisms.

Hall, whose approach presented just above this subsection seems to hint at a more relational stance, implies that it is the ‘multiple dimensions of the relations’ that constitute the structural connections between the actors (Hall 2016, 35). He continues by describing actors as relational beings whose doings cannot be explained without reference to three structurally constitutive elements: institutional practices, shared cognitive frameworks, and network relations. He defines the first of these as ‘regularized routines with rule-like quality in the sense that the actors expect the practices to be observed [...]. Institutions connect actors because they reflect and depend on mutual expectations. [...] [T]his category encompasses a wide variety of

institutions, ranging from those associated with marriage to those regulating wage bargaining. The core point is that actors do not wander aimlessly in the world' (ibid.).

The shared cognitive frameworks, in turn, are identified as 'sets of ideas with implications for action', which, according to Hall, may be normative or cognitive – they either carry prescriptive power or describe how the world works<sup>25</sup> (ibid., 35–36). They can be grouped also into worldviews, principled beliefs, and causal beliefs, while they are 'reflected in symbolic representations and shared narratives as well as other forms of discourse' (ibid.; for a similar typology, see authors such as John Campbell 1998). This can be interpreted as an attempt to bring the 'ideational' element along into the HI structural schema (in fact, Hall is identified as one of the first HI scholars to bring the idea of 'idea' into institutional studies as an independent explanatory variable; e.g., see Hall 1993). The last constitutive element, that of network relations, involves both relatively informal networks, such as regular contact/communications with other people, and rule-based regular organisations.

Hall stressed that these three elements, although conceptually separate, has 'social force often derive[d] from how they operate in tandem. Network relations are often consequential because of the cognitive frameworks they promote' (2016, 35–36). This is important: all three elements structure people's interactions with each other, creating order out of behaviour that could otherwise be 'shapeless or chaotic'. With this conceptualisation, Hall sought to combine the structural logic of institutions with ideas as symbolic representations of the world and with network connections including more loosely defined organisations and informal institutions. Clearly, some kind of institutional logic must prevail, since we do not encounter chaos when entering the world, and the concepts describing the world make sense only in some reasonable relation to each other. This understanding emphasises the interrelated institutional elements that usually are also empirically observable in the social world.

This core idea is found among other historical institutionalists as well. For example, Streeck and Thelen (2005, 9) referred to institutions as '*building blocks of social order*: they represent socially sanctioned, that is, collectively enforced expectations with respect to the behavior of the specific categories of actors or to the performance of certain activities'. These encompass rights and obligations and, at the same time, distinguish 'between appropriate and inappropriate [...] actions

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<sup>25</sup> Campbell and Schmidt were among the others to draw a substantive division between the normative and cognitive as the most fundamental categories of ideas. For Schmidt (2010a, 3), normative ideas 'appeal to values and appropriateness' whereas cognitive ideas justify the 'interest-based logics and necessity'. This fundamental distinction is found also in Berger and Luckmann's social constructionism, as will be brought out in the next chapter. None of these authors – Hall, Campbell, and Schmidt – refer to Berger and Luckmann in making this distinction.

and thereby [organize] behavior into predictable and reliable patterns' (ibid.). Institutions may be categorised as either formal or informal ones, where 'formalized rules [...] may be enforced by calling upon a third party. [This possibility] indicates whether a rule has legitimacy' (ibid., 10–11). The reliability and predictability of the third-party manifestation – as in the state monopoly on violence – is predicated on the authority and obligations of said parties. Their appearance is not a matter of their good will but one of the expectations held by the public.

The exceptionality in this definition is the understanding by which 'collectively enforced expectations' (which go by the name 'mutual expectations' in Hall's (2016, 35) account) bring the relational element into the picture. It exhibits a parting of ways from definitions wherein preferences are emphasised as something that institutions 'structure' as exogenous to the actor. In these accounts, agents are in sequential order with structures and may compete with them for the opportunity to change the prevailing order. One detects the difference immediately: expectations refer to (inter)relations such that they remove the need to operate with such a dichotomy.

When parties aim at fulfilling common expectations, they act in a *complementary* manner. As Parsons suggested – and as I too will suggest – complementary expectations are directed to following the rules that are usually given to all parties, since they are products of history and learned through historical experiences (1991 [1951]). Expectations are always directed at others<sup>26</sup>, just as their fulfilment meets the expectations of others. After these expectations become institutionalised, they come to be enforceable by a third party. For example, it is not solely a matter of personal preferences whether to honour one's duty to serve on a jury or perform national service. In addition to getting paid for these duties, one is expected by the rest to perform them, and the rule-following is thereby rendered a relational-institutional matter. In this sense, rules, structures, and institutions are based on common expectations in accordance with which parties must perform in certain ways. This yields a tentative description of the cause behind institutions by conceiving of them not as exogenous to the actor but external *in relation to* the actor and still internalised.

In general, Hall (2016) and Streeck and Thelen (2005) seem to point to a similar approach to understanding the relationship between institutions and empirical

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<sup>26</sup> As I bring out in the next chapter, Parsons also recognised ways in which we may be objects of our own orientation (i.e., one may form a relation to oneself). There is no paradox here: we may have expectations for our own behaviour and achievements (and, simultaneously and more generally, identity can be defined as one's relation to oneself), yet we could hardly have any expectations of ourselves without prevailing social norms and rules, or a culture to identify with.

phenomena: expectation-based structural patterns that underlie diverse kinds of institutions, from marriage to wage bargaining, such that, as Hall put it, actors do not wander aimlessly in the world but serve some more general purpose. There are no structures qua structures internal to actors any more than outside them; these are found only in relation to any given individual actor. This leads us, however, to the question of how these expectation-based rules come to be, or in relation to what. So far, we have worked with a very broad, structurally based (relational) definition for an institution, but the conditions of an institution are met with a more specific and detailed account in many cases. While indeed a strict, empiria-based definition of an institution is sometimes relevant, when approaching the definition from the empirical side of the equation we might face the common-denominator-related problems that Pierson (2004) pointed out. Therefore, we should come back to approaching the matter in relational terms. To illustrate what the problem might be at base, we return to Streeck and Thelen (2005, 12):

[T]he word institution is sometimes used for a specific category of actors, usually corporate actors or organizations, rather than legitimate rules of behavior [...]. We suggest that organizations come to be regarded as institutions to the extent that their existence and operation become in a specific way publicly guaranteed and privileged, by becoming backed up by societal norms and the enforcement capacities related to them. A central bank is considered an institution because its existence is an outflow of the strongly sanctioned state monopoly on issuing legal tender.

Central banks could be defined as organisations or institutions for reason of their concrete empirical properties: actor groups etc. However, as Streeck and Thelen suggest above, it is more fruitful to consider what function central banks serve in general. While any given central bank is most definitely a concrete organisation, the function of most of them is to issue legal tender, and, while sometimes it is not<sup>27</sup>, ‘in any case, relations and interactions between the two [rule-makers and rule-takers] are crucial for the content and the evolution of the [institution] as such’ (ibid., 13). This dimension of rules’ making and taking underscores the hierarchy among rules (in this case, with such aspects as the state monopoly over violence that secures the rules) but also the prevailing conflict and competition over defining the rules. These

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<sup>27</sup> In this sense, the euro area is a unique exception. Only the European Central Bank (ECB) is allowed to issue currency for this set of 19 European countries, which leaves little function for their national central banks. On the other hand, all the ‘Eurozone’ central banks used to issue currency, and the title ‘central bank’ has remained, irrespective of the change in functions. Does this mean that the central banks in the euro-area countries are no longer actually central banks? I do not know. The ECB, its peculiarities, related discontents, and its relationship to the euro area are discussed well elsewhere (e.g., Lapavistas & Kouvélakis 2012; Blyth 2015; Mitchell 2015).

rules as institutions are based, in the end, on the expectations, which – since interactive rule-based systems are beyond the control of any single actor – are defined through their functions aimed at maintaining the prevailing social order (ibid., 16). Since institutions cannot be perceived as such, their operations and functions are not in the hands of any single actor. That makes them open to differing interpretations.

As brought out earlier in the chapter, HI's idea of historical causality enables it to function as theory by suggesting that some necessary institutional conditions must prevail for certain outcomes to occur (Mahoney et al. 2016, 72). If any institutional conditions are to be maintained, certain function-related needs must be met, while change takes place in relation to these conditions. Now, Streeck and Thelen (2005) suggest a functionalist explanation for defining an institution: it must serve some specific purpose. Actors operate collectively to fulfil the objective for some specific institution that is related to some more generally defined social function. People connected with the central-bank institution work to issue legal tender, but the legal tender, in turn, has a function. If we want to avoid the commonly acknowledged functionalist trap of explaining the existence of functional institutions via their outcomes, we have to take these more general conditions as a reference point for the operation of various social institutions. They must explain *why* this function must be fulfilled without referring to the outcome of the social processes. Only then can the social institutions be understandable in relation to *how* they operate. In other words, we need a theoretical fundament that describes the social conditions wherein institutions operate.

This issue is pointed up in Mahoney and Thelen's discussion of the question of gradual change. They identify the problem of 'rule interpretation and enforcement' that is visible in institutionalised environments in relation to power-distribution (2010, 4). When institutions are understood as *distributional instruments* in relation to 'resource allocation', these tense institutional environments impose concrete conditions for the conflict-beset actors: 'struggles over the meaning, application, and enforcement of institutional rules are inextricably intertwined with the resource allocation they entail' (ibid., 11). Here, institutions are environments where the resources are distributed and where the struggle over interpretation and enforcement of the distributional rules is therefore ongoing, making contradictions constantly present and exposing institutions to constant, gradual change. With this definition, Mahoney and Thelen connect the definitional problem surrounding institutions to the concept by which the field of economics is delineated: *scarcity*.

When presenting their understanding of historical institutions as multi-dimensional dynamic environments, Mahoney and Thelen painted stability and change as two sides of the same coin. In addition, they subscribe to the expectation-based definition of institutions:

[I]n much of [the earlier] work, compliance is built into the definition of the institution under consideration. In other words, what institutions *do* is stabilize expectations (among other ways, by providing information about the probable behavior of others), and thus enforcement is endogenous in the sense that the expected costs and extent of noncompliance are factored into the strategic behavior of the actors in a particular institutional equilibrium. (Ibid., 10)

While taking the expectation-based formulation as their starting point in the above account, Mahoney and Thelen start to break away from the sort of definition wherein institutions equal stabilising expectations. They emphasise, instead, the distributional facet of institutions, an angle from which stability and change are functions of resource allocation:

If, instead, we break with a view of institutions as self-reinforcing (through whatever mechanism) and put distributional issues front and center, compliance emerges as a *variable*, and a variable that is crucially important to the analysis of both stability and change. The need to enforce institutions carries its own dynamic of potential change, emanating not just from the politically contested nature of institutional rules but also, importantly, from a degree of openness in the interpretation and implementation of these rules. (Ibid.)

For these authors, ambiguity hence is a permanent feature of institutions, with several implications: Firstly, ‘compliance is inherently complicated’, since rules cannot cover all the real-world complexities. Secondly, in relation to incomplete rulesets and complex situations, actors suffer from cognitive limits. Also, actors apply many implicit assumptions about institutions, and, finally, change often occurs in the course of implementation or enactment of the rules. It is the power-distributional aspect of institutions that animates change, that emerges incrementally ‘in the “gaps” or “soft spots” between the rule and its interpretation or the rule and enforcement’ (ibid., 11–14). While those espousing gradual change theory have long seen stability and change as two sides of the same coin, it was not until Mahoney and Thelen’s contribution that HI literature started to address the question of concrete social conditions in terms of resource allocation, or scarcity.

Mahoney and Thelen’s explanation of how resource allocation constantly opens space for new opportunities and struggles for re-negotiating or rearranging the rules and values in question continues thus: It is empirical research that can resolve the

issue of the modes of changes in relation to the opportunities the political context offers and, simultaneously, how the conservative or change agents relate to the openings (2010, 18–31). Therein lie the social conditions for HI theory that explain the functioning of institutions without deriving them from outcomes of institutional behaviour. Rather, they are situated in an environment where resources must be allocated between the parties involved. However, when highlighting the allocation component, the authors did so at the expense of the notion of stability: whatever the contradictory conditions described above, change may only take place *in relation to* the stability they characterise as inherently complex. Nevertheless, people entering the social world do encounter somewhat stable and predictable circumstances. Moreover, separating these out tends to produce dualistic explanation models, of the sort seen in Mahoney and Thelen’s actor-based emphasis. Doing this and not considering the mechanisms that sustain the stability within institutions, one might end up with an institutional construct a little too unstable.

Fundamentally, HI sees the institutions as expectation-based sets of rules that operate in conditions of scarcity, with specific social functions. This approach provides explanations as to how and why the institutions operate in relation to their respective functions. Thus, whilst HI is said to be ‘a reaction against [...] the various forms of structural-functionalism’ (Conran & Thelen 2016, 52), the theoretical reconstruction of HI shows a picture of somewhat functionalist leanings. Also, while addressing social relations, it does so in ambiguous terms. By many accounts in HI, institutions are ultimately based on expectations, but the use of agent–structure and exogenous–endogenous dichotomies reveals that the relational logic implied by the expectations is not fully formed. Instead, HI scholars usually turn to descriptions of interrelated elements of the social reality that present themselves – in such forms as multiple dimensions of practices, ideas, and networks (Hall 2016). Most theoretical literature in the HI tradition addresses several kinds of structures, stabilities, and modes of change (e.g., Pierson 2004; Streeck & Thelen 2005; Mahoney & Thelen 2010, Fioretos et al. 2016a). These are rather slanted toward empirically observable structural variables. Moreover, though addressing the expectations as the relational element that could lead one beyond basic dichotomies such as agent–structure, HI lacks descriptions of how the mechanisms of expectation-based institutions come into being and are maintained.

HI’s institutional theory still emphasises social relations as made up of several dimension that are present in each situation and focuses on how institutional practices always interconnect with ideas, networks, etc., but not as all-encompassing, determining structures. On this basis, we find that institutions should be defined not

merely through their observable qualities but also in relation to their functions that serve some underlying purpose and are consistent with some prevailing social conditions. For example, the police appear on the scene nearly every time a crime has been committed, and money is regularly accepted as a means of payment. In simple terms, the structures are always present, but they do not determine everything. And the closer we look, the messier institutions get.

## 2.2.2 Interim Conclusions on Historical Institutionalism

When considering historical institutions with their functions in social reality, one could say, following Hall (2016), that the whole point of institutional theory is to clarify why actors do not wander the world aimlessly. However, appealing only to functions or to the institutions' appearances may not be enough to position either institutions and their concrete existence or change in the world. One also needs some concrete conditions from which the order or change can be derived.

I began the reconstruction of HI by bringing out that the relation between time and order justifies the appellation 'new' for this institutionalism (Orren & Skowronek 1994). The tradition approaches history as multiplication of orders and powers in relation to different layers of structure-based institutional rules in differing sequences of timing (ibid.; Pierson 2004). Another key innovation of HI scholars was to subject interests, political struggles, class structures, and (especially) power to the analysis (Thelen & Steinmo 1992; Fioretos et al. 2016b; Pierson 2016). Furthermore, in its action as a causal operator in the world, history is understood in terms of social conditions that develop as a function of time in tandem with actors' accumulating experiences of this development. It may be self-enforcing and/or tension-producing in nature (Pierson 2004; Mahoney et al. 2016; Steinmo 2016). The HI take on history as a *causal* operator brings us to the matter of causal chains and locating the cause from the time sequence. Investigation of causal effects is usually seen as attesting to research's scientific validity. However, when phenomena such as institutional stability and change are filtered through a cause-oriented vocabulary, the elements present are usually forced into ontological categories – they get transformed into objects. In traditions such as HI, there is also support for the kind of sequential thinking wherein these objects must follow some order of precedence, as would be the case in the agent–structure or exogenous–endogenous dichotomy.

If 'history' denotes the temporality of the evolving social conditions, 'institutions' refers to rules, norms, values, etc. – standards of behaviour that have observable

manifestations in empirical reality. They consist of interrelated elements such as practices, ideas, and networks. In addition to this empirical observability, institutions may be identified by their functions, as in the example of central banks. However, institutions do not only represent their formal functions; they have more general, informal functions as well. Prevailing scarcity provides a very concrete basis for institutions' action, since resource allocation is one of the most vital functions of a healthy society. This also connects institutions concretely to power struggles. Since the allocation is based on institutional rules, it is no wonder that most political struggles take place in interpreting and enforcing the rules, which, by being imperfect, always offer some room for action by imperfect creatures, people (Mahoney & Thelen 2010). At the same time, the enforcement side affords insight into the reality of power use in advanced institutionalised societies, in that there is always a 'third party' that can be called upon to enforce the rules, even to the point of resorting to organised violence.

While there has been considerable discussion about the structural power positions in HI, it is far too often unclear how these influence the analysis and whether the society is imagined as an equal field of opportunities, where the imbalances are always exceptions stemming from imperfect equilibrium (arising from some disturbance in the equilibrating mechanism). For example, Mahoney and Thelen positioned themselves in relation to several kinds of institutionalist equilibrium model and ended up reiterating the implicit premise of equal starting positions even between the 'winners' and 'losers' they address (*ibid.*, 14). Moreover, the description of HI theory is half-formed with respect to the structural properties in terms of which the processes structuring the institutions could be illuminated. In the main, HI contents itself with describing the modes of stability-maintenance and change. Even when its vocabulary applies relational terms for explaining institutions, the scholarship falls back on unnecessary dichotomies that seems to act as a breeding ground for rereading arguments as to agents and structures in relation to the problem of order.

There has always been dissatisfaction with structural premises in social enquiry. For example, in a very recent article, Blyth (2016, 466) stated that HI's main problem is connected with explaining where the 'change agents' get their desire to change the institutions. In his interpretation, the institutions are seen primarily as 'material' in HI, while it is the 'ideational' agents who reinterpret the rules (this is a reference to Mahoney and Thelen's theory of gradual change). According to Blyth, leaving the agents' desires unexplained 'strongly suggests a large ideational elephant being smuggled into HI's materialist tent to solve this problem' (*ibid.*). In addition, Blyth

asks whether bringing causal logic into the historical explaining in the manner they and other key theorists (e.g., Pierson 2004) suggest might not make the institutions, if anything, too contingent. He wonders whether ‘the desire to bring history back in as temporality’ comes with a risk of ‘making history redundant’ (Blyth 2016, 465).

As one recalls from the discussion of the *Polity* debate above, ‘ideas’ was suggested as another byword for ‘new’ for the latest institutionalist movement. This concept were even supposed to offer a bridge over the gap between system and lifeworld theories. In this connection, Orren (1995, 98) considered how loose their connection to institutional developments can be without them losing their political viability. Just as earlier in the social sciences’ development, questions were raised about the ability of structural explanations to provide sufficiently fine-grained explanations for contingent and more specific historical situations and events (this history is laid out more in the next chapter). And exactly as before, an opposition movement rose to challenge the theory in power by reversing its phrasing of a central question related to societies: can their existence be taken as a given, or ought it be explained?

## 2.3 Bringing Ideas into the Picture

Irrespective of the word employed for them, ideas have been at the centre of Western thinking since philosophers such as Plato wrestled with the question of whether they can exist by themselves. As is well known, ideas for Plato were ‘eternal, changeless, and in some sense paradigmatic for the structure and character of the world presented to our senses’ (Kraut 2017). The word ‘idea’ was not used for anything apart from an archetype until the beginning of the 17th century, when it started to refer to a mental image, a picture, or an act of thinking of something. Etymologically, ideas are something general, common, shared, or (at the other end of the continuum) subjective and mind-dependent, and therefore they at least implicitly present a question about form and content. While the neo-institutionalists rendering holds ideas to be something closer to the contents of the mind, some features of Plato’s transcendentalism still figure there. In general, in neo-institutionalism, ‘ideas’ is an important and independent explanatory category that is used to explain, paradoxically, both stability and change in institutional conditions (see, for instance, Blyth 1997, 2001, 2002b, 2003; Béland 2005, 2009).

What is often called ideational scholarship arose as a counter-movement to HI in the 1990s. This is comparable to the mid-20th-century system–constructionism debate introduced in the next chapter. Although the notion of ‘ideas’ had its origins

as a supplement to HI enquiry, IS began taking on a life of its own and started addressing topics such as discourses and power. It has developed some ontological and epistemological problems of its own along the way. This is telling of how neo-institutionalism evolves and how very much IS wants to develop. On account of its ambitious endeavour to be taken seriously as a scholarly tradition and its controversial relationship with HI, the IS approach deserves serious attention. This section of the chapter examines ideas as an object of research, against the backdrop of whether there is specific need (in relation to existing theory or to the prevailing conditions of the world) for such an explanatory category in its own right. The ‘idea’ concept will be located in relation to HI and, thereby, reconstructed in pursuit of answers that HI could not supply but also in relation to the questions created for HI.

Do ideas explain the processes of institutionalisation, and can they explain where change agents get their desire to alter the institutions? On what kinds of premises does IS rely, and how does it understand institutions? The discussion begins with consideration of ideas in general. However, since IS has not experienced a uniform, straightforward, and linear trajectory and has given rise to further traditions, we, secondly, take an independent look at its latest descendant, discursive institutionalism, which has even been dubbed the fourth new institutionalism (Schmidt 2008).

For one of the first neo-institutionalisms, rational choice institutionalism, ideas are the vehicle for stability since it cannot be easily explained otherwise. According to Blyth et al. (2016, 148), ‘the lack of structure in their models, in particular, the problem of multiple equilibria in repeated games, suggested an endless cycling of choices that was quite at odds with the stability our world seemed to actually exhibit’. By definition, RCI is not a social theory, in the first place because its premises are derived from the level of individual actors, and I consider it an extension to the field of economics<sup>28</sup>. In full awareness that this position may upset a multitude of RCI specialists, I anchor my position, on one hand, in the critique of RCI’s highly individualistic premises (e.g., see Hay & Wincott 1998; Blyth 2002b, 2003; Schmidt

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<sup>28</sup> Ideas as an explanatory factor have actually begun to figure in neo-classical economics as well. For example, Dani Rodrik (2014) has used the neo-institutionalist literature to explain policy choices. Moreover, with their latest work, Mukand and Rodrik (2018, 1) have taken steps toward a ‘minimal conceptual framework to think about ideas as a distinct vehicle from interests. In our framework, political entrepreneurs use ideas to catalyse political (and policy) change’. This may be one small step for mankind, but it marks one giant leap for the discipline of mainstream economics. It also demonstrates how the work done in the neo-institutionalist field may be bridging the gap between economics and other social sciences. However, at what price and for whom is a completely different question. Theoretical debate about the possibility of the convergence of particular branches of neo-institutional can be found elsewhere (e.g., Hall & Taylor 1996; Hay & Wincott 1998).

2008, 2010; Conran & Thelen 2016) and, on the other, especially in the structural emphasis of this dissertation. In keeping with my rejection of an autonomous, sovereign, free-floating individual (addressed in greater depth in the next chapter), I shall deal with RCI's idea-reception only as necessary, while focusing on the problem of order in the context of ideas in connection with historical institutions. I also agree with Blyth (2003a, 702) in his observation that 'the point of rational choice theory was to do away with the need to posit unobservables as causes'. In the relational theory of social structures – as well in theory of ideas – the factor in question is specifically unobservable and therefore difficult to reduce to individual actors as such; hence, it stands in fundamental opposition to RCI. My handling of ideas in this section is based on the premise that they are unobservable explanatory factors in the social theory of IS (see also Larsson 2015, 176).

Several labels have been suggested for ideational research in neo-institutionalism. Colin Hay (2006) saw at least three options: ideational, discursive, and constructivist institutionalism (he associated himself with the last of these). Irrespective of these differences, there are strong connections and common denominators among the field, to which I will refer from here on – following Blyth's (2011, 83) suggestion – as ideational scholarship. Calling it IS does not exclude anything yet affords the most general level of argumentation, in which the focus is on the main ingredient of this tradition: ideas. In addition, whereas it would have been a coherent decision to call it ideational institutionalism, this could have created confusion with an existing branch to which attributes have already been assigned (for example, by Hay 2006). Therefore, IS it is.

Blyth et al. (2016) conducted a network study wherein the key players of the neo-institutional field and the relations between them were identified. The relations between these parties in the resulting network map were determined on the basis of 'citations between different scholarly communities' within the neo-institutionalism field (ibid., 143); the map covers the most-cited scholars' most frequently cited publications, according to Google Scholar. The breakdown is based on reporting by the scholars themselves, and it was on this map that I based my choice of the central figures for this investigation, such as Blyth and Schmidt. I took this tack because most of the explicit IS theory is written in relation to HI and the corpus shows even greater diversity than HI – the self-identification served the purpose of identifying the scholars who consciously aim at building the IS tradition (for my treatment, especially theoretically). In addition, two edited volumes about ideational studies exist (Gofas & Hay 2010a; Béland & Cox 2011a), both of which I refer to in my enquiry into the theory, regardless of the authors' position in the network. Alongside

the key players' texts and these two edited works, supplementary material is used whenever needed.

Thus far, I have considered ideas primarily in terms of theoretical variables, not specific explanatory variables for a given case, such as variables explaining change in a political-institutional context. There is no specific reason for narrowing 'ideas' to only political environments in efforts to explain change or stability. Rather, there must be some social-theoretical premises behind their operation *in any human context*. In addition, I narrow the scope to the theorists mentioned above, since they are the prominent figures in the field determining the usage and content of the concept. Therefore, I turn my attention next to the distinct theoretical premises connected with the concept of ideas and on putting them in social-theoretical context as presented earlier in the dissertation.

### 2.3.1 Placing Ideas in Context

Whatever the field's origin and further demarcation, there is reasonable consensus that IS is ultimately based on social constructionism: 'In ontological terms, the basic tenet of the ideational perspective is that the world is socially constructed: ideas form the foundation of this construction and are often the inspirations to act' (Béland & Cox 2011b, 13)<sup>29</sup>. According to multiple theorists, this is so whether the field in question is directly denoted as constructionist/constructivist institutionalism or has to do more with bringing constructivist ideas into some other field, or with bringing ideas back into the theory in a contrast against structuralist and/or system-theory thinking (see, among others, Blyth 2002a, 2007a; Hay 2002, 2006, 2011; Schmidt 2008; Béland 2009; Gofas & Hay 2010a; Tønder 2010; Béland & Cox 2011b; Peters 2012; Blyth et al. 2016). In other words, the principle behind IS is to bring the contingency of social life back into the social explaining but with a twist: idea scholars want to see the idea as an object in itself.

At a very general level, the ideational scholars originally aimed to tackle the problem of historical change in institutions. The problem, from their perspective, was that '[f]or historical institutionalists, institutions are said to be historical products which exist anterior and a priori to any agent who happens to operate within them at any given moment in time [...]. As such, institutions are seen to give content to agents' preferences' (Blyth 2002b, 300). Because American political science was

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<sup>29</sup> The authors refer particularly to Berger and Luckmann (1991 [1966]) in the endnote specifying their definition of constructionism.

dominated by RCI theory in the 1990s, HI was forced (in terms of the agent–structure dichotomy) to try to turn the tide such that a position obtained wherein the ‘structural’ institutions had to precede agents causally as ‘material’ beings (Blyth et al. 2016, 147). Theoretically, this meant an ‘implicit socialization model, where actors’ exposure to an institution’s routines, plus its longevity, altered the preferences of the agents therein [...]. [But, if] institutions structure [an] agent’s choices so completely, why would the agents inside these institutions ever get the urge to change their environment?’ (ibid., 148). In light of this question, some have gone so far as to ask ‘whether there can be a specifically HI approach to agency’ (Schmidt 2010a, 12).

According to idea scholars, this makes historical institutions constraining rather than enabling action and, thus, makes other than exogenous change difficult to explain (Béland 2005, 3; see also Blyth 1997, 2003a). The main problem for HI, in the view of these scholars, could be found in the ‘over-socialised’ agent and a concept of action wherein policy change is possible only through a change in paradigmatic ‘idea framework’ (a concept introduced by Hall 1993) producing a change in individual preferences (Blyth 1997). In other words, the structure–agent relation always involves precisely that order: structure first, then agent. But what if the agents have ideas of their own? Ideas were brought into neo-institutional research principally because they restore the contingency and struggle aspect to the institutions (e.g., Blyth 2003, 2008; Béland 2005; Béland & Cox 2011b).

In the most general terms, the existence of IS is justified in terms of the need to confront especially that kind of structuralism wherein institutions are seen as material and (therefore) deterministic. On the other hand, in these structuralist accounts, interests as much as institutions are viewed as material – i.e., ‘real’. Moreover, as mentioned above, a structuralist framework can be portrayed as relegating people to the status of dopes<sup>30</sup> with very limited agency, which in an institutional context usually ties in with the so-called exogenous shocks needed for a paradigm to change (Campbell 1998; Blyth 2003, 2007b, 2011; Hay 2011; Mehta 2011; Blyth et al. 2016). Daniel Béland and Robert Henry Cox (2011b, 7) presented this juxtaposition by stating that ‘[i]nterestingly, even some scholars tied to Parsonian tradition now support an empirically grounded form of cultural and ideational analysis that focuses on shared beliefs and public narratives’. This statement highlights the anti-Parsonian sentiments among IS scholars, which they share with adherents to HI.

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<sup>30</sup> The reader may recall the contrasting view in which HI paints SI as rendering people cultural dopes, while IS has taken HI to make the actors into structural dopes. I wonder whether SI sees IS as turning the actors into ideational dopes, as it were.

Mostly because of the above-mentioned over-socialisation problem – closely associated with structural-functionalist theory – ideas needed their own research programme: ‘They must be conceptualized apart from preexisting categories and epistemological commitments and treated as an object of investigation in their own right. The focus needs to be shifted from the question “how can ideas help explain X?” to a broader conceptualization of the role of ideas in politics beyond their institutional effects’ (Blyth 1997, 246). This should be considered in light of the history of institutionalist research, since, at least in Blyth’s view (2006), it has seen a series of failures to predict the major historical events of the 20th century (key crises), for reason of its obsession with institutional stability. This is a strong argument for bringing in social contingency. Again, the general orientation of the scholarship in this field is set in relation to HI: ‘While historical institutionalism and other leading theories (such as interest groups or rational choice) offer accounts of the forces that govern policy making, a theory of ideas is needed to explain the content of policy choices’ (Mehta 2011, 26).

The idea content has indeed been one of the main foci within the IS tradition: ‘The unique claim of ideational scholars is that [people’s] choices are shaped by the ideas people hold and debate with others’ (Béland & Cox 2011b, 12). Ideas are capable of explaining such situations as disparity between people’s material interests and their ideals – e.g., contradictory political positions (ibid., 5). This tool could explain why poor people may vote against their interests. In concert with Blyth, Béland (2005, 4) highlighted the specific policy contents in relation to the scope of agents’ choices:

[E]ven [...] a flexible vision of institutional patterns cannot allow historical institutionalism to explain fully the specific content of key political decisions that shape social policy outcomes. Because historical institutionalist researchers tend to downplay the influence of ideas on policy-making, mainstream historical institutionalism is excellent for explaining how institutions create obstacles and opportunities for reform; however, it cannot shine a satisfactory light on the policy ideas that influence legislative decisions [...]. To understand the meaning and the scope of policy choices, these researchers must bring policy ideas to the centre of their theoretical framework.

Still, Béland situated his understanding of ideas in a supportive relationship with HI by trying to articulate how ‘[i]deational forces can become an independent variable’ in the context of ‘institutional arrangements’, where ideas could be seen as ‘compatible with historical institutionalism’s basic assumptions with regard to political structures’ (ibid., 2). For him, ‘[i]deas only become a decisive causal factor under specific institutional and political conditions’ (Béland 2009, 702), which means

that they have to ‘interact with powerful institutional forces and political actors’ (ibid., 707). For Béland, then, ideas’ operation demands a favourable environment. He cited national institutions as an example of the impasse an idea may run into and referred to their resistance to international organisations’ ideas and logics as opposed to the national policies and programmes. John Campbell’s (2005) analysis of tax regimes could serve as an example: his study of advanced capitalist economies (18 OECD countries) shows that national tax rates have been resistant to change and do not adapt to the relative prices of the world economy. Localities with relatively high tax rates may resist ideas pushed by international organisations, in awareness that the local structural circumstances may favour investors’ profit-making. Here, ideas operate against a strong historical-institutional environment<sup>31</sup>.

In the same spirit, Blyth has described ideas as complementing structures since, while structures ‘are [not] irrelevant – far from it – [...] such structures do not come with an instruction sheet. There is still plenty of room for agents to make history apart from their structurally given interests’ (Blyth 2003, 698). Going still further, Blyth speaks of how ‘[t]aking ideas seriously does not mean abandoning social science; it means accepting that the limits of one set of theories open up space for others to move forward and enrich the discipline’ (ibid., 702), and he refers on other occasions to the need to introduce *new* causal factors instead of making any *single* strong ontological claim (Blyth 2002b, 2003a). Here, Blyth takes institutional stability as a given in many respects (2007b), yet his suspicions of it were raised by recognition that the structural explanations do not speak to what happens at the moment of change itself, or why, for instance, a certain kind of (new) institutions gets chosen during or after a crisis.

Despite these aspirations, Blyth adopted a more fundamentalist position on ideas with his later texts. In the first place, he saw IS as resting on ‘distinct social ontology [and therefore] practicing social science without viewing ideas as *fundamental* to both the nature of human action and causation in social systems produces seriously misleading explanations’ (2011, 83). While this still could be interpreted as support for complementarity between ideas and structures, he and his colleagues (2016, 159) ended up emphasising the dichotomy between material and ideational explanations by arguing that ‘even the most materialist of positions implicitly rests upon a theory

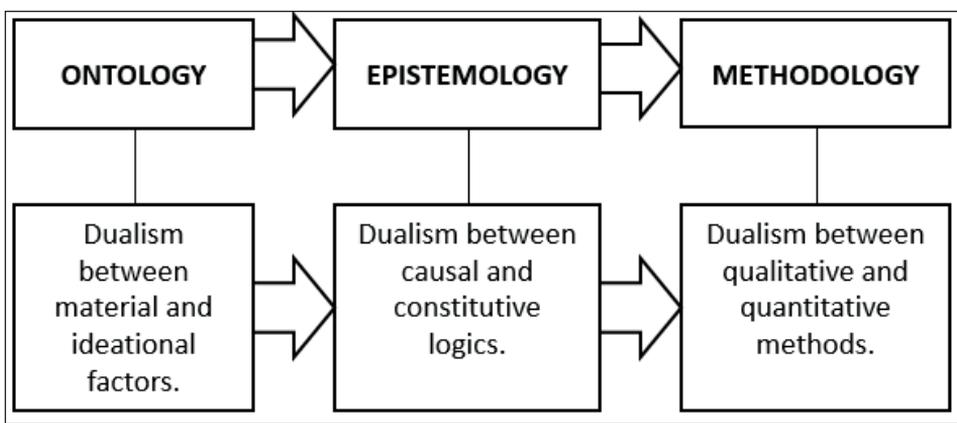
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<sup>31</sup> In another text, Campbell (2002) attempts to synthesise IS concepts to clarify their use by forming clear categories on the basis of context. However, dichotomies such as ideas–interests remain, wherein the two concepts are seen as opposed to each other. While this solution might be operationally reasonable in some specific research settings, it lacks explanation of what the concepts refer to other than their empirical manifestations. For Campbell (ibid., 21), ideas are ‘theories, conceptual models, norms, world views, frames, principled beliefs, and the like’.

of ideas or cognition to explain change'. This strongly suggests a causal setting with ontological priorities, in which one object precedes another (and indeed must), and it at the same time illustrates the paradoxes that plague this line of thinking. Even though Blyth poses fair questions for HI and other structural theories, he gives ideas a heavy burden to carry.

This kind of burden and ambiguity colours not only Blyth's argumentation but the whole new ideational tradition. There is ambiguity as to the weight of the 'idea' *per se* in this line of research, and as to its theoretical relation to existing social theory. Andreas Gofas and Hay (2010b, 3) are among those who have recognised that, while 'it now seems obligatory for every work to consider the "power of ideas" hypothesis [...] the debate remains caught up in a series of heated disputes over the ontological foundations, epistemological status and practical pay-off of the turn to ideational explanations'. Below is my adaptation of the figure in which Gofas and Hay (*ibid.*, 4) presented the ontological, epistemological, and methodological 'perennial dualisms' that they consider to dog IS's theoretical efforts.

**Figure 2.** 'Perennial dualisms' in ideational theory.



There seems to be a need to give the idea a strong explanatory position in the neo-institutionalist field and in the social sciences in general. It is that apparent need that led to the above-mentioned debates about the benefits of doing so. In addition, as we have seen, ideas are constantly set in relation to HI in two ways at the same time: complementary and contradictory. Moreover, a heavy explanatory burden has been placed on the shoulders of the idea as IS's main category: it should be able to explain why agents may decide to go against the grain, what happens at the eye of the social-crisis storm, and why new kinds of institutions get chosen. Blyth has been prepared to claim that the social sciences cannot produce satisfactory explanations

without the idea (2011, 83), and the joint paper stated that no such materialist explanation for social phenomena can be found as would not rest on the broad shoulders of ideational explaining (Blyth et al. 2016, 159).

There is also a more normative positions behind IS. According to Jal Mehta (2011, 24), denying the force of ideas in human life would mean denying the influence of people's ideals over things such as 'science, religion, democracy, slavery, colonization, gender, race, and homosexuality, to pick just a few salient examples'. Moreover, '[t]o reduce politics solely to material interests and strategic calculations is not only to be willfully ignorant of how the world actually works, but it is also to deny a significant part of what it means for individuals to be human and for societies to be democratic. Individually and collectively, it is in the exchange of ideas that we define who we are and what we hope to become' (ibid., 45). This seems to be an important question for idea scholars, since Hay (2011, 78–79) also found that 'to deny agency, autonomy, individuality, and identity of the agent [...] is to reduce the agent to the status of a mere bearer, rather than shaper, of systemic logic. It is, in short, to deny that agent's humanity'. This probably goes some way toward explaining IS scholars' eagerness to highlight the agency-based starting point for the analysis. While one can sympathise with this position for its general respect for human dignity, it still serves as a basis for selecting a theoretical approach that has little to say about how 'ideas' give people the ability to act as agents.

After 20–30 years of empirical and theoretical research, the IS programme has developed to the point where most of its proponents agree that 'ideas matter', in a causal sense. This means that they are ready to move on to investigate ideas' relationship to such things as power (Béland et al. 2016). Still, one can follow Gofas and Hay in pointing to unclear answers on theoretical questions remaining in this field (2010b). It appears that if all the various developments are going to be pursued at the same time – with heated debate about the premises for the concept and the further work building on it – a closer look is required, with the aim of simultaneously situating the theory and the concept in context with other social theories. As Oscar L. Larsson (2015, 177) has recently stated, 'too little attention has been directed to the nature of ideas themselves'.<sup>32</sup> Ideas should bring some substantial matter to the table in order to justify their unique position. Their purpose must be explained since we are dealing with the theory of ideas themselves. Therefore, in the further analysis below, I will concentrate on the definition of ideas; on parallel concepts; and, especially, on the concept's function in (neo-)institutionalist theory.

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<sup>32</sup> On this point, see also Finlayson (2004).

### 2.3.2 The Ideas Themselves

As Schmidt (2008, 306) correctly states, '[d]efining ideas, the substantive content of discourse, is no easy task because there are so many ideas about ideas'. There are dozens or even hundreds of texts about ideas in neo-institutionalism (for only a few examples, see Hall 1993; Smith 1995; Blyth 1997, 2002a, 2002b, 2003a, 2016; Campbell 1998, 2002; Schmidt 2002, 2008, 2010a, 2017; Finlayson 2004; Béland 2005, 2009; Hay 2006, 2011; Rodrik 2014; Larson 2015; Gofas & Hay 2010a; Béland & Cox 2011a)<sup>33</sup>, most of them being empirically based analyses and further elaboration of typologies of ideas. In these volumes of literature, however, the idea may lose touch with its purpose, its function as a part of social theory. This is because, while we can find all kinds of ideas in empirical reality, the idea as an independent explanatory devices still must represent something more general.

We can look beyond the era of neo-institutionalism, though. After all, the last 20–30 years has not been the only time, even in the history of the social sciences, when this issue has been considered. For example, in his essay 'The Role of Ideas in Social Action', Parsons defines ideas as 'concepts and propositions, capable of intelligible interpretation in relation to human interests, values and experience. So far as *qua* ideas, they constitute systems, the relations between these concepts and propositions are capable of being tested in terms of a certain type of norm, that of logic' (1938, 652). Parsons recognised also that ideas cannot 'arise through some process of "immaculate conception" [...] without relation to the other elements of the social system' (ibid.).

For Parsons, then, ideas are *relational* beings, meaningful parts of the social systems, that make the systems themselves and human experiences within these systems understandable. But, since ideas are never disconnected from their environment, they become understandable only in relation to the norms that, in turn, constitute the logic of the system with all of its elements. This formulation is not far from that of Schmidt (2008) in that her brand of discursive institutionalism takes ideas to be the contents of discourses, where discourses are understood as interactive processes conveying ideas. In this connection, Schmidt quite rightly raises the question of what ideas are in the first place, although soon proceeding to the question of what kinds of ideas there are. Because of such shifts in focus, the idea of

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<sup>33</sup> A further list of references to ideational approaches in the social sciences domain is provided by, for example, Béland and Cox (2011b, 4–5). Also, they recognise that there is a separate field of 'history of ideas' that has no immediate relationship with IS.

'idea' usually is left overly vague in IS studies (Finlayson 2004, 530). Thus, 'what' remains an important question deserving a satisfactory answer.

In their introduction to the volume *Ideas and Politics in Social Science Research*, Béland and Cox (2011b, 3) suggest that 'ideas are [the] primary source of political behavior' and proceed to define them as 'causal beliefs [that] are [a] product of cognition. They are produced in our minds and are connected to the material world only via our interpretations of our surroundings'. They 'shape how we understand political problems, give definitions to our goals and strategies, and are the currency we use to communicate about politics' (ibid.). Accordingly, they 'provide us with interpretive frameworks [which have] serious consequences for how we understand the role of interests in politics' (ibid.). Béland and Cox saw interests not only in material terms but as including also ideals, pride, and fears, while aware that it is ideas that provide the sense of appropriateness and legitimacy among people.

It should hardly come as a surprise to anyone that ideas have consequences such as providing 'interpretive frameworks', since said frameworks are, again, concepts and propositions, just as Parsons suggested. If we strip down this definition from all the things ideas *do* to what they *are*, we are left with mind-generated beliefs that have consequences. The 'what' begins, then, with the mind as the source of ideas capable of generating effects on the world (the causal aspect). Of further interest for our purposes is that this definition suggests ideas to be 'products of cognitions [...] connected to the material world only via our interpretations of our surroundings' (Béland & Cox 2011b, 3). This enigmatic claim intimates that ideas are a product of an independent mind, since 'minds can create ideas from any of a multitude of sensory perceptions, or the mind can create ideas based on no connection to reality at all' (ibid.).

Béland and Cox are straightforward in their formula, with ideas as beings themselves irreducible to a material world and held by individuals whose minds are capable of creating ideas out of thin air. They see 'human cognition [as having] its own independent force' (ibid., 11). As beings of this sort, ideas have ontological status, as they can produce causal effects on the world by themselves. Still, ideas work mainly as communicative 'cluster concepts' (ibid.), which allows them to do things such as 'take [the] form of high-profile public frames, discourses, and ideologies at the foreground of the political arena [...] or constitute lower-profile assumptions and paradigms that often remain at the background of this arena' (ibid., 6). Alongside beliefs on the list of ideas are norms, policy prescriptions, worldviews, etc. (ibid.). The most important point is that Béland and Cox really push for the idea of ideas in their own right, insisting on serious recognition of them as objects with

causal powers, no matter how great an emphasis these authors put on them appearing as clusters. They are a creation of individual minds with a clear-cut distinction from the external, material world, a world that is not necessary for creation of new ideas.

A rather more nuanced cognitive interpretation of ideas is to see them as ‘cognitive filters’, in Hay’s words (2011; see also Hay 2006). As filters, they form the interpretation of the world for its observer, but actors at the same time ‘come to [...] conceive their own interests. Yet, crucially, they are also concerned with the conditions under which such established cognitive filters and paradigms are contested’ (Hay 2011, 69). The ideas, then, that shape the interests for actors are a product of the dynamic environment; the interests are not innate to actors but adopted in meaningful practices. In essence, this means that, for Hay, actors *cannot* create ideas out of thin air. The ideas exist in dynamic relationship with their environment. This obviously follows from Hay’s dialectical ‘constructivist institutionalism’ in which the material or ideational has no independent existence, where such an existence would automatically make interests ‘perceived’ (Gofas & Hay 2010c). Referring to Blyth’s (2002b) formulation of perceived interests, Hay (2011, 70) concludes that the actors’ conduct ‘is not a (direct) reflection of their material self-interests but, rather, a reflection of particular perceptions of their material self-interest’.

This brings an interesting twist to the debate that revolves around material and ideal. In their joint article, Gofas and Hay (2010c, 21) state that ‘ideas exist as collective structures of meanings that are connected, but irreducible, to the actors who draw upon them’. After this, they present their ontology, designed to privilege ‘neither the material nor the ideational’, since material properties of things, such as a nuclear arsenal, exist beyond the meanings given to them (*ibid.*, 34). The point of considering perceived interests in this example might be that, in relation to the arsenal and its material implications, actors may perceive their interests in many ways, but they are never to be disconnected from the destructive properties<sup>34</sup>. This leads the authors to propose a ‘morphogenetic approach’ aimed at ‘*linking* [material] structure and [ideational] culture to agency without [analytically] *sinking* their

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<sup>34</sup> One interesting application for perceived interests in the context of nuclear arsenals is the anecdote that former United States Secretary of Defense Robert S. McNamara relates in Errol Morris’s documentary film *Fog of War* (2003): ‘So I asked him [Fidel Castro] three questions. One: did you know there were nuclear warheads in Cuba? Two: would you have recommended to Khrushchev to use nuclear missiles in the event of an American invasion of Cuba? And three: what would have happened to Cuba? He said: “One: I knew the missiles were there. Two: I would not *have* recommended it, I *did* recommend it! And three: we would have been totally obliterated.”’

differences' (ibid., 41). In this approach, ideas 'matter all the time [and are] not simply reducible to the context in which they arise' (ibid., 48), which means also that 'interests do not exist, but constructions of interests do' (ibid., 50).

No matter how (or how many times) I read Gofas and Hay's proposal for resolving material–ideal dualism, I find no other solution presented than that we live in a world of ideas that are not to be detached from material circumstances. This does not entail overcoming the dualism so much as reserving one sphere for ideas and another for material 'stuff'. My criticism pertains to two dimensions of this kind of thinking. Firstly, let us look at Hay's (2006, 65) comment on ideas as cognitive filters:

Actors appropriate strategically a world replete with institutions and ideas about institutions. Their perceptions about what is feasible, legitimate, possible, and desirable are shaped both by the institutional environment in which they find themselves and by existing policy paradigms and world-views. It is through such cognitive filters that strategic conduct is conceptualized and ultimately assessed.

While this most probably is in some ways a valid description of the operation of the social world, it tells us mainly that people operate in institutional surroundings as perceptive beings and communicate about those surroundings. The strategic conduct stems from within the actor. My first criticism is that here the idea remains a black box, which tells us nothing since it refers to the *manner* and *content* of people's participation in the world (involving perception and meaning, respectively). My second criticism, a more cautious one, follows on from the point Blyth made when speaking of being 'far from convinced that ontological (and therefore logical) consistency is the *sine qua non* of good research, or that scientific (or *critical*) realism is of much help to empirical researchers' (2011, 172). In my view, the issue arises because the solution to social scientific problems cannot stem from the ontological problem settings, since there is nothing ontological in the sphere of the social. The problem is not ontological in the first place but social, so the perennial dualisms rear their head. Hence, I would still bear in mind Gofas and Hay's general point about ditching the 'real' of ostensibly material interests as such from the social analysis (2010c).

From Blyth's standpoint, the social fabric is '*ideas all the way through* – [...] a situation where ideas permeate all aspects of materiality and determine agents' orientations to social objects [but not] all the way down into an a-material nothingness' (2002a, 29–30). In his formulation, '[c]ognitive mechanisms, *pace* ideas, are important because without having ideas as to how the world is put together, it would be cognitively impossible for agents to act in that world in any meaningful

sense [...]. [A] complex set of ideas, such as ideas about the working of the economy, allow agents to order and intervene in the world by aligning agents' beliefs, desires, and goals' (ibid., 32). Therefore, in relation to preferences, which I interpret here to be the same as interests, 'ideas give content to [them] and thus make action explicable' (Blyth 2003, 702). This reasoning creates a perfect circle, since for Blyth (2007b), complex sets of ideas equate to shared mental models, whereas shared mental models equal cognitive mechanisms. Nevertheless, Blyth went on to define ideas 'simultaneously [as] the media through which agents understand the world and the material that constitutes it' (2011, 84), meaning, 'variously norms, conventions, schemas, and ideologies, collective products that make the world hang together' (ibid., 95). He drew all this together by stating that '[c]ontemporary constructivists, increasingly common throughout the social science, come closest of all to the position espoused here', but, importantly, '[i]deas, whether in the form of free trade doctrines, religious worldviews, schools of legal pedagogy, or laws of the road, are the basis of all such constructions' (ibid., 95–96).

This is best interpreted as meaning that the single ideas, as the 'basic units' of the world (Blyth 2002b, 306), eventually cohere into a more complex sets of ideas forming, again, shared mental models, which, in turn, are the same thing as cognitive mechanisms in practice. Furthermore, while single ideas form the root of these mechanisms, they are of no such use by themselves; the utility is in the more complex and, especially, shared models. One may possess all kinds of ideas, but as mental models they become important only when they are shared, so the shared nature is their key feature. This leaves Blyth's definition swaying in the wind, since the relations between his concepts remain somewhat unclear. He seems to support an analogy in which the idea is the atom of the social world, yet he also indicates that no single idea matters. What purpose does the single idea serve in this theory? Another question remaining is how he sees the process of generating these ideas and how exactly these atomic ideas operate as the basic units of the world, as isolated and shared beings simultaneously. Moreover, how do ideas take over the social world by themselves?

Now, we have in our hands a very broad and multifaceted definition of ideas. I interpret ideas to be the meaningful and substantial contents of beliefs, desires, norms, worldviews, goals, etc. and, at the same time, systems of meaning that explain how the world works. There are many inputs to this conclusion. For Béland and Cox (2011b), they are the ultimate causal factor at the start of a causal chain making the social world tick, while Hay sees them as cognitive filters in terms of (sensory) perceptions. In addition, Blyth emphasises that ideas are the thought contents for

the cognitive processing that enables agents to engage in meaningful (inter)action. It is hard to define what the idea per se is, but for all these authors it seems to be the meaningful content of (shared) cognitive process(es), and in some cases it is also the filter through which interpretations and perceptions of the world come to be, or it might even consist of the perception itself. Ideas encompass almost all aspects of communication, making them the key to understanding, and as cognitive beings they are ultimately located in the consciousnesses of individuals. In my view, the above definitions of an idea are far too broad to explain anything specific or be applicable for interpreting anything with meaningful content.

Another way of understanding 'ideas' is to treat them as synonyms and/or substitutes for beliefs, desires, norms, etc. The range of terms that are interchangeable with 'idea' is a wide one (see also Finlayson 2004; Larsson 2015). Even key theorists such as Campbell (1998), Blyth (2003a), and Schmidt and Mark Thatcher (2013) usually end up forming typologies rather than discussing the idea's fundamental properties. On the other hand, theorists such as Hay (2006, 2011) who focus on philosophical questions end up turning the actors' cognitive properties into ideas' properties and, thereby, making the idea ultimately the above-mentioned black box. As Alan Finlayson (2004, 530) so astutely pointed out, these practices, regrettably, usually tell us more about what ideas do and/or the background conditions wherein they operate than about what they actually are. I must reiterate that locating all the various uses of ideas by reference to empirical reality may give us plenty of important information on how the world works, but, since the idea is the common theoretical denominator connecting all these observations, its powers still must be explained somehow. This is because, irrespective of their vague definition, they are treated as objects in their own right that have causal properties.

All this makes IS into agency-based theory, in which the answers to social questions are ultimately derived from individuals' state of mind. Hence, IS is a theory of cognition, not ideas. This becomes clear at least by the time its prominent theorists start to discuss their theoretical convictions. While in some cases there has been some reconciliation of structure and agency in a complementary manner, the whole tradition is based on the idea that the structures do not dictate the individual actors' actions. However, the closer the problem setting gets to the fundamental question of which does the determining, agency dominates the IS stage, since, in the end, the ideas have to be located somewhere. I suggest that it is the insistence on causal thinking that leads to this theoretical impasse: since the ideas must be derived from somewhere, the logical conclusion is that they reside in individuals' heads. Below, I

continue to delve into ideas' causal properties, since these appear to be the reason for the unique explanatory position of the idea in the neo-institutionalism field.

### 2.3.3 Ideas with Causal Force

One important reason for proving ideas' causal force is closely related to the question of traditions' incentives for scientific legitimacy (Gofas & Hay 2010c; Tønder 2010). In her studies, Schmidt (2010b, 189) has found this connection typical in American academia and also brought out how 'the only thing on which the philosophers of science agreed was that the social science could never be as good as "science" [...], mainly because they were too messy, given that their objects of inquiry were reflexive subjects'. This speaks volumes about why IS puts so much effort into proving that social science can practise causal reasoning<sup>35</sup>. Without a doubt, it has been important for IS scholars to prove that such causality exists when they claim scientific standing for their ideas, but this has been of key value also for proving ideas' worthiness as an object of enquiry. In one of her recent works, Schmidt brings this out nicely in a sentence clarifying her understanding of the nature of institutions (2017, 256):

Institutions are not material because they don't exist without sentient agents, but they are real to the extent that the collective agreements by which they were established continue to hold and, like the institution of property or of money, are real and have causal effects.

According to Schmidt's statement above, the ideas are 'real' when the collective agreements, produced by sentient agents, hold in that they have causal effects. The definition for the real is dependent, then, on those causal effects, since only real things should have such effects. This is telling in light of the definitions presented in the previous section, where we find an insistence on seeing ideas as objects. Above, Schmidt provides a definition for 'material' as well: everything there is in the absence of sentient agents. Accordingly, sentient agents are the ones capable of producing agreements that are real to the extent that they have causal effects, whereas everything outside those agreements – all things that exist irrespective of these sentient agents' presence or ever having been present – marks the material.

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<sup>35</sup> Blyth too (2008, 10) discussed the nature of American academia, stating that '[a]cademics constantly reinvent the wheel' because they want to come up with a 'thing'. This implies institutional motives for devising new demarcations and concepts, just as Fiorina (1995, 197) suggested when expressing doubt as to whether new institutionalism would actually present anything very new so much as merely advance young scholars' careers.

The treatment of ideas' causality presented here is set mainly against the theoretical dialogue on the matter that took place in the edited volume *The Role of Ideas in Political Analysis* (Gofas & Hay 2010a). Woven into my exposition of the theoretical premises behind ideas' causality will be discussions of some of my general criticisms of idea-oriented explaining, again largely in light of that volume. Hence the lengthy treatment.

The book lays out a debate precisely about the causality of ideas, wherein the premises for it are discussed in detail. The debate is illuminating in that, while the theoretical questions were taken seriously, the contributors ended up mostly justifying ideas as causal factors in their own right in a manner pointing to a *need* for that justification instead of just laying out the premises and assessing them as such. The presentation of the debate was structured as follows: Scholars such as Gofas and Hay (2010c) and Lars Tønder (2010) laid down their premises, and these presentations were followed by replies by Blyth (2010) and Schmidt (2010b). Furthermore, the volume was divided into two parts, the first one being theoretical in nature and the second empirical. Blyth handled the commenting on the theoretical pieces and Schmidt dealt with the empirical ones.

Tønder (2010, 56) begins his analysis by highlighting that, according to critics, the weakness of the 'first generation of ideational analysis' lay in 'being too fussy in its explanation of how ideas are able to cause change as well as for being unable to eliminate interest-based approaches to the study of political change'. According to his analysis, the problem of causality arises because social constructivism as constitutive theory can answer only static questions of 'what?' and 'how-possible?' (ibid., 64–65), while causal analysis 'is a way of analyzing how political change evolves along pathways that are neither arbitrary nor occasional' and answers 'why?' (ibid., 57). Tønder's solution is to reject the deterministic and materialist 'efficient causality' and replace it with his own 'immanent causality', in which the material and ideational should be seen as equal in an ontological sense but in which, also, ideas retain 'unique causal powers' (ibid., 56–57).

The sort of causality Tønder criticises is rooted in the formulation by David Hume. According to Tønder (2010, 60), that formulation is summarised well by Hume's statement that the cause is '[a]n object precedent and contiguous to another, and where all the objects resembling the former are plac'd in like relations of precedency and contiguity to those objects, that resemble the latter' (Hume 2007 [1739], 114)<sup>36</sup>. Gofas and Hay (2010c, 22) too pay attention to the problem of the

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<sup>36</sup> I quote here from the critical edition of Hume's *Treatise* (2007), whereas Tønder refers to the earlier version, from 1978. The citations differ a little, for reasons unknown to me, but not so much that this

so-called Humean logic of causation, which ‘stipulates not only a mechanistic notion of constant conjunctions – according to which each cause must always produce a specific effect – but also, and more significantly, that the cause must be independent of, and antecedent to, that effect’. Having made an ontological commitment to ‘ideas matter[ing] all the time’ (ibid., 48), Gofas and Hay found the following resolution to the causality problem: the actors’ behaviours are shaped at all times by the ideas, which ‘allows a recognition of the causal significance of constitutive processes’ (ibid., 49). This means that causality and constitution are not to be considered in opposition to each other.

Constitution will be discussed further in the next chapter, in connection with social constructionism, so I will just point out briefly here that, according to Esa Díaz-León (2013, 11), ‘any property that is *constitutively* socially constructed will be *relational*, not intrinsic, given that by definition, what makes a property constitutively socially constructed is the fact that something satisfies the property only if it bears a relation to certain social practices and communities’. In consideration of this, I regard relations as dependencies, meaning that the property in question is wholly and fundamentally dependent on the presence of the parties on occasions of (productive) relation to each other (see also MacBride 2016). In their contribution to the volume, Gofas and Hay emphasised this relational nature of institutions, and their view has been espoused also by several theorists addressing the fundamental premises for institutions (e.g., Hodgson 2006; Lawson 2016). As the discussants once gain transformed the question into one of causal logic, Gofas and Hay (2010c, 16) suggested the following:

[W]ithin a causal logic, ideas are treated as distinct ‘variables’ whose power can be established only by demonstrating a mechanistic and autonomous effect of ideational factors on specific (political) outcomes. Within a constitutive logic, by contrast, ideas provide the discursive conditions of possibility of a social or political event, behavior or effect.

Despite this progressive effort to move the discussion beyond a basic dualism, Tønder (2010, 60–62) pushed for viewing ideas as independent causal factors, although not in the sense of efficient causality but as simultaneously ‘expressive

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would have consequences for the interpretation. More interesting with regard to the subject at hand is how Hume (2004, 114) continues: ‘If this definition be esteem’d defective, because drawn from objects foreign to the cause, we may substitute this other definition in its place, *viz.* “A CAUSE is an object precedent and contiguous to another, and so united with it, that the idea of the one determines the mind to form the idea of the other, and the impression of the one to form a more lively idea of the other.”’ Hume is clearly speaking here about the causality of one idea relative to another, and hence the argument about ‘Humean’ causality is cast into doubt.

entities' and a part of more general social structural phenomena. He also stated four requirements, elements that future ideational analysis should incorporate into its structural explanation models: 1) addressing the full spectrum of ideas present in the conditions examined, or at least a fuller one; 2) breaking down the neat separation between effects and causes; 3) opening up to a non-linear concept of time, with feedback; and 4) taking the interaction of the ideational and material seriously via 'parallelism', since 'the material and the ideational [are] two aspects of the same explanations' (ibid., 66–67). While Tønder's statement dealt with the structural conditions wherein ideas operate, he insisted that, because of their expressive qualities, ideas are capable of expressing, among other things, courses of future action. This entails the ideas also being capable of disconnecting from the linear conception of time to which the linear concept of causality is bound.

With his 'expressive quality' hypothesis, Tønder proceeded to a rather strange analysis of real-world events (2010, 67–71). He began by placing George W. Bush's 'axis of evil' at centre stage, explaining how that notion came into being in reaction to changes in material conditions – caused by, for example, the 9/11 events – that altered the US's geopolitical interests in the Middle East. The events were a prerequisite for the idea of an 'axis'. Tønder (ibid., 67–68) continued:

[O]nce an idea such as the axis of evil has begun resonating with the public, it, too, has the ability to change the circumstances in which it is situated, reinforcing the discursive perception of geopolitical interests as well as augmenting affective states of fear and insecurity. Ideas have this ability because of their expressive quality [...]. On the one hand, ideas are expressive because of their involvement with both the material and the ideational world [...]. On the other hand, ideas are also expressive because of their ability to explicate the world with which it [the idea] is involved. This explication is not a neutral endeavor. Instead, it entails a reorganization that enables the idea to reconfigure the existing world.

The latter depiction of events contains several untenable suggestions. Firstly, there is no description of precisely how an idea just begins to 'resonate' with the public. It takes over the public space by itself and then gets to work. All the apparatuses and institutions in place (the government, media, etc.) are disregarded while the ideas do all the heavy lifting. A host of other questions will follow if one were to take this description of events more literally. Secondly, what exactly are the above-mentioned ideational and material worlds? Such a suggestion can only be born of maintaining the notion of two separate spheres of being. For me to subscribe to this programme, one should first point out the world where ideas live without matter, or a material world that operates without meaningful communication. What good does it do for us to keep these realms of ideational and material factors separate? Thirdly, if, for

some strange reason there should exist material and ideational worlds such that ideas are involved in both, what are the ideas if they are not products of either of these worlds but merely explicate the things these worlds consist of with their ‘expressive qualities’? Finally, what does an idea do apart from ‘explicate the world with which it is involved’? The idea is the substance of communication. I cannot conceive of any situation in which the ideas would not be explicating something.

After regarding the axis of evil, Tønder continues his story by bringing up an important topic connected with ideas: ‘Do all ideas have the same power to cause changes in policy?’ (2010, 68). This question could be turned into that of why some ideas are chosen over others, a matter that has been subject to discussion within IS (see, for example, Finlayson 2004; Schmidt 2008; Gofas & Hay 2010c). Schmidt (2008, 307) lists ideas’ viability as among the criteria that have been suggested to be significant, and national traditions, values, and culture also have been seen as important factors. On the other hand, it has been posited that the outcome is a matter of expertise connected with research institutes or think tanks, or even the timing of the policy process could influence the viability (*ibid.*). Tønder’s solution to this problem – in the spirit of Spinoza and Deleuze – is to stress the sufficiency of the idea, which in practice means emphasising that ‘the expressive power of an idea depends on how it engages the world. [...] [A]n idea is adequate – and, hence, powerful – as long as it shows how its expression of the world is able to persist’ (2010, 68). It follows that any state existing in the world is proof of the idea that expresses its state. Obviously, this is a vicious circle.

To bring his point about ideas’ ‘immanent causality’ to the finish, Tønder (*ibid.*, 69) proceeds to demonstrate how exactly ‘an idea can be the effect of its own cause’. In this, he aims at proof of ideas’ unique causal powers and showing that there is no strict separation between cause and effect, as they are so closely related. In practice, if an idea inspires policy paths in the real world, it then gives meaning to results of those policies, which makes it, in Tønder’s terms, an effect of its own cause and therefore an immanent source of its effects. He refers to the expressive quality of ideas next, stating that ‘an idea is able to establish its own indispensability for future policy decisions because it is the anticipation of that policy’ (*ibid.*). He cites an example from the Bush administration here too, but this time it is the ‘war on terror’. In Tønder’s handling, which follows Brian Massumi’s (2002) analysis of events, the expressive quality of ideas starts to operate in such a way that they get detached from the linear concept of time (Tønder 2010, 70):

Massumi develops his analysis [...] with the reference to the color-coded alert system that the U.S. Department of Homeland Security uses to communicate to the public

what it perceives to be the appropriate level of threat coming from terrorists and rogue states (green indicates a 'low' level of threat; red indicates a 'severe' level of threat). [...] [T]he threats are able to influence the course of the nation because of their own futurity, one in which the anticipation of what might happen tomorrow becomes a reason for acting today.

Here, Tønder finds that the futurity indicated by this colour-coding system dissolves the sharp distinction between cause and effect: latent threats of the future become the reason for today's actions. Through making the threat constantly present, the system has the ability of 'augmenting affective states of fear and insecurity' in the citizens (ibid., 68). This serves as evidence of an expressive idea that 'takes on its own life [because] the alert system [...] managed to instil a basic mood in the public, a mood in which the worst threat was the unknown itself' (ibid., 70). In other words, these ideas of the latent threat are capable of expressing things that might happen in the future and therefore precipitate constant fear based on events that have not even taken place. Tønder emphasises the affective components especially, since, according to him, ideas 'give meaning to the fear and insecurity invoked by the alert system [and] explicate the affective components that are involved' in that system (ibid., 71).

Firstly, I find both cases addressed by Tønder interesting, and they express well the things he generally tries to say. The axis of evil and the war on terror are unprecedented and interrelated phenomena that have had much to do with transforming – even manipulating – public debate and the prevailing general climate (in a shift toward one of fear). The events connected to these have a long history, but the 9/11 events in particular had a clearly huge effect on how things eventually turned out; first off, they rendered the general climate more favourable for US actions in the Middle East, but they also elevated 'homeland security' concerns into a major issue, with numerous effects extending far into people's day-to-day life. In addition, both cases involved strong foundations of 'American values', such as freedom and justice, as Tønder (ibid.) is right to point out. I take no issue with any of this chronicle. My problem is with the claim that this serves as proof of ideas' expressive qualities or immanent causality, especially in the 'futurity' sense suggested above.

Tønder seems to move the gaze from a wider picture of concrete practices, institutions, *and* ideas onto solely the 'idea' when interpreting the events described above. In effect, he claims that it is the ideas that do all the heavy lifting in an environment comprising people and various kinds of institutions where the ideas are selected and spread to support the atmosphere he so nicely describes. However,

ideas do not just float around and get selected for their innate properties; they are chosen because they suit or are created for some purpose. They are distributed through the existing machinery, and they come to rule because they have the necessary mass and/or fertile ground in relation to other, competing ideas. Of course, this does not imply that the content of an idea itself does not matter or that people cannot have ideas of their own, but what makes an idea imaginable or operational in the first place – especially in a political context – is primarily a historical and institutional matter, not a question of ideas' qualities in themselves.

When Tønder addresses the war on terror, he delves more deeply into the causality question. The main issue here is the so-called futurity, wherein a very simple colour-coding system is used to communicate with the public about imaginable threats that have not yet been actualised and may never be. This undeniably ingenious system enables the reflection on the issues that Tønder presents; however, the claim as to the expressive properties of this colour-code system or about the immanent nature of the causality presented here is based on a presupposition that the 'idea' is the main operator and its 'futurity' somehow can break the time-linear chain of events. The whole suggestion becomes manageable only through this lens. Without the 'idea', we would not need to consider whether this main operator goes through any kind of straightforward cause–effect chain in explaining social phenomenon in the first place. In addition, even in the idea-explanation context, whether the linear timeline is 'broken' in the way Tønder suggests is another matter entirely. When it comes to the colour-code system, it is *the idea of threat* that changes the behaviour, not the execution that the futurity would suggest. Actually, the only way that the timeline could be broken in the manner suggested by the idea of futurity is for the future events themselves to affect the present somehow, which is impossible.

Obviously, this does not counter the fact that our expectations for the future can have behavioural effects on us, and these expectations can be built, upheld, and used for political purposes. But it is the idea of threat that changes the expectations held by Americans, without any breaks in the linear timeline. The chain of events begins with 'creation of the idea' and proceeds to 'distribution of the idea' to 'adoption of the idea', all away to 'modified state of consciousness'. People are constantly subject to numerous types of attempts to influence their behaviour. Sometimes these are successful, and sometimes they are not, but if a colour-code system results in changes in American behaviour, it does so only after it has been implemented. Our ability to *imagine* an alternative outcome of events that have already taken place does not change the fact that it is only the unforeseeable future that we may (sensibly try to)

influence. One could also ask whether anything mentioned above diverges significantly from the everyday expectations people have for all sorts of things. They have retirement savings, and they get some exercise on the basis of abstract expectations for the future, produced by various institutions. That is, people are beings capable of imagining future happenings (with this ability separating us from most other animals), but we cannot twist and turn the clock in historical events.

In a complex social situation wherein adjustment of present actions is based on the anticipation of future events, it may be difficult to say much about the individual ideas' causal relations. The impulses to act may be spontaneous or planned. What is less difficult to say is that placing the events on a historical timeline and positioning the operative institutions in the equation leaves us far wiser with regard to what is going on. It might be more fruitful to study how ideas such as that of colour-code systems spread through institutional arrangements rather than assume that ideas just start 'resonating with the public' as Tønder put it (*ibid.*, 67). Thinking of these events in terms of 'feedback loops' of causal effects, as he calls them, only confuses the analysis by obscuring the relations between the actors and the chain of events. Moreover, the 'feedback loops' idea has a long history in, for example, social constructionism literature (e.g., Hacking 1999) and the notion of a self-fulfilling prophecy in general is hardly new (for example, see Merton 1968, 475–492)<sup>37</sup>. One could even suggest that the idea of immanent causation makes the whole idea of causality pointless: if causality suggests that 'each cause must always produce a specific effect – but also, and more significantly, that the cause must be independent of, and antecedent to, that effect' (Gofas & Hay 2010c, 22), why not follow that route? Why contort a concept that was not designed to explain structural constitution in the first place? Why not stick with the 'structural phenomena' *alongside* ideas, for which Tønder, after all, articulated four progressive requirements?

In his commentary, Blyth (2010, 177) picks up on a sentence from Tønder's contribution that should begin to respond to my criticism above. In it, the immanent causality is described 'as a mode of explanation that recognizes the way in which the agentive capacities of the ideational challenge the neat separation of cause and effect'. According to Blyth, Tønder here makes 'a bold step towards what some scholars

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<sup>37</sup> Interestingly, prominent economist John Maynard Keynes has expressed this idea also. Whereas Keynes' writings are well-known among IS scholars on account of his view of how economists influence policy-makers (for example, see Schmidt & Thatcher 2013), it is far less commonly highlighted that he wrote about subjective probability and qualitative theory of probability (2004 [1921]). From this earlier work grew several of his later ideas about how expectations influence the economy (see, for instance, Keynes 1937). For a brief introduction to his thinking on ideas and subjective probability, see Wiley (1983).

have called “thing-theory” [...], where non-human *actants* are granted agency’ (ibid.). The actant nature of ideas results from the ‘parallelism’ presented above – the ontological materialism–ideational equality – which makes the ideas themselves repositories of the future action in a world where ‘the capacity to act upon the material is engendered by the interaction of the ideal with the material itself’ (ibid.). Blyth saw this position as something through which Tønder sought to prove ‘the idea of cause and effect as temporally discrete events and objects [...] difficult to sustain’, although Blyth was swift to present a caveat in an endnote where he cites, for example, some thermodynamic actions as cases in which this logic does not apply (ibid., 183).

Blyth’s initial reaction to Tønder’s theory development is that it did not go far enough, in that Tønder tied his ideas to a single source (Spinoza) rather than bring the whole tradition of ‘emergent causation’ into the conversation (Blyth 2010, 177–178). Moreover, causation had become a subject of such debate that significant plurality had been recognised already – there are several distinct kinds of causal laws, which differ in logics. In this respect, Blyth (ibid., 178) saw ‘Tønder’s stress on immanence [as] something future scholars of ideas need to take seriously, as they are being taken seriously already elsewhere’. I had the same initial reaction (alongside my criticisms above), to both Tønder’s and Blyth’s views: they go too far. Giving agency to non-human actors renders a separation between human and natural history pointless, along with the concept of agency itself, and very curious conclusions about practically anything follow. Moreover, when we equate the idea of a non-human actor with the idea of emergence, I am not convinced that we are even talking about the same thing. With regard to institutions, emergency theory addresses the structural effects of the kind of collective human action in which no single individual can exert control or even be fully aware of the overall consequences (Lawson 2015). To sum things up, we can borrow Tere Vadén’s phrasing (2014) and say that both Tønder and Blyth take the right step but in the wrong direction. I will present this position in more detail in the next part of the chapter.

As for a richer understanding of causality, Gofas and Hay presented their constitutive logic wherein ‘ideas provide the discursive conditions of possibility of a social or political event’ (2010c). Their handling of the ideas was more generally based on the criticism according to which the IS discussion had become mired in the perennial dualisms, stuck in a rut of ‘ontological foundations, epistemological status and practical pay-off of the turn to ideational explanations’ (Gofas & Hay 2010b, 3). They stressed also that, while welcoming theoretical plurality and diversity, this should not come at the expense of consistency: ‘plurality is one thing, eclecticism

another' (Gofas & Hay 2010c, 14). Against this backdrop, they hoped to overcome the 'tendency to lump together all existing ideational approaches [and] the context of [a] narrow, Humean, conception of causation' (ibid., 14–15). All this was in response to questions of 'whether ideas should be accorded a causal role independent of material factors or not' (ibid., 15; also cited by Hay 2002, 205).

Gofas and Hay characterised their general position as a dialectical stance from which ideational and material are not seen as having an independent existence, yet both are real (2010c, 15–16). While the position here is already dualistic, they still posed interesting questions in their treatment of 'ways in which ideas can be invoked in causal logics' (ibid., 23). A central one involves the conditions of uncertainty usually related to insufficient information, uncertainty that is seen as a major source of ideas. It opens possibilities for new (causal) ideas and strategic action that would be unimaginable in static circumstances. However, the authors find that this observation 'offers no analysis of "*which* ideas are available", *where* they come from and *how* they become influential and/or persuasive' (ibid., 23–24). Despite the crucial nature of these questions, they immediately return to materialism–ideational dualism, since the conditions are seen to be determined in either/or fashion; that is, in the so-called material circumstances, uncertainty is the 'exception rather than the norm' (ibid., 24). While they fall back on their dialectical but ever-dualistic worldview, they offer as a solution the idea of 'uncertainty as [...] universal human condition and [...] discursive regime' (ibid., 25–26). Instead of explaining where this uncertainty comes from, they embark on a regrettable critical realist defence delving into 'the ontological status of cats and dogs' (ibid., 32).

This debate goes off its mark immediately, since Gofas and Hay – and with them the whole neo-institutionalism debate – proved unable to provide any reasonable definition for the material. The latter works mostly as a common-sense concept. Their attempts to rise above the materialism–idealism dichotomy notwithstanding, they end up reiterating a realist position in their examples of house pets, nuclear bombs, and monetarist economics. Saying that 'both matter' is simply not very informative, no matter how many philosophical jawbreakers one attaches to it. Blyth too (2010) has little patience for Gofas and Hay's lengthy theoretical exposition, although he disregards their general criticisms against IS. On the other hand, Blyth asks 'how and why it matters for what I do as a researcher' if critical realists imagine their formulation of the constructivist position to be better than someone else's (ibid., 172). In Blyth's account, it is better to concentrate on more detailed theoretical questions, such as that of the uncertainty that plagues all neo-institutionalists (see

Blyth 2006, 2007b, 2008, 2011, 2015), than on the ones related to the fundamental ontology of human life.

In summary, the debate raised several intriguing questions, but ultimately the basic dualism between material and ideal remained. The nature of the material is left unexplained, rendering this a common-sense concept. Ideas are considered causal-objects, beings with innate properties capable of bringing about effects in the world by themselves. This is despite the attempt to disassemble the separation between ideal and material conditions, even with sensitivity to such issues as constitutional causality and the idea of emergence. This implies that the heavy baggage of agent-structure dualism was brought along for this debate in such a way that the entire concept of structure that followed seems to be tailored for its purposes. I consider this an impasse, because it is a simple reflection of the insistence on assigning ideas an ontological status for their scientific legitimation. Moreover, Blyth's earlier suggestion of plurality of causal logics far too easily strips the whole concept of any reasonable meaning. So, again, why should we even try to cleave to this concept when we could also speak about constitution or emergence and attempt to find full appreciation for those through relational-structural logic?

Furthermore, according properties to ideas produces enigmatic metaphysics. Ideas matter, yes, but the above-mentioned type of analysis is produced only when they operate as the ultimate prism, through which the whole social world is refracted, in effective ignorance of all the institutions that must exist and the practices that must be followed if the things are to happen. People operate with ideas; ideas do not operate with people. Moreover, how can ideas have properties when they are not things but 'unobservables' (Ethington & McDonagh 1995; Blyth 2003)? One can write an idea down on paper and devise any kind of ideas one desires, but for ideas to become (socially) effective, they must be engaged in real human practices. A book, with all of its bright ideas, may rest on the shelves of a library (an institution) from here to eternity, but if nobody ever picks it up, it is of no use. Ideas need books, computer screens, or at least sound waves to be presentable. Therefore, ideas cannot be separated from social relations and from a material environment that we inhabit as material beings with material media for communicating ideas, and any analysis that pursues this isolated treatment makes a magic charm of an idea.

In Karl Marx's terms, treating ideas as causal-objects could be described as fetishism, dealt with in more detail in the last main chapter, addressing ideology theory. The term, from critique of religion, refers to how people are ruled by things they have produced themselves. According to Marx (2010 [1867], 83), these products of the human brain start to appear as 'autonomous figures endowed with a life of

their own'<sup>38</sup>. In this sense, fetishism refers to a phenomenon wherein the properties of social relations begin to appear as properties of things. Hence, the term 'fetishism' suggests not that the ideas themselves are seen as objects but, rather, that, *as the objects in/of the analysis*, they are assigned properties that are actually properties of those social relations in which the ideas are produced, upheld, and used.

## 2.4 Discursive Institutionalism

Schmidt's discursive institutionalism is the next step in the evolutionary development of neo-institutionalism. It positions itself between IS and HI, still leaning on ideas as its explanatory category of last resort. The main premises and features of discursive institutionalism are laid down in a few articles by Schmidt (2008, 2010a, 2011, 2012, 2017)<sup>39</sup>, and the extension to ideational power in DI context is reported upon in an article by Martin B. Carstensen and Schmidt (2017). The initial justification for this independent tradition took the same starting point as IS in general: institutional change cannot be explained without the ideas, and, at the same time, the existing institutionalisms were struggling to explain institutions' origins. After about 10 years of development, Schmidt (2017, 250) summarised DI's more specific and progressive purposes as follows:

With this naming exercise I seek to call attention to the significance of approaches that theorize not only about the substantive content of ideas but also about discourse. By discourse, I mean not just the representation or embodiment of ideas, but the interactive discursive processes by and through which agents generate and communicate ideas. The 'institutionalism' in the name, meanwhile, underlines the importance of considering both ideas and discourse in institutional context, by which I mean the meaning context as much as the context of formal institutions, informal rules, and everyday practices.

In the above quotation, Schmidt identifies IS's basic premise as lying in the ideas' substantive content. This corresponds to my interpretation. Instead of just concentrating on these meanings, she aimed to move the focus to processes, where ideas still are the substantial content of discourse but the discourse is seen as an interactive process and context wherein ideas are conveyed (see also Schmidt 2008, 305; 309). A discourse is a communicative and co-ordinative process in which the

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<sup>38</sup> Already at this point, it is crucial to stress that Marx did not support any brand of 'cognitive' theory of ideas.

<sup>39</sup> Schmidt's theoretical ideas were manifested in her earlier empirical work too (see, for instance, Schmidt 2002, 209–256).

institutional context matters to how the ideas represented become effective and successful (ibid., 310; 322). It is fair to say, therefore, that Schmidt's intent was not to claim that DI offers something completely new and different but to characterise it as simply a 're-arrangement of the role of ideas', as Larsson (2015, 185) phrased it. If other IS scholars have been interested in the meaningful content of the ideas, DI's novelty is in the description of the interactive processes and the context where these ideas are conveyed – i.e., the discourse.

With her DI, Schmidt (2017, 250) sought to develop a constitutive 'umbrella concept for all [...] approaches to ideas' under which all idea-practitioners 'can discuss, deliberate, and contest one another's ideas from epistemological, ontological, methodological, and empirical vantage-points'. Other branches of neo-institutionalism are treated as 'background factors', since Schmidt (2008, 322) viewed them as equilibrium-focused and static<sup>40</sup>. She shared the overall conviction of IS according to which 'the turn to ideas undermines the basic premises of the older new institutionalism [HI, RCI, and SI]' (ibid., 304). Therefore, DI represents a clear confrontation with them in which an institution ultimately is 'the meaning context [which does] not include objective and material interests' (Schmidt 2017, 255). As one will recall from the discussion above, Schmidt considered the objective ('real') to refer to the kinds of collective agreement produced by sentient agents that hold in that they have causal effects. The material, again, is everything that exists outside and/or irrespective of these agents (ibid., 256). Thus, the actors' interests are subjective ideas, beliefs and desires (Schmidt 2010a, 7).

In more specific analysis of the nature of ideas, Schmidt (2008, 306) took the idea largely as a given – or as equivalent to the meaningful content of an idea – and concentrated on specification that identifies particular types and levels of ideas. Here, she followed Campbell's (1998, 385) classic typology comprising cognitive- and normative-level background and foreground ideas. According to Campbell (ibid., 384–385), ideas can be divided between first-order and second-order concepts, wherein, in rough terms, some ideas work more on constitutive level as taken-for-granted assumptions. They may even be invisible – unconscious, if you will – and therefore are seldom the ones under debate, as opposed to the first-order ideas that are the political cause of disagreement. Background ideas are the ideas against which the foreground ideas are (unconsciously) reflected. When it comes to cognitive and normative ideas, the former (sometimes called causal ideas) 'elucidate "what is and

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<sup>40</sup> In a later article, Schmidt (2010a, 12) downrates 'the results of the HI investigation' not only to 'background factor' but to 'background information'.

what to do” whereas the normative ideas indicate “what is good or bad about what is” in light of “what one ought to do” (Schmidt 2008, 306).

After this elaboration, Schmidt proceeds to discuss ‘why some ideas become the policies, programs, and philosophies that dominate political reality while others do not’ (ibid., 307). While, for example, Tønder’s solution was to emphasise the adequacy of the idea (to stress the property of the idea itself), Schmidt’s begins by covering a variety of explanations, ranging from the ideas’ problem-solving potential, through very concrete methodological process-tracings, to how ideas can be valued for their novelty. In the most general of terms, Schmidt was interested in how ideas are tied to concrete processes and how they can be used, but she found that, ultimately, we ‘have no way of considering the process by which such ideas go from thought to word to deed, that is, how ideas are conveyed, adopted, and adapted, let alone the actors who convey them to whom, how, where, and why. This raises the question of agency, which brings us to the concept of discourse’ (ibid., 309). As one can see, the agent in whose head ideas are located is elevated to serving as the ultimate explanatory factor from which the category of discourse is derived.

In DI, the definition of discourse is tied to ideas’ success or failure in ‘how it articulates their substantive content’ (ibid., 311). The success of the discourse is connected to the above definitions with regard to ideas’ success, whereas discourse also includes wider contexts, such as ‘consistency and coherence across policy sectors’ (ibid.). The keyword here is ‘articulation’, since Schmidt (ibid., 309) also stretches the idea-definition effort beyond the types and levels of ideas to forms of ideas, such as narratives, myths, frames, and scripts, thereby including pretty much all theoretical differentiations of the ‘kinds of’ ideas that are to be found in the neo-institutionalism literature. Moreover, she distinguishes further between co-ordinative and communicative discourse, on the basis of the policy sphere in which the discourse occurs. Co-ordination is at the centre of the policy process, whereas communication is directed toward the public. Schmidt also muses on the discourse literature’s typical emphasis on a top-down approach, expressed in seeing the elite as shaping mass opinion, so she proceeds to add bottom-up and horizontal effects and deliberations to the picture (ibid., 310). Finally, she takes the discussion beyond arguing and persuading with ideas, to bargaining by means of them, which she views as strategic action (ibid., 312).

Since ‘articulation’ sums up the core purpose of discourse, one could ask whether the features presented here articulate the actual premises or even properties of the discourse or, rather, merely represent and describe the variety of approaches and questions that have been attached to ideas since the ‘ideational turn’. Because the

general description of DI seems very theoretically oriented (dealing with ‘how the world is’), Schmidt states not just that DI ‘adds another institutionalist approach to our methodological toolkit’ (ibid., 305) (to address how we can know of the world) but also that ‘with discourse, I mean its theorization not just as the representation or embodiment of ideas’ (Schmidt 2012, 85). This question concerns other sub-fields of IS and their theorists also, since it is sometimes hard to separate the theoretical statements from the epistemological or methodological statements. Consider the case presented earlier in the chapter in which Tønder tries to attach the properties of the communicating process to ideas themselves, which, in my interpretation, only confuses the debate about the state of the world. The idea-based approach is usually applied as a theoretical framework for empirical work rather than as a methodological approach (for example, see Berman 2011), but sometimes the border between theory and method may be blurry (see, among others, Hudson & Martin 2010).

This fuzziness between theory and method may result from IS’s identification with social constructionism, which easily confuses the two. Consider the proposition that meanings (ideas) represent the social reality, maybe even as it truly is. In this case, the epistemological point is that we should use the language to gain knowledge of the reality we aim at understanding – i.e., in theorising. However, if the meanings of which language is composed are studied as reality, one easily confuses the language representing the social reality with the reality itself, seeing language as that reality. If, on the other hand, the meanings are considered to be the basic components of human reality, how do we delineate the difference between theory describing this reality and our method of gaining knowledge of this reality? In the IS literature, the solution posited seems to be that anything goes, the only difference between the approaches being in how explicit the attempt is to push ideas as themselves as objects (of enquiry). That is, they differ principally in whether the idea grants us direct access to social reality as it is or, instead, there is a problem since one should draw a distinction between the object and the method of enquiry. A crucial question arises: if even the tradition itself is unclear on this, how can it know whether it needs a separate theory for explaining the (social) world?

When discussing ideas as something that does not ‘float freely’ and pointing out that, even when agents are treated as carriers of ideas, the connection between ideas and collective action remains unclear, Schmidt (2012, 91) suggests that ‘[t]he missing link is discourse not as representation but as interaction, and the ways in which ideas conveyed through discursive argumentation lead to action’. The latter sentence reiterates the description presented above of the process ‘by which such ideas go

from thought to word to deed' (Schmidt 2008, 309), with a clear and identifiable causal chain: the idea is located inside an actor's head, and when communicated, it may lead to action. Schmidt points to an interactive process wherein the social world does not unambiguously open through meanings but directs us to the communication practices wherein the exchange of meanings takes place. However, it remains somewhat unclear whether this is a theoretical or a methodological characterisation. By following the interaction, we may understand how the magic happens, but what is its relation to meanings and to institutions? This problem is especially evident when Schmidt distinguishes among ideas, discourses, and institutions as separate objects.

According to Schmidt (*ibid.*, 312), '[t]he formal institutional context also has an impact on where and when discourse may succeed'. In simple terms, that means that we must have a theory addressing the institutions separately from discourses (and ideas). This goes back to the division between exogenous and endogenous structures, since '[a]ction in the three older institutionalisms conforms to a rule-following logic, whether an interest-based logic of calculation, a norm-based logic of appropriateness, or a history-based logic of path-dependence. But if everyone follows [these external] rules, once established, how do we explain institutional change [and agency]?' (*ibid.*, 314). Once again, we return to the same problem, which in Schmidt's work is most clearly visible in the statement that 'the formal [institutions] may be treated as unproblematic background information' (2012, 86). By insertion of the single word 'unproblematic' into the previous definition (Schmidt 2008, 2010a)<sup>41</sup>, she naturalises and effaces the problem of structures by directing the gaze to only the meanings within the discourses. In other words, the problem of structures is handled by internalising them to agents, but one still finds it tricky to see what the 'formal institutional context' actually is then.

In DI, institutions are created and maintained in the process of agents exercising their ideational (background) and discursive (foreground) abilities. In practice, this involves agents' internal capacity to use communicative logic that 'enables agents to think, speak, and act outside their institutions even as they are inside them, to deliberate about institutional rules even as they use them, and to persuade one another to change their institutions or to maintain them' (*ibid.*, 314). But, since Schmidt seeks to transcend the agent–structure dualism lurking here, she follows in John Searle's footsteps by presenting the collective agreements as institutional facts produced by 'sentient agents'. In short, people grow in an institutional environment

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<sup>41</sup> She also starts to speak about 'background information' in her later text, in place of the previous formulation, 'background factors' (Schmidt 2008, 322).

where they possess inherent capacity to absorb and agree on the rules, but the background constitutive factors tend to be lost from sight because of the more pressing foreground issues. We are capable of understanding, negotiating, and agreeing on rules, but the less apparent they are from the agents' point of view, the more readily they blend into background variables. It follows that we usually become conscious of the rules only in cases of them being contradictory (ibid., 315). Therefore, DI's institutions are internal to actors with regard to both the context and the contingency element.

In sum, DI's understanding of the institutions is that they are internalised structures of meanings, which are shared and maintained through the interaction by sentient agents. From the agents' standpoint, the institution is the 'meaning context' (Schmidt 2017, 255) for which 'the material reality [is] out there' (Schmidt 2008, 322), and the institution is real in the sense that the collective agreements, such as money, hold and have real effects. The agent is the key player inside whose head the ideas are located. The sentient nature of the agents entails their capability of thinking and speaking reflexively, whereas their beliefs (interests included) and goals may be (re-)negotiable and could be (again) considered in accordance with the agent's own (revisited) judgement and deliberation with others (Schmidt 2010a, 17). I count it among DI's strengths that it so clearly takes agents as real people, even stating this directly, but the fundamental problem still remains that, yet again, there is no clear indication where the agents' capacity to act is derived from, especially while the unconscious background factors are exerting their own effects. Actually, Schmidt's thinking on this ties in with ideas also: 'increasing numbers of historical institutionalists have turned to ideas and discourse for agency' (Schmidt 2008, 317). It follows that the property of individual-level agency is identified with one's capability of imagining and using ideas.

In Schmidt's DI, the agent forms the starting point for the theory, from which the rest of the premises are derived. This becomes clear from, if nothing else, her outright statement according to which 'ideas and discourse [provide] another kind of micro-foundation logic to institutional development' (Schmidt 2011, 59). In the best I can discern here, the discursive side of affairs entails interaction through which the agents' ideas become effective and through which we may receive knowledge of the social world. In the last instance, all the 'structural' variables are treated as naturalised surroundings wherein the significant, meaningful (inter)action takes place, but only as 'scenery'. When 'structural' variables are treated as unproblematic background information for ideas, Schmidt is exactly in line with Hall's (1978, 136) characterisation of the fundamental tendency of sociology of knowledge:

[T]he whole of social and historical life could in fact be theoretically mapped out in terms of these basic processes of meaning construction / meaning interpretation. Since everything that had ever been in the world was the product of intentional inter-subjective consciousness, everything was *meaning*. Thoughts or references to others not present 'to consciousness' – whether simply absent, or deriving from the past – as well as 'theories' *about* social actions were simply second- or third-order constructs.

This is a common problem for IS, since it creates a hierarchy of variables with regard to the social reality, in which the agency, defined as capacity to imagine and use ideas, always precedes other variables. The concentration on agents and underscoring of the capacity to act rules out or downplays other variables, if they are even seen as existing at all. Even critics of IS mostly proceed from these premises, though they may have valuable suggestions for other paths for the tradition's development. For example, in his 'sympathetic criticism' of Hay and Schmidt, Larsson (2015, 181–182) begins his expression of sympathy for the 'ideas' approach by addressing the problem of agency and structure thus:

The intersubjective ideas that underlie social systems possess a reproductive ability since they are embedded in social routines and practices that are repeated by interpreters who participate in their production and functioning. This does not mean that we should disregard human agency altogether. If we do not take into consideration the interpretive and meaning-making abilities that conscious individuals have, all social actors would have to be seen as cultural dupes [*sic*] devoid of any ability to change their circumstances. Furthermore, such a world would be saturated with structure and utterly static.

Larsson reiterates the agent–structure problem since he sees the ability to reproduce structures as existing because ideas possess properties of doing so, while agents can act counter to ideas. In addition, he sees the consciousness as being what grants the actors the agency to act against these ideas. While it should hardly come as a surprise to anyone that people are conscious and capable of thinking and speaking, only in that kind of theoretical formulation is this given such weight. However, if we grant agents – instead of ideas (which have agency in the above formulation) – full ability to produce, reproduce, and change the structures in their social relations, we could ask the following question: why is the capacity to reproduce structures not regarded as the stuff of human agency, which is confined to conscious action to do something else? After all, Schmidt does address the unconscious side of human action as well, and, while it may be unconscious, human action it is. On the other hand, if the purpose is to declare that something other than unconscious action exists, I am already convinced. All that said, Larsson (2015, 187) recognises that Hay and

Schmidt ‘tend to overemphasize the autonomy of the agents by relying on individuals’ ideas and actions to explain change’. After pointing this out, he proceeds to highlight an important feature of Schmidt’s understanding of discourses:

In this context discourse means communication in institutional settings and arenas, with no consideration given to the broader ideational structures and dynamics that may construct the identities and motives of political agents.

In effect, Schmidt means by ‘discourse’ debate rather than framework of meaning. When ideas and communication are understood in this manner, the former are primarily regarded as properties of individuals who are disconnected from ideational structures and existing discourses, although discursive institutionalism focuses on how actors construct, and later engage in, strategic communication in order to promote their ideas and influence others. (Ibid., 190)

In her response to this criticism, Schmidt (2017, 254) asks why Larsson is so eager to insist that her discourse is ‘only about strategic communication and “debate”’ in a way that disconnects ideas from structures. Firstly, I agree with Schmidt that the ideas are not disconnected from structures, since the structures in her formula are made up of (unconscious) ideas. On the other hand, I agree with Larsson, for the reasons mentioned above: she does not consider broader structural variables and effectively downgrades them to unproblematic background information. Larsson (2015, 192) goes on to point out that agents’ choices are not made on a *tabula rasa*, so there is room for agency in the structural theories of HI and with regard to structures in general. This leads to the question of what kind of structure the IS scholars are thinking about, since ideas could be seen as possessing a structural quality. This would be a logical conclusion even from Schmidt’s own premises, if, for example, the unconscious side of human agency were to be recognised. On the other hand, this far too easily leaves the ‘unconsciousness’ as a theoretical refuge that can be left unexplained.

Whatever criticisms may be posed, Schmidt (2008, 318) hits the mark in asking whether the ‘real’ consists of ‘material’ in the first place. When she lays the stepping-stone that ‘institutions may be real in the sense that they constitute interests and cause things to happen’ (ibid.), relational social theory could take off from here. However, this too is a right step in the wrong direction. Schmidt – as we have seen – continues her journey to the deep end of ideas instead of taking the next step of truly casting away the separation between the so-called material and real and thereby adopting a holistic view on social reality. Instead of bridging this gap, Schmidt’s way of bringing idea studies closer to the real world is to include power in the theoretical corpus. While she adopts the notion of power and theorises on it, the idea remains

the prism through which social reality is refracted. For Schmidt, power means ideational power *per se*.

The fundamental premise that serves as the starting point for the examination of power in DI lies in its understanding of political influence. Schmidt (*ibid.*, 311) recognises the ‘extensive literature [on] how elites shape mass opinion by establishing the terms of the discourse and by framing the issues for the mass media’, but she simultaneously sees that ‘[t]he arrows can also go from the bottom up [and] even remain solely at the level of civil society’. Viewing influence in this way, as exerted on both the vertical and the horizontal axis, with the arrows going in all directions, offers rich understanding of the plurality of social forces brought to bear to influence the public climate. Schmidt (*ibid.*) also sees that once debate is set loose, it cannot be controlled by anyone. Appreciating this kind of contingency is one of the key strengths and basic premises of the whole IS position. As for the specific premises of DI’s definitions of power and power positions, the starting point is that ‘[p]ower and position do matter. The question is how to define power and position in such a way as to also take account of the power of ideas and discourse [since] actors can gain power [...] from their ideas even when they may lack the power of position’ (Schmidt 2010a, 18). According to Schmidt (2017, 258), this is a general problem for IS since, while many state that ideas have power, very few try to describe *how* ideas have power.

### 2.4.1 Ideational Power

In 2016, an entire *Journal of European Public Policy* special issue was devoted to the subject of ideational power. In the discussion therein, Carstensen and Schmidt were key developers of the concept. It and the debate about it are indicative of how neo-institutionalism has developed, and of how it produces new conceptual innovations. What Carstensen and Schmidt (2016, 321) did was develop it in relation to existing power forms – compulsory, structural, and institutional – in a firm belief that it ‘retains enough distinctiveness to constitute a form of power in its own right’. This belief stemmed from the observation that the IS field lacks descriptions of how ideas hold power. The difference between prior literature and DI was seen as lying in DI’s ‘agency-oriented approach’ (*ibid.*, 320), contrasted against the above-mentioned power forms. Therefore, these authors defined ideational power as ‘the capacity of actors (whether individual or collective) to influence other actors’ normative and cognitive beliefs through the use of [an] ideational element’ (*ibid.*, 321). The element

in question is described with regard to particular ways of using power, which involve power *through*, *over*, and *in* ideas. Further justification for the notion of ideational power was rooted in the observation that, rather than ideas *just* having causal force, powerful ideas must have '*particular kinds of effects* [...] when actors seek to influence the beliefs of others by promoting their own ideas at the expense of others' (ibid., 322).

For Carstensen and Schmidt, the various forms of ideational power operate through persuasion (*power through ideas*), control and domination of meanings (*power over ideas*), and authority that the background assumptions have at the expense of other ideas (*power in ideas*) (ibid.). They saw ideas not 'as internalized or "contained" in the minds of actors, but instead as a resource [...] that exists between and not inside the minds of actors' (ibid., 325). This was taken to be something opposite what is found in structural theories of dominance or socialisation. Also, in her earlier work, Schmidt (2010a, 18) defined power position as actors' ability to wield power. She hence cast power as an ability of actors through and through. This makes the statement about ideas' power problematic – after all, the aim of the whole endeavour was to justify the claim as to the power of ideas themselves. Furthermore, while this observation indicates that a theory of agents' power capacity might be involved, not much is said about the agents either. At the end of the day, 'ideational power' refers to the ways power can be used or gets used in situations wherein sentient agents communicate for their or their interest groups' benefit – i.e., how people use these particular ideas. One could ask how this theory differs from structural theories and what we gain if we assume that the agents are not socialised units of the social reality.

Big questions related to power are left unanswered, such as that of ideational power's relationship to resources, rules, or the individuals' personal capacities. While Carstensen and Schmidt did discuss these matters to some extent, the theoretical premise still seems to be that the starting position for all agents is the same. That is, while these authors did not deny the existence of structures or power positions, neither did they posit differing starting positions for people either. In fact, they did the exact opposite: since the framework is built in opposition to structural theories, it assumes that the 'ideational' power resource is distributed equally among agents at the outset. Furthermore, they seemed to deny the existence of such differences between people in talking only about actors' abilities to influence other actors' beliefs and, through this, the general public environment. Therefore, the whole discussion about ideational power remained confined to the sphere of communication and actors' (inherent) abilities to use ideas.

On the other hand, when addressing, for example, the structural Marxist approaches, Carstensen and Schmidt (*ibid.*, 320) presented them as promoting ideas only as ‘means for furthering the dominance of the ruling class [...], or as an expression of the “false consciousness” of the masses’. This view stands in somewhat of a contrast to the Marxist approaches to ideology, which we turn to as the topic of the last main chapter of the dissertation. From their stance, ideas are part of the hegemonic (discursive) struggle mediated by various kinds of apparatus and taking place in concrete practices in social relations, where the power resources are distributed unevenly (see Rehmann 2013). In practice, DI considers structural approaches to power to be deterministic and not acknowledge the structures present in and through the social relations in which actors *must* act, and wherein the ideas are always produced and communicated – be they far-fetched ideas of individuals or more philosophical-structural norms underlying those individuals’ mundane operations. Therefore, a naïve view of the world is conveyed: in essence, everyone shares the same capacity to take part in exerting political influence.

In addition, commentary by Blyth (2016, 467) presents a critical stance to Carstensen and Schmidt’s categorisation, for ‘weaken[ing] the ideas research program by narrowing the focus such that it misses as much as it illuminates’. The reference is to engaging in an endeavour of trying to conceptualise power in specific terms, which easily leads to a ‘hermeneutic loop’: if one starts with the agent, ‘one ends up with a structural account of agency, and vice versa’ (*ibid.*, 466). For this reason, Blyth suggests that this kind of categorisation of ‘what power is’ ends up limiting ‘the work that power can perform in [...] ideational analysis’ (*ibid.*). After identifying the problem of imposing overly clear frames for the analysis, Blyth proceeds to examples wherein structural concepts such as hegemonic power immediately run into problems of ‘how agents can know what the world really looks like such that one can escape the hegemony and call it as such’, musing that ‘if agents can do that, why is the hegemony so powerful?’ (*ibid.*). Thus, while Blyth sees problems in Carstensen and Schmidt’s ideational power conception, he moves closer to them in holding Gramscian and more generally Marxist conceptualisations of power in suspicion (for other IS accounts on the subject, see Hay 2002; Blyth 2008; Schmidt 2010b). Since Blyth supports the general account of ‘ideational power’, we take a brief look at his arguments below, making preliminary comments with regard to his criticism of the Marxist accounts we will examine further on.

For Blyth (2008, 7–8), there are three problems in what ‘Gramscian scholarship’: Firstly, it suggests too straightforward hegemonic projects with class-derivation, whereas reality shows many actors, even business firms, not having a clear sense of

what their (material) interests should be. Also, it would create the above-mentioned problem of hegemonic ‘false consciousness’, to which no-one would be immune, and, thirdly, it assumes a certain understanding of history that evolves irrespective of agents’ opinions and their orientations to it. In other words: no classes, social forces, and historical blocs exist without actors ‘on the ground’ identifying these categories (ibid.). This finally takes us to the nub of the neo-institutionalists’ division between material and ideal interests and how they connect with power. Ideal interests are something that the agents may decide for themselves without being dopes to some external power source. While sympathising with this kind of view and the faith displayed in human rationality, I must return to Larsson’s criticism of Schmidt and IS for a tendency to overemphasise the agents’ autonomy. Blyth has corresponding great faith in people, which, regrettably, leads to a totalising theoretical conceptualisation of structures – the original sin of IS.

Firstly, these problems arise only if one wants to understand structural and/or Marxist concepts such as class, social force, and historical bloc in such a way that a totalising conceptualisation of structures results. Here, if there is a structure in operation, it mystically swallows all the other dimensions of human life, as if we were not subject to structural conditions and not people with abilities to think and speak. Consider Blyth’s own example of running a business (2008). If you run a business, you may be unaware of your interests to any extent, but I am highly confident that the competition will either clarify them for you or run you out of business. Still, there is leeway for you to consider how to organise your business, just not without considering the competitive landscape and other conditions. Actually, the social force from competition is the epitome of the kind of historical power that does operate without anyone specific being in charge (Marx 2010 [1867]; Shaikh 2016), as do many legal constitutive premises, such as ownership rights, through fundamental effects on organising production and producing competition (Weber 1978; Hodgson 2015). However, rearranging ownership rights would immediately have an effect on the amount of leeway and on ways of organising business. Moreover, one may subjectively identify with any class one wants, but the number of seats at the boardroom table is limited, and the power there is not purely symbolic.

Secondly, the totalising understandings of the concepts are accompanied by evaluation of them all on the structure–agent axis (Blyth 2016, 467). I suggest that the general problem consists of an overly narrow view of the concepts in the first place, whereby they must be considered isolated and total, with things being either structural or agency-based. Blyth (ibid.) asks what good it does to describe the world yet again in such a way that, for example, the author himself is seen as reproducing

the structures of late capitalism in his practice of penning commentary in the role of university scholar. Blyth's question could be reflected upon in relation to Parsons' (1991 [1951], 39) understanding of statuses and roles, which elevates the social relations to the foreground, since status refers to a structurally 'located' position. This means that the actor is an object of others' (and the self's) orientation, or expectations. The initial answer to Blyth's question is that the good it does is in comprehension of the (inter)relations and (inter)dependencies between people and/of these as the structures in question. Moreover, when considering the ideological practices that are presented later in this dissertation, one finds the ideological reproduction of society to be, in actuality, a very practical matter, since ideas cannot be detached from these practices. By operating as a university professor, one does all manner of things in addition to what is obvious and consciously perceived.

In Finland, there is a saying: whose bread you eat, her songs you sing. If one wants to be a scholar, write articles one must. If one wants to publish those articles, one must cite well-regarded works in the reference list. This is how institutions work whose power lies not in 'false consciousness' but in those concrete replicating practices that on a day-to-day basis reproduce the social relations organising our social world. Every time one presses the Enter key to accept a new curriculum, to acknowledge students' study credits, to accept someone as a postgraduate student, or to submit an article to satisfy a university performance requirement, one instantiates a concrete practice and a decision on which direction to 'steer the ship' or whether to let it continue on its course. These practices organise as a mass without anyone particular being in charge, but they leave room for agents to operate more or less successfully, depending on their positions and their interrelations with existing institutions.

Blyth himself offered a good example of this kind of power when drawing attention to a piece in the above-mentioned special issue on ideational power, the contribution in which Oddný Helgadóttir (2016) describes how a specific set of Italian economics ideas grew in the course of travelling from one institution to another and ultimately came to affect the economic policy of entire nations – namely, to confer a blessing on austerity policies in Europe. The Italian economists in question, the 'Bocconi boys', from Bocconi University, passed through a series of institutions to earn their spurs as legitimate authorities. This brilliant historical network-analysis serves excellently as proof of historical structural-institutional power, in demonstrating how not just any ideas could have been accepted as the basis for the economic debate and policies but only ones gaining their influence from

the institutional positions, which ultimately determine the associated arguments' credibility. Helgadóttir (ibid., 401–402) nicely illustrates this with an extensive list of universities, think tanks, academic journals and other publications, economic institutions, and positions these prominent economists went through, clearly suggesting the power of these institutional connections gathered to these specific actors, ready to sing the songs of those who feed them.

However, Blyth's (2016, 469) ultimate argument seems to be that a more fruitful approach to concepts such as power is just to leave aside the theoretical issue and render them visible through analysis of how the ideas flow. From the perspective of an empirical scientist, Blyth (2010, 181) also asks about the gains in adopting this or that philosophical fundament; for the sake of real-world analysis, it is better simply to get to work. Schmidt too asks why we should engage in lengthy theoretical exercises in the first place 'if empirical rather than philosophical reasoning makes the case' (2010b, 188). I hold it to be a serious misconception, however, to assume that all scientific reasoning would not be philosophical (read: theoretical) in the first place. As soon as we employ an abstract concept, it is a theory of (social) reality. While I understand Blyth's and Schmidt's position on the philosophical questions as often over-complicated abstractions / self-sustaining intellectual exercises, I suggest that scientific explaining is *always* theoretical explaining, where the theoretical object that is given explanatory status affects the results and conclusions that are made. Therefore, what sorts of premises form the basis for the idea of 'idea' is not a trivial matter.

#### 2.4.2 Interim Conclusions on Ideational Scholarship and Discursive Institutionalism

IS grew out of HI, and it has since developed from a counter-movement into an ambitious tradition with an agenda of its own. On the basis of the study presented above, one can summarise the agenda thus: Agency must be defended! Whether the agenda is purely one of seeing the human-made meanings as an important building block of the social reality offering substance for various kinds of contingencies or, instead, it is defended as an appendage for humanity, that exclamation captures its essence. It represents concern related to structural theories that are interpreted as teleological and determining in such a way that the humanity is removed from the picture and people are viewed as over-socialised dopes without free will. While actual empirical research focused on ideas produces good results, providing new

information on the ever-changing world (see, for example, Blyth 2002a, 2015), IS itself as a theoretical framework suffers from shortcomings and problems.

The original effort with IS was to bring in the unobservables and intangible objects as factors in institutional analysis, and the question in relation to historical institutions was of whether ideas/ideologies can be deemed to possess significant political life in themselves, even when the institutions or practices that gave rise to them or supported them have grown weak. Or, as Orren put it, '[h]ow loosely attached can ideas be to institutional developments and remain politically viable?' (1995, 98). Over its journey, IS has forged an ambiguous relationship with HI. In some cases, it accepts HI's structural core, settling for enriching it (Béland 2005, 2009). In others, it either rejects HI in favour of a research agenda of its own (Blyth 1997; Schmidt 2008, 2010a) or is indecisive about the matter (Blyth 2002b, 2003, 2007). While empirical investigation has provided alternative sorts of answers to the question of the political viability of ideas, the core question remain: what is the theoretical function of ideas in institutionalist enquiries?

For an answer to this and to consider how well, if at all, IS can answer the questions it posed to HI, I have looked at the tradition in depth and found it to be equivalent or very close to traditional social constructionism (for example, see Blyth 2002a; Hay 2002; Béland & Cox 2011b). While some of my critique will be fleshed out only in the next chapter, the parallel between IS and constructionism primarily involves concentration on meanings and how they construct the social reality; in other words, it involves the lifeworld. Therein lies the starting point for explaining the contingencies of social life or institutions. In a neo-institutionalist context, these elements are supposed to provide plausible explanations especially for institutional change. If one proceeds on the assumption that ideas are building blocks of social reality, they may provide a source of change; refer to human capacity in themselves; or be synonymous with beliefs, desires, norms, values, etc. This means that they can be regarded as 'hard' or 'soft' ontological objects, depending on whether they are seen as causal-objects as such – objects capable of producing causal effects – or, on the other hand, appear through some kind of manifestation.

Ideas as 'hard' ontological objects are understood as beings themselves, causal-objects. They can be seen as products of some 'ideational' sphere, as in Tønder's (2010, 68) discussion of the 'ideational world' (as opposed to the 'material world'), or in the manner of Béland and Cox, who described ideas as things that minds can create without the need for any connection to reality whatsoever. This stems from the need to see ideas as causal-objects, as Schmidt (2017, 256) brought out. A strange 'ideational-realist' double position emerges here, since, on one hand, for ideas to be

considered real, they ought to have causal effects, but, on the other hand, for ideas to be considered causal, they ought to be real. If your explanatory variable is not 'real', it cannot have causal effects. Even Schmidt adopted this position, despite the discursive emphasis, on account of 'the material reality out there' (2008, 322). Similar positions are typical and to be found in, for example, the work of Blyth (2002a, 30): 'This is not to say ideas are all there is. I can drop a brick on my foot and it will hurt.' However, Blyth remains much more ambiguous, since he clearly tries to keep some distance from ontological questions (2010) and ends up adopting an evolutionary theory as a basis for his fundamental understanding of social reality (2011).

This recognition of material reality may be a response to a practical stance, since support for IS can come from quarters with much less ontological ambition. For Blyth (2010, 177), constructionism mean that 'things can be otherwise [...] which means that fixed identities and qualities are a bad place to start'. This made him a 'reluctant constructivist', as he pointed out that he 'came to studying ideas because studying the world without reference to them simply made no sense' (ibid., 181). Along similar lines, Schmidt (2010b, 192) found that 'we should get on with the task of explaining political reality with as many methods as are appropriate. We may lose our "trump" of science, as Blyth has already suggested, but we gain our freedom to be *social* scientists'.

Against this backdrop, I find it troubling how attached these scholars, in justifying their existence as social scientists, became to the above-mentioned agent-structure ontologies and causal reasoning. That result also calls for reflecting seriously on what 'the social' as examined by the tradition might be. This is because the IS school, as agency-based scholarship, is based on methodological and ontological individualism, since it draws its premises from the 'individual consciousness'; for example, see the work of Larsson (2015, 176). When one draws the whole of social reality from consciousness, all the effects and events must be treated as an aggregate of minds; i.e., they must be derivable from these individual minds without any 'remainder', which makes the question of 'social' impossible. Even if these meanings are 'conveyed' in interactive processes, as in Schmidt's discourses, this does not change.

Not all is lost: one could favour an idea-focused approach for practical reasons, in which case they can be conceived of as 'soft' ontological objects. In that case, the field 'is dominated by the vague theoretical category of "the ideational" and a range of terms are often used interchangeably and seemingly imagined to substitute for, or to be synonymous with, "idea": norm, belief, paradigm, value, habit, tradition, narrative and even culture' (Finlayson 2004, 530). Moreover, this approach has led to the above-mentioned effect, identified by Larsson, of devoting too little attention

to the nature of ideas in themselves. Instead of unravelling the problems, the correction attempts have, regrettably, led either deeper into the ontological-ideational swamp or to presenting only another approach to ideas, from the same premises. In other words, both the critics and the IS scholars have repeatedly taken a good step but in the wrong direction.

Firstly, after setting forth plausible critique of IS, Finlayson (2004) concluded the only problem to be that ideas had thus far not been understood as rhetorical devices, and he left the basic ontology alone. Secondly, in Larsson's (2015) otherwise fine ontological critique that attends to the basis of ideas in consciousness, the solution is found in an attempt to redefine the ideas themselves from post-structuralist perspective. Thirdly, Schmidt (2008, 318) was on the right track in asking whether the 'real' even consists of 'material' in the first place, but she eventually found herself in deep ontological contemplation of ideas. Fourthly, Tønder (2010) tried to detach himself from the causal logic he considered problematic, but he ended up contorting the course of time in a manner that hampers real-world analysis. While Blyth (2010) supported Tønder's move against one-dimensional causal reasoning, he, in turn, ended up suggesting that non-human objects should be granted agency in their own right. Finally, Gofas and Hay (2010c, 23–24) too asked good questions, about which ideas are available, their origins, and their expansion in influence and coverage, but they ended up reiterating the material–ideal dualism in their defence of critical realism.

As is already clear to the reader, my solution for this problem is to see ideas and institutions as relational – i.e., dependent on each other. This will be expanded upon as the discussion progresses. Institutions consist of historically developing and changing social relations, which are maintained in concrete practices. Blyth (2011, 101; see also his 2008 work) actually uses himself as an example of this approach:

When I leave the house in the morning, I do not say to my wife, 'See you later, honey, I'm off to replicate the structures of late capitalism,' even if my going to work does precisely that.

This ties in with Blyth's (2011, 96) chain of evidence of the superiority of the constructionist premise as to agency in social science: the people themselves 'create the stability that they take for granted'. Duly noted, since there is no-one else around! Nevertheless, it is the people *in relation to each other* who actually perform this task. Blyth (2008, 3) actually recognises this when speaking of how 'the relationship between ideas and institutions is [...] constitutive' such that it creates dynamics independent of any given individual. He cites as an example the phenomenon of

inflation. However, he still is reluctant to let go of the ideas, since he finds it to be his ‘action in combination with everyone else’s actions’ that matters (ibid., 5). This approach makes the claim that it is an *aggregate* of actions that matters, though, so it fails to fulfil the definition of social phenomenon.

There is a vast difference between the agency and the relational approach, since the latter discards the agent–structure dichotomy. Moreover, there is no point in any divisions between the ‘ideational’ and ‘material’, since there are only different kinds of relations between people (and other objects) in need of meaningful communication if things are to work. Neither is there a point in detaching ideas from the (institutional) environment wherein they are used, because ideas are not things. They are, just as IS states, the meaningful content of the human interaction. Ideas are utterly dependent on the people who use them, who, in turn, are just as dependent on the ideas, other people, and the environment that surrounds them. No matter how deep we go, a human is a relational being, *through and through*.

What does this mean for Blyth as he sets off in the morning and replicates the structures of late capitalism? Firstly, while this is indeed what he does, it is not ‘structure’ that operates here but Blyth in relation to other people. The point is that the structures are reproduced in everyday practices, but the people who reproduce these cannot observe that directly, since it is only through their senses (i.e., their immediate perception) that they see their operations and the effects of those operations. We will consider the example of money below. The critical ideology theory I address more fully in Chapter 4 would see the ‘real’ of money in its historical social relations.

Money as an institution is a historical product, one that is indifferent and irrelevant to its individual users. Simultaneously, it is dependent on the majority of its individual users, since the properties of money are mere abstractions in that they are reducible not to money as a carrier of these properties itself but to real practices and relations that relate to money and its usage. The fetishism of the money – the confusing of social relations with properties of any given object – is manifested in such a way that the money itself seems to incorporate these properties because of the effects money-usage has in market exchange, although money does not possess any properties outside those social relations in which it operates. To be more precise, money does not have any properties as a ‘material’ thing at all; every one of its properties is social. Yet the ‘material carrier’ of these properties – a coin, a banknote, or a card – has its practical function in the sphere of exchange, since it functions as any utility article does. Because people usually observe only this material carrier of social relations, they tend to see the properties of those relations in the money itself.

Its abstract nature notwithstanding, money fulfils its purpose in everyday use. Its existence makes it ‘real’ in the sense that using money has ‘material’ consequences: in its various manifestations, it is an essential part of organising the production and producing the division of labour. If we cannot root our explanation of all these phenomena in the theoretical category of ideas or actors’ actions summing up to an aggregate, the consequences exceed the explanatory power of these concepts. It is highly problematic to derive the historical properties of money from individual-level cognitive processes or ideas, since individuals simply cannot possess and handle all the information related to money and consequences of its use. Without the relations and the dynamic context they create, we lose sight of everything apart from the tight package of individual behaviours and end up with the problem Durkheim posed. Moreover, another problem arises, via how we encounter the money in day-to-day life in a manifestation that reveals only the ‘common sensible’ aspects of it. To use money, we almost need not have any *idea* what we are doing – in an ontological sense – because the practices related to the exchange can be taught to a five-year-old. When Blyth steps out the door, he sets himself in various kinds of relations with the rest of us, but only some of the effects are directly observable, because of the multiple relations present in all situations. Hence the category of the social, and the institution.

If we substitute the relations with ideas that are seen as incorporating properties themselves, further problems occur. Firstly, when ideas are used as the ‘lens’ to the social world as such, curious results may follow. The historical and practical nature of institutions could become lost, since the ideas do all the heavy lifting. For example, as noted above with regard to Tønder’s analysis of the so-called axis of evil, one could consider the ideas to just get to work and start ‘resonating’, without any reference to the media, government, and other apparatuses that take part in this. This displays naïveté with regard to actual instance-specific differences in capacities to affect the public climate. Secondly, curious theory could emerge that ends up justifying the existence of an idea in terms of itself. Hence, the problematic dichotomies of agent–structure and material–ideal rear their head. Thirdly, the idea remains a black box, which seems to give any result necessary. Finlayson (2004, 531) pointed this out, saying that theory often treats ideas as excessively homogenous:

But ideas are not a uniform class of things. An idea of God, an idea of good, an idea of right and an idea of what to have for lunch may all be connected in some chain of reasoning, but, if we regard them as things of essentially the same sort, just examples or instances of the category ‘idea’, then what makes them important, their specificity as ideas of particular things, formulated in and for particular contexts and uses, is dissolved.

While IS tries to respond to this problem by introducing several kinds of ideas, it ends up clashing with causality. If an idea is treated as an object for the sake of causality, there must be some unifying essence; one cannot have it both ways. The idea on its own should incorporate properties if it is to be able to *cause* something. It is here that the problem of homogeneity appears: if the category incorporates all that there is in social reality, it is rendered redundant since it explains nothing. This becomes apparent if we compare ‘ideas’ with notions from economic theory, wherein the typical problem is how to aggregate all the economic phenomena with a tendency toward equilibrium from rational, atomistic actors who possess and are able to handle all the relevant information pertaining to the economic reality. Geoffrey Hodgson (2012, 97–98) illustrated this point with regard to rational choice theory and its utility-maximising individual:

Because utility is unobservable, all kinds of behaviour can be ‘explained’ in terms of the idea, without fear of refutation. [...] [N]o evidence can possibly refute the theory that agents are maximizing some hidden or unknown variable (such as utility) [...]. The utility-maximization assumption is unfalsifiable, but it is not a tautology in the logical sense because it is *conceivably false*. Logical tautologies – such as [that] a triangle has three sides – are true by definition. By contrast, it might be the case that individuals are not maximizing anything. But we can never establish this on the basis of empirical evidence [...]. A key problem with utility maximization is that it is so general that it can explain anything; consequently its explanatory power in specific instances is dramatically diminished.

I echo Hodgson and, as quoted above, Finlayson by proposing that the idea-based explanations may be so general as to be unfalsifiable. On the other hand, since those explanations are derived from individual agents’ minds, they cannot explain the unobservable remainder or residual of the social reality that moves the markets or causes inflation. When these are taken in combination with the fact that such explanation is hard to come by with any single definition of an idea, I suggest that IS scholars should make a small shift in theoretical position by giving up their dualistic ontological positioning and accept that we live in a wholly and fundamentally relational social world composed of dependencies. Should agency, then, be defended? That depends on the price. If the purpose of the entire theoretical exercise is to prove that human beings are capable of reflexive thinking and speaking, and capable of deciding about their interests for themselves (Schmidt 2008; Blyth 2008; Larsson 2015; Carstensen & Schmidt 2016), I am not sure. By the same token, if the purpose is to stand up for humanity and human capacities as opposed to ‘determining’ structures (Jahta 2011; Hay 2011), I am still not sure. In both cases, my suspicion is two-pronged: I wonder, firstly, whether this defence is based on

reasonable theory of structures and, secondly, whether this position actually defends humanity.

The first part is probably clear, since my concept of structures is of social relations that are always present but do not determine everything. The problems described above seem to stem from a totalising structure concept adopted by IS. Also, I am not sure we defend humanity very well by using concepts such as ‘preferences’, wherein people are seen mostly as choice-making creatures. In addition, the notion according to which we all share equal power of using language and meanings might do people a disservice by reassuring them of an equal starting position for political struggles. This is related to the second point, in that I consider it potentially harmful to emphasise individuality so much. We are living in an increasingly individualistic culture, which is exploited as a commercial tool for marketing and political purposes. Instead of amplifying this effect by reassuring people of the validity of their individualism, I would emphasise our relational and interdependent nature as social beings, since doing so does not call into question or ‘threaten’ anyone’s individuality or personality but does give a realistic, institutional context for our being.

## 2.5 Institutions As Historical Structures or Ideas

In this chapter, I have addressed neo-institutionalism theory, especially with regard to the ambiguous relationship between historical institutionalism and ideational scholarship that it birthed, which, in turn, produced the descendant discursive institutionalism. The original agenda for the whole new institutionalist movement was one of reconciliation across fields of institutionalism studies, from old to new, and to bridge the gap between the so-called system and lifeworld theories. As I investigated neo-institutionalist theory, I strove to reconstruct its premises to uncover how it sees the world and why this reconciliation has not happened yet, but this reconstruction was a difficult task, on account of huge ambiguity even in the basic vocabulary. Some concepts appear to retain their common-sense meaning, as with ‘material’ and ‘interests’, yet these are core theoretical concepts of the field. Still, it was possible to pursue my aim of understanding the premises neo-institutionalism proceeds from in its analysis.

I started by asking whether neo-institutionalism needs the concept of an institution in the first place. This was because institutions seem to have been replaced with all kinds of things: rules, norms, values, beliefs, etc. (Peters 2012). According to neo-institutionalism literature, the common denominator was an approach revolving

around the problem of order, producing dualities such as stability vs. change and, a variant of the same problem, agent vs. structure. Originally, neo-institutionalists called for more fine-grained, feet-on-the-ground, and specific theories on institutions that would not be blind to change, details, and exceptions. Whereas HI represents system thinking in this movement, IS is all about lifeworld. Within this framework, institutionalists need an explanatory theory to take stability and change simultaneously into account, and this aim was expressed well in the debate in *Polity* in 1995, wherein many progressive contributors seemed to understand how unobservables and intangible objects should be seen as the basis for institutional enquiry.

Strong proponents of the latter idea, Ethington and McDonagh (1995, 86–87) articulated that the institutions should be understood through underlying principles such as the regularities of relatively durable principles of collective human conduct, not as ‘ontologically’ separate objects in accordance with their immediate observability. Accordingly, scholars should delve into institutions’ underpinnings and the connections of those with ideas and meanings, since the difference between tangibility and intangibility would not be the decisive factor. The ‘ideas’ concept was considered to fulfil this promise, through an ability to answer questions about the lifeworld’s vitality in relation to institutions’ durability (Orren 1995). However, the neo-institutionalist discussion has become deeply entrenched in dualistic positions that reiterate the agent–structure and material–ideal positions. This has served the separation of lifeworld thinking into a field of its own, for separate investigation, whereas the ‘idea’ has been elevated into the primary intangible explanatory category, with ontological status of its own, capable of producing causal effects on the world.

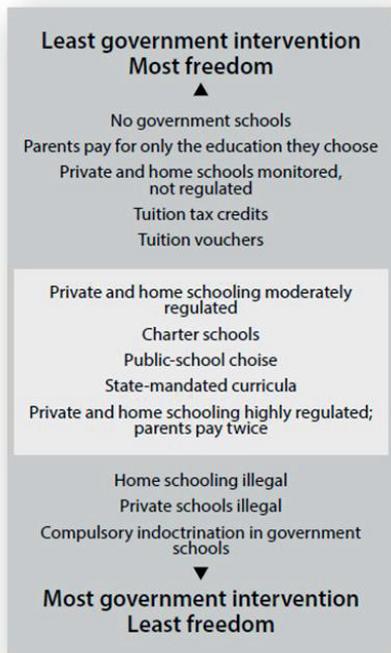
System and lifeworld theories are distributed along an axis where the former takes the stability as a given and focuses on explaining it, while the latter might take general stability as a given but focuses on explaining the contingency of the human life and change. Therefore, for institutional theory with power to explain social reality effectively, we need a theory of institutions that addresses the overarching problem of order in a manner that fulfils the promise of reconciliation between the system and the lifeworld perspective. However, a profound question remains in how to deal with these dualisms. Hay and Daniel Wincott wrote some years ago that ‘if institutionalism is to develop to its full potential, it must consider the relationship between structure and agency [...] as a central analytic concern’ (1998, 951). In their progressive presentation, they located the change as residing ‘in the relationship between the actors and the context in which they find themselves’ (ibid., 955); this could open the road to scholarship in which ‘structure and agency are conceived of

as comprising not a dualism, but a complex duality linked in a creative relationship' (ibid., 956). Regrettably, no matter how close they came to unravelling the last few threads of this 'duality', they did not point out explicitly how precisely these 'relationships' are the stuff that matters. And if the story thus far has told us anything, it is that talking about the relations has not been a good strategy. The historical development of the field seems to fall back repeatedly to the perennial dualisms identified by Gofas and Hay.

The appearance of these dualisms is connected to the above-mentioned question of unobservables and intangible objects. When we consider the questions that HI and IS scholars have themselves posed to RCI scholars, it is clear that we need some category to describe the remainder that the observable and immediate action produces, since, again, we simply cannot perceive all the consequences and the dynamics that action collectively has. Blyth (2008, 2015) links this to the uncertainty that prevails in a world that does not submit to probabilistic models based on rules characterising behaviour of rational agents. I suggest that this is exactly why we need relations-based 'structural' explanations of the world. If we look at the rules, the norms, the beliefs, or the ideas in general, we look at the meaningful manifestations of these ordering principles that operate in mundane practices with effects beyond the naked eye. These relations, as structures, while they do not determine everything, are present in all situations.

Still, Blyth and colleagues have remained unconvinced and made their final move to salvage the independence of ideas, by appealing to a logical formula according to which 'the inverse of theories of violence are not theories of peace [meaning that] theories of change are not simply the inverse of the theories of stasis [...]. [T]he conditions of the former state cannot be simply translated to the conditions of the latter state' (Blyth et al. 2016, 157). This is aimed at proving that the 'material' theories of HI just do not cut it: 'even the most material of positions implicitly rests upon a theory of ideas or cognition to explain change' (ibid., 159). However, this kind of logical inversion works only in a world of ontological dualisms. In that respect, their point is solid in that structures do not determine everything, and there are real, reflexive people acting. There is no disagreement here; the world gets messier the closer we zoom in, but still the actors do not wander aimlessly. To illustrate the relativity argument, I want to point out that even ideas always relate to some *standards*. A good way to illustrate this is with what is called the Overton window, a construct depicted below.

**Figure 3.** The Overton window (from Herranen & Vadén 2018).



According to Wikimedia Commons, the political theory of the Overton window suggest that ‘new ideas fall into a range of acceptability to the public, at the edges of which an elected official risks being voted out of office’<sup>42</sup>. Vadén and I have used it in an article to illustrate the limits of political common sense, but it can be used also to clarify the point that not just any idea will do in a given situation (Herranen & Vadén 2018). This tells us something about the importance of the context. Ideas need a context, a breeding ground in which to become acceptable, and a distribution mechanisms and machinery to become operational. Ideas cannot be separated from their environment, which is fundamentally institutional and suffers from structural differences between people in how effectively they can express their ideas. Blyth et al. illustrate this very point in their analysis, where they claim that, because of their strong position in the neo-institutionalist field, HI never needed to go on the defensive. They refer to its position of power in American academia and to idea

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<sup>42</sup> The Overton window was originally presented by Lehman (2012). More information on the concept and an interactive ‘gadget’ for playing with the model can be found at <https://www.mackinac.org/OvertonWindow> (accessed on 12 Apr. 2019).

scholars having always represented the underdogs, to whom HI scholars never needed to refer in their publications. Ironically, I would interpret this resilience more as a structural property of the institutions than a characteristic of the ideas, which requires strong institutional positions with interests, funding, etc. When discussing institutionalism's position in the real-world institutions, Kloppenberg (1995, 125) hits the mark:

Institutions do not fall from the sky [...]. The new institutionalism was born when a group of social scientists decided they wanted to construct a new way of understanding American politics [...]. In short, particular people, operating at a particular historical moment, with a particular ideas, [*sic*] and funding from particular sources, were able to create their own informal institution, which we now call New institutionalism.

One could say they had a good idea, but I would add that they had good funding too. Actually, it was Blyth (2003a, 696) who asked whether the development of neo-institutionalism as a whole 'tells us something important about how the discipline of political science evolves'. Later, Blyth (2008, 8) took a position on this issue in stating that 'American academia is very dynamic, to that point that one might even call it ambulance-chasing. Fads appear and disappear with regularity'. It appears that one needs an opposition position and institutional backing to develop something of one's own and new, and that is what gets rewarded in academia. This would be because of the nature of these institutions, but also it illuminates how the institutions develop historically.

According to HI, institutions ultimately consist of common expectations that organise collective life in conditions of scarcity. In spite of the fact that HI also reiterates the perennial dualisms and the theoretical analysis revolves around them, it suggests a somewhat relational approach to institutions, one with an emphasis on stability. However, while addressing the expectations as the relational element that could rise above basic dichotomies such as agent–structure, HI lacks description of how the mechanisms of expectation-based institutions come into being and are held in place. That said, HI does, paradoxically, offer a rather functionalist-relational explanation for the problem of order (e.g., Streeck & Thelen 2005; Thelen & Mahoney 2010), whatever its sentiments of 'anti-functionalism' (Blyth 1997, 244–245; Conran & Thelen 2016, 53). Scholars of HI conclude that institutions and general order must serve some purpose because individuals alone cannot control institutions and their stability.

In addition to holding Marxist explaining in suspicion, HI and IS share a somewhat hostile attitude toward functionalism in general. This has its roots in the

history of HI, wherein functionalism was associated with teleology. One early example is the account in which Orren and Skowronek (1994, 323) deal with the critique levelled by Anthony Giddens (1979, 110–112) at Marxism and Parsonian ‘teleology’ and ‘totality’. Giddens offered his relational approach to replace these, without recognising, even in his critique of Parsons’ role-theory (*ibid.*, 115–120), that the latter was relational from the outset. Because of these readings of the classical theorists, structures continue to appear monolithic, teleological, and deterministic. Just as a parallel may be seen between IS and classical social constructionism, the next chapter will show reconstruction of Parsons’ structural-functionalism in parallel with the corpus of HI theory, for pointing out the similarities between these ‘system’ theories. In addition, the reconstruction of Parsons’ theory of social systems is set alongside reconstruction of Berger and Luckmann’s social constructionism theory, to bring more structure to the handling of neo-institutionalism and for following the path more deeply into the debate about the lifeworld and its relation to systems in the history of social theory.

### 3 THE SOCIAL SYSTEM AND THE CONSTRUCTIONIST LEIFELORLD

Here, we continue on from the presentation of the neo-institutional theory of social institutions, in which I addressed stability and change as the essence of the explanation in its various branches in accordance with agent–structure dualism. I suggest that, to transcend these dualisms and accomplish their reconciliation agenda, they should find an institutional basis stable enough to carry their ambitious and multifaceted orientations and research settings. As social scientists, scholars of all neo-institutionalist traditions acknowledge some kind of ‘basic stability’ of human societies and institutions. While the structurally oriented system scholars take stability more for granted, lifeworld-focused theorists emphasise the change aspect. They also build their tradition rather in opposition to the system-oriented historical institutionalists’ tendency to take the stability of institutions, and thereby societies, as a given. Therefore, lifeworld theorists see HI as falling into a trap of ignoring the complexities and irregularities of contingent social reality. Importantly, however, HI scholars Streeck and Thelen (2005, 24) do not share this view, and they hence provide a jumping-off point for reconstructing an alternative course:

There is nothing automatic about institutional stability – despite the language of stasis and stickiness often invoked in relation to institutions. Institutions do not survive by standing still, nor is their stable reproduction always simply a matter of positive feedback or increasing returns [...]. Quite to the contrary institutions require active maintenance; to remain what they are [–] they need to be reset and refocused, or sometimes more fundamentally recalibrated and renegotiated, in response to changes in the political and economic environment in which they are embedded.

Here, Streeck and Thelen make it quite clear that there is no automaton upholding the order; they find it to be a result of constant and active effort. I claim that maintaining even some ‘basic level’ of stability in modern societies would be inconceivable without integration of the most fundamental individual motivations into society’s rules and norms. Unlike what deterministic readings of the structural theories suggest, this tells us about the variety of human personalities and individual goals. To prove my point, I must begin by reconstructing the social system theory of Parsons. This is done against the backdrop of the theoretical corpus of HI

presented in the previous chapter. I take this step because, while HI has been able to provide a preliminary foundation for a relational understanding of the social institutions, it falls short of truly describing the concrete mechanisms that Streeck and Thelen actually point to above: institutions' day-to-day survival is because of constant maintaining and upholding by real, living people – us. I suggest that Parsons' theory provides a fine-grained and useful description of those maintaining and upholding mechanisms and that it thus supplements and comments upon the structural theory corpus of HI.

I use the social system theory of Parsons for exemplifying two points: firstly, how HI's core premises can be found also in his theory, in similar form, and, secondly, how they have developed to the same point but through reverse logics. Without any organic relation to Parsons' theory and without one coherent, unifying theory corpus, HI has developed similar theoretical premises for itself through empirical investigation. This seems outstanding in light of the outspokenly antagonistic stance taken in HI against Parsons (e.g., Orren & Skowronek 1994; Conran & Thelen 2016). In his advances related to the integration of economic and social theory, Parsons (1991 [1953] 16) states that there 'is *one* set of fundamental variables of the social system which are just as fundamental in its economic aspect as in any other, and of course vice versa'. Approaches to social institutions might benefit just as much from deep integration of their premises. Moreover, whether or not one supports Parsons' view, the concepts that represent these variables should at least be in meaningful relation to each other.

After reconstructing Parsons' theory, I will proceed to consider Berger and Luckmann's social constructionism. Since the ideational scholars dealt with in the previous chapter identified themselves as constructionists, addressing the latter theory of institutionalisation of society provides valuable insights on the matter and reveals how fundamental the division between system and lifeworld theories is. It also provides evidence of how social theories seem to anchor themselves in the problem of order, in ultimately aiming at answering the question of why we need a social theory in the first place. Interestingly, Berger and Luckmann reiterate the same premises that Parsons lays down in his system theory, despite being among those who position themselves in outspokenly antagonistic relationship to him. When considered alongside the debate in neo-institutionalism, this should tell us something more general about the development of social theory. Moreover, debate about social constructionism provides us with an opening to discuss the materiality of the world, a thorny issue familiar from the previous chapter.

In the first chapter's discussion of the key social-theory question about social order and the institutions that follow with it, as dealt with by Durkheim, I asked what the 'social' is and how it can be. This question maintains an organic link to concepts such as institution, structure, and (social) system, because all these concepts entail the same presupposition of a structural factor in collective action that extends beyond the individual. Neo-institutionalists' answers to the problem of order, responses based mostly on empirical research and applying the rules of causal reasoning, were discussed in the previous chapter. The investigation presented below builds on those premises.

### 3.1 The Social As a System: The Problem of Institutional Integration

Parsons (1902–1979) was a prominent but often dismissed theorist who followed in the tradition of Durkheim, Marx, Sigmund Freud, Alfred Marshall, Vilfredo Pareto, and Max Weber to put together his own theory of social systems by asking how the social stability is possible: how is it that societies hold together? This is Parsons' formulation of the well-known question posed by Thomas Hobbes (1588–1679), who saw the human state of nature as a war of all against all, *bellum omnium contra omnes*<sup>43</sup>. According to Parsons (1949 [1937], 89–94), Hobbes saw all men as seeking to realise their desires. Because there are things all desire but only a few can enjoy, all seek command over means, eventually by force or fraud. This is the formulation of Hobbes' utilitarian<sup>44</sup> 'problem of order' (this is instrumentality in a sense that rational choice scholars would recognise). Alternatively, one could put it in modern terms thus: how is the social stability possible in conditions of scarcity wherein people try to achieve individual ends, ultimately even by using power? One will recall that scarcity was the social condition pointed up in the previous chapter too for the operation of institutions. In conditions of a constant danger of conflict and chaos,

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<sup>43</sup> As will be considered later in the dissertation, this is also the description that Shaikh (2016) gives to the capitalist state of economy, as a description of the prevailing state of the *real competition* and its consequences that is an alternative to the equilibrium that the much-vaunted market competition is seen as producing if not interrupted in the course of its 'natural' way of working.

<sup>44</sup> Although calling Hobbes' theory utilitarian is an anachronism, since the term is associated with the name of Jeremy Bentham (1748–1832), who was born about 70 years after Hobbes died. Joas and Knöbel (2009, 27) conclude that Parsons' use of the term is 'too broadly conceived, attaching a single label to a large number of different currents in the history of philosophy'.

Hobbes' solution is the social contract: we all agree to give up some of our natural liberty to the sovereign authority for the sake of common security.

The Hobbesian problem of order serves as a basis for the most elementary social scientific questions about the possibility of people's co-existence in societies. The issue was no stranger to Durkheim either, and it informed his formulation of the suicide types around the question of collective order – i.e., the degree of integration (Durkheim 2005 [1897]). Hence, this could be seen as articulating one of the most essential features of the problem of social institutions. As Parsons (1949 [1937], 93) put it, while Parsons would not concern himself with Hobbes' solution itself in the work at hand, 'Hobbes saw the problem with a clarity which has never been surpassed, and his statement of it remains valid today'. This emphasis, which we too apply, is because we are interested not in the individual desires at this point but in the existence of the social relations that create and regulate them. Our focus will be on this major factor from here on, for offering a supplement to contemporary institutionalism studies.

The work at the centre of this investigation is Parsons' *The Social System* (1991 [1951]), which expresses Parsons' theoretical thinking up to that point (Therborn 1976, 16) but also integrates his preceding material with psychoanalysis, analysis of deviant behaviour, and cultural history (Alexander 1983, 8). It is a somewhat atypical entry point for considering Parsons' thinking – usually the interest is in his *The Structure of Social Action* (1949 [1937]), which lays the basis for his systematic theory of action and introduces many of his key concepts, such as the 'unit act' (ibid., 43–51), in addition to which pieces in a work co-edited with Edward A. Shils, *Towards a General Theory of Action* (1962 [1951]), are considered to be among his major theoretical contributions. However, the approach chosen suits the present endeavour well, and, while Göran Therborn (1976, 16) is somewhat fair in stating that this 'monumental but dated postwar work [*The Social System*] has been harshly criticized for its inability to deal with change, especially change resulting from internal contradictions'<sup>45</sup>, one will see that the criticism has only partly been apt.

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<sup>45</sup> For a good, albeit brief, outline of criticisms levelled against Parsons, see Sciulli and Gerstein's work (1985). Extended evaluation and criticism has been offered by Habermas (1992). The most comprehensive outline and discussion of Parsons' overall work is by Alexander (1983). Another, a less known and shorter evaluation of Parsons' theories, is by Stephen Savage (1981), whose specificity lies in his Althusserian relational approach. His reading comes close to mine in that we both recognise this standard criticism but point out how obvious it actually was to Parsons that change is an inherent and constant problem for social systems. Still, Therborn (1976), Savage (1981), and I share the same view on how 'Parsons leaves no room for *systemic* sources of conflict and deviance' (ibid., 197). Briefer discussion outlining his overall work is found in the work of, among others, Robert Holton (1998).

In addition to concentrating mostly on *The Social System*, I will, to some extent, bypass many of Parsons' key theoretical frameworks, such as the AGIL schema and pattern variables, and concepts such as the voluntaristic theory of action<sup>46</sup>. What will be investigated instead is his 'wholly and fundamentally relational' theory of social systems (1991 [1951], 541), reconstructed below from his system-theoretical *magnum opus*. In this connection, I consider the above-mentioned AGIL schema and pattern variables to deal with empirically identifiable factors or variables, and I find these frameworks and concepts that are locatable in empirical reality to be manifestations of the underlying relations rather than to explain anything by themselves. This approach lets me stress the fundamental relativity. That is fitting since, in the efforts to explain social order, Bryan S. Turner (1991, xxviii) identified one of Parsons' main findings from Durkheim as lying in the so-called noncontractual element of the contract, an intangible element behind the tangible contracts and behaviour.

Contrary to the instrumental, utilitarian-thinking-inspired assumptions of classical economic theory, Durkheim concluded that the contracts necessary for a stable social order cannot be enforced without shared agreements, meaning moral values. This is because the coercive force necessary for social stability emanates only from the combination of rational, judicial contractual, and moral agreements. What stands out from the background of Durkheim's 'noncontractual element of contract' is found also in many other social theories: a normative order and a body of rules as an *emergent* phenomenon or reality of social systems (Moore 1978, 325–326). In other words, they could not answer the question of social integration through the lens of self-interest or the rules alone. Following these lines, Parsons saw the main sociological question as lying at the heart of 'institutional integration', an issue

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<sup>46</sup> The AGIL schema is Parsons' identification of the basic social functions necessary for society's equilibrium and development – in other words, functions a society must perform to survive: adaptation, goal attainment, integration, and latency (also known as pattern maintenance) (Holton 1998, 99–100). Pattern variables are fundamental value-orientations concentrated in empirical 'clusterings', and, hence, they are institutionalised such that they can be empirically observed (Parsons 1991 [1951], 152–153). The voluntaristic theory of action is at the centre of *The Structure of Social Action* (1949 [1937]), wherein Parsons brings classic European social theories together in a manner whereby free will and the individuals' voluntary choices are considered together and integrated into a single theory with utilitarian and normative starting points, in essence. Interestingly, Camic claimed that Parsons owed many of the ideas presented in the latter work to his teachers in Amherst, who were American institutional economists. According to Camic (1992, 436), one reason Parsons turned instead to European thinkers in his *magnum opus* was the weak intellectual position of institutionalists in American academia at the time. That is, Parsons was originally an institutionalist but turned to European sociology because the prevailing institutional conditions in American academia did not allow him to develop economic institutionalism further; however, Camic saw this not as an instrumentalist manoeuvre but as a mechanism for developing an argument Parsons truly believed to be correct and highly important.

addressed by Streeck and Thelen in the discussion above. According to Parsons (1991 [1951], 42), disregarding the question of institutional integration has led economic and other rational-instrumental theories to an impasse, making them incapable of providing ‘an adequate model for the dynamic analysis of the social system in general terms’. In addition, Parsons acknowledges – again in keeping with Durkheim – how sociological theory is essentially theory of institutions, which serves as a context for observing the dynamics of a social environment:

It has been repeatedly shown that reduction of motivational dynamics to rational instrumental terms leads straight to the Hobbesian thesis, which is a reduction ad absurdum of the concept of a social system [...]. The theory of institutional behavior, which is essentially sociological theory, is precisely of the highest significance in social science because by setting the problems of social dynamics in a context of institutional structure and drawing the implications of the theorem of institutional integration which has just been stated, this theory is enabled to exploit and extend the knowledge of modern psychology about the non- and irrational aspects of motivation in order to analyze social processes. It follows also that any conceptual scheme which utilizes only the motivational elements of rational instrumental goal-orientation can be an adequate theory only of certain relatively specialized processes *within* the framework of an institutionally structured social system. (Ibid., 43)

The integration could be seen as a process that maintains the stability of the system<sup>47</sup>. In the above quotation, Parsons also situates himself in relation to economic theory in the same way Durkheim did: equilibrium can be achieved in the right social conditions. Although Parsons contrasts the social theory against the economics, his position on economic theory is not unidimensional<sup>48</sup>. He supports the idea of social equilibrium – with market equilibrium being the theoretical cornerstone for economic theory – although from his point of view the economic explanation is flawed. This would be one of Parsons’ main approaches to the systemic theory of the ‘social’: drawing, on one hand, a contrast against economic theory and, on the other, a parallel with it.

Parsons’ approach to theorising on the social was exceptional in many ways, whereas it also resembles something that could be called a backbone theory for a

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<sup>47</sup> Also, Chilcott (1998, 104) suggests that, rather than see Parsons’ abstract theoretical categories as definitions of institutions (as any other functionalist’s might be), one should generally regard them as *processes* of institutionalisation.

<sup>48</sup> Parsons has provided a more comprehensive but compact theoretical account of economics and of his theoretical positioning in relation to economics (Parsons 1991 [1953]). He has also offered a broader formulation of the economic questions in the social sciences and in society (Parsons & Smelser 1972 [1956]).

sociologist<sup>49</sup>. This is because he covers a wide range of topics that have been – and still are – subjects of heated theoretical debate. This might be the reason Alexander (1983, xxv) called Parsons ‘the only modern thinker who can be considered a true peer of the classical founders [of sociological theory]’<sup>50</sup>. Whether the criticism of Parsons is fully justified or not, the significance of his work is hard to deny. Therborn (1976, 14) identifies Parsons’ theory as ‘dominant in sociological thought from about the late forties until the middle sixties’. Moreover, despite the criticism he offered, Jürgen Habermas (1992, 199) too claimed that ‘no theory of society can be taken seriously today if it does not at least situate itself with respect to Parsons. To deceive oneself on this point is to be held captive by questions of topicality rather than being sensitive to them’. For me, one of the greatest merits of Parsons’ work is the logical completeness in explaining mechanisms leading to social equilibrium. This aspiration, of course, is not without its problems<sup>51</sup>.

This striving for logical completeness is something that Parsons himself, in *The Structure of Social Action* (1949, 7) called a theory with ‘a determinate logical structure’<sup>52</sup>. While many may not agree with him or even share the need for such a

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<sup>49</sup> I thank Jari Aro for this insightful expression. Because of this definition, Parsons would fit Latour’s (2005) definition of a sociologist of the social perfectly.

<sup>50</sup> For an extensive list of Parsons’ influences on later social theory, see Alexander (1983, 1–7). Alexander’s list is a couple of decades old but makes a convincing point about the range of subjects Parsons dealt with, and about how hard it was to avoid referring to him before opposition to his theory gained ideological force.

<sup>51</sup> In his classic work *The Sociological Imagination*, C. Wright Mills attacks Parsons for his theoretical jargon in *The Social System*. In the course of what he describes as translating portions of Parsons’ book into English, Mills argues that in ‘translation’ of three pages of theoretical text into three sentences, ‘no explicit meaning is lost’ (2000 [1959], 27). I beg to differ. While I have deep sympathy for Mills’ more general point of view and agree about the unnecessary opacity, Mills seems to wholly disregard the fact that Parsons was writing a general theoretical outline for sociological research and therefore sought to answer theoretical questions about all the various (interrelated) levels of human life. If this is to be done in a complete manner, every concept should be defined in relation to others so that they 1) are logically related to each other, 2) answer the questions posed about them, and 3) give actual explanations as to the phenomena in question. While Mills scrutinises some of the most important concepts employed by Parsons and claims them to be sociological common sense, Mills disregards the questions that those concepts imply, such as that of the problem of order, for reason of taking the *status quo* as given. Still, someone needs to answer *why*, as Mills puts it on page 29 of his treatment, ‘[m]en act with and against one another’ and *why* ‘[e]ach takes into account what others expect’. Taking these descriptions of human interaction for granted, Mills leaves the big ‘why’ question open. ‘A grand theory’ – with all its deficiencies – is an attempt to explain why things happen rather than just describe them. Without such efforts, we would live in our modern, developed societies as fish in water (to borrow Marx’s famous expression), without even acknowledging what kinds of questions should be answered if we wish to understand our ‘naturalised’ environment.

<sup>52</sup> ‘Not only do theoretical propositions stand in logical interrelations with each other so that they may be said to constitute “systems” but it is in the nature of the case that theoretical systems should attempt to become “logically closed.” That is, a system starts with a group of interrelated propositions which

structure, it should be considered a virtue that he understood that, in social theory, one should seek to find reasonable solutions for questions about the relations between dimensions of human life. In my reading, the quest for logical completeness represents recognition of the need for a non-metaphysical explanation: the need to explain the ‘social’ as a result of real human action. Where this feature distinguishes Parsons’ theory from other logically conclusive theories of human interaction – e.g., economic theory – it also foregrounds the question of the social. In the analysis below, I build my reconstruction around Parsons’ theoretical nodal point – what he termed complementary role-expectations. I see a resemblance between Parsons’ nodal point and something that Durkheim (2005 [1897], 75–82) initially identified when talking about the levelling of consciousness with sympathy and respect for our fellow citizens. Parsons develops the idea further by showing how socialisation and peer pressure works and produces the effect Durkheim describes, and what operates as the integrative mechanism in our institutional environment.

### 3.1.1 Conceptual Preconditions for the Sub-systems

In its most elementary form, the system was, for Parsons (1991 [1951], 481–482), something that attains maintenance of its boundaries in relation to its environment. His theory of social systems involves three interdependent sub-systems with some mutual independence: the social, the cultural, and the personality system. Irrespective of its wholly and fundamentally relational nature, this theory has a clear reference point for these sub-systems: the complementary role-expectations, defined as the nodal point where these systems meet as the constitutive patterning of different networks of interactive relationships (*ibid.*, 540). He states: ‘The most central institutions therefore are those directly constitutive of the patterning of these relationships themselves through the definition of the statuses and roles of the parties to the interactive process’ (*ibid.*, 51). Within his theory of the social, each of the sub-systems represents a particular function; if one puts it roughly, the social

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involve reference to empirical observations within the logical framework of the propositions in question. Each of these propositions has logical implications. The system becomes logically closed when each of the logical implications which can be derived from any one proposition within the system finds its statement in another proposition in the same system. It may be repeated that this does not mean that all the other propositions must be logically derivable from any one – on the contrary, if this were true[,] scientific theory would be sheer tautology’ in the words of Parsons (1949, 9–10).

system consists of mechanisms, culture consists of patterns, and personality consists of motivations<sup>53</sup>.

The social system is addressed in two meanings. The first draws the main line for the whole theoretical system: the analysis that deals with ‘the social systems in terms of the action frame of reference’ (ibid., 1). This means that Parsons defines his entire theoretical and therefore scientific reference point in terms of the action frame of social systems. On the other hand, ‘it is [also] one of the three main differentiated sub-systems (or aspects) of the larger conceptual scheme, the other two being the theory of personality and the theory of culture’ (ibid., 537). These could be traced through empirical research as interrelated parts of human societies. In other words, the social system simultaneously represents a more general, theoretical denominator, meaning that Parsons sees himself in the social-theory domain as being an action theorist of social systems but at the same time holds that, within his framework, it is one of the three components or sub-systems that constitute the human interaction system that is opened to empirical enquiry.

Parsons termed action ‘a process in the actor-situation system which has motivational significance to the individual actor, or, in the case of a collectivity, its component individuals’ (ibid., 4). This raises the question of actors’ motivations to the foreground. In Parsons’ treatment, all motivationally relevant action processes have some ‘bearing on the attainment of gratifications or the avoidance of deprivations’ (ibid.)<sup>54</sup>. Above all, these have an organic significance in the ‘relation of the actor to his situation and the history of that relation, in this sense of “experience”’ (ibid., 5). The experience gained from the historical relation to situations develops a system of expectations, as Parsons terms it, for the actor<sup>55</sup>.

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<sup>53</sup> For a shorter presentation and a summary of these systems, see Parsons and Shils (1962 [1951], 3–29).

<sup>54</sup> In *The Structure of Social Action*, Parsons shows awareness that, in the schema of action, ‘concrete individual[s] are] thought of as adapting means to ends’ (1949, 30). This means that, while the action is oriented so as to achieve ends, these ends may not always be utilitarian in nature. Parsons continues (on page 49): ‘An end, then, in the analytical sense must be defined as the difference between the anticipated future state of affairs and that which it could have been predicted would ensue from the initial situation without the agency of the actor having intervened. Correspondingly, in an analytical sense, means will not refer to concrete things which are “used” in the course of action, but only to those elements and aspects of them which are capable of, and in so far as they are capable of, control by the actor in the pursuit of his end.’

<sup>55</sup> ‘Expectations’ were introduced in the previous chapter as the relational aspect of the constitution of historical institutions (for example, see Streeck & Thelen 2005; Hall 2016). This concept is also widely used in modern economic theory. Where Parsons’ and historical institutionalists’ expectations develop historically in relationships with the social patterns encountered in social interaction, the word as used in economics usually refers to rational expectations held by individuals. It has quite justifiably been asked why, if the economic agents form their rational expectations individually, they all react,

Thus, actors develop probable expectations associated with particular objects (social, physical, and cultural) in the given situation and associated with the alternative actions they might undertake. In these situations, there are many special signs, meanings, and symbols relevant to the expectations, especially in the case of social interaction, wherein they ‘acquire common meanings [that] serve as media of communication between actors. When symbolic systems which can mediate communication have emerged we may speak of the beginning of a “culture”’ (ibid., 5). In other words, the expectations for the situation are organised in accordance with the related symbolic systems, or meanings. When these meanings appear, we can start speaking of the basic factors in a culture; in other words, this symbolisation is ‘the necessary condition for the emergence of culture’ (ibid., 10).

This expectations schema resembles the one presented in the previous chapter, addressing the premises of historical institutionalism. However, Parsons continues by pointing out this important observation about the human action systems: they are ‘not possible without relatively stable symbolic systems where meaning is not predominantly contingent on highly particularized situations. The most important single implication of this generalization is perhaps the possibility of communication’ (ibid., 11). The stability brought by these relatively stable symbolic systems, meanings, ‘must extend between individuals and over time’ (ibid.). This provides a preliminary definition for ‘structure’; it is something produced in a process of historical interaction between a plurality of actors while it is not dependent on the participation of any specific individual or on a certain situation or location, and its durability holds potential to exceed the human life span. The ‘empirical’ proof of the existence of structure is found in the possibility for communication. We would not be able to communicate in highly particularised situations without the relatively stable character of the shared symbolic system.

It is noteworthy that structure as an abstract concept refers not to any particular structure but to a logic or property of relations, a way in which any given system holds together in human interaction. The relational aspect of systems enables one to conceive of social structures without referring to any concrete constructions, such as buildings, organisations, or statistical classes. For Parsons (ibid., 25), the structure is ‘the structure of *relations* between the actors as involved in the interactive

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according to this theory, in a manner similar to, for example, governmental action (Fine & Dimakou 2016, 111–117). The important thing to notice is how many of the core ideas in social theories resemble each other yet cleave along the dividing lines dictated by the theories’ premises with regard to the social nature of the human world.

process'.<sup>56</sup> He suggests that we, as creatures who operate and make decisions in relational structures, must share some operational standards on which these decisions are based. He considers 'values' to be the common standards, a relatively stable criterion for social practice in a situation wherein we must choose among courses of action (*ibid.*, 12).

Values are relevant in two ways. Firstly, actors' value-orientations involves 'the content of the selective standards themselves' (*ibid.*, 12). The motivations do not develop in a vacuum but are formed in relation to social value-standards. If an actor (*ego*) expects gratification from the other actor (*alter*), the gratification–deprivation balance of the action is dependent on acceptance by the other actors – i.e., on the standards for acceptable behaviour. Therefore, the action usually is 'normatively oriented' (*ibid.*, 36). Secondly, the problem of integration of the motivational and normative cultural standards – values – goes beyond individual situations<sup>57</sup>. At this point, the question could be formulated in the following manner: how is 'the mutuality of motivational orientation to the normative aspect of expectations' (*ibid.*) possible? In other words, how can human motivations be integrated with normative

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<sup>56</sup> This is an important part of the picture with regard to the famous critique of Parsons' theory of intersubjectivity presented by John Heritage (1984, 27–30), who viewed Parsons' general system analysis as supported by the correspondence theory of truth. Heritage claims that this gives little room for observers' analysis of their situation and that, on the other hand, the validity of their truth claims could, in principle, be affirmed or rejected by an objective scientist comparing claims to the objects at hand. Furthermore, '[t]he institutionalization of common meanings for symbols in advance of their use in particular situations is [...] the basis upon which communication is possible'. He continues by stating (on pages 30–33) that this, when combined with the actors' incapability of making moral judgements and the denial of their reflexivity that follows from it, results in a pernicious dilemma: denying the actors' views and denying the individual as a source of a system's change. While I sympathise with the critique, two remarks should be made: Firstly, Heritage turns Parsons' formula upside-down and says that meanings are institutionalised *before* their use and this enables the communication. In my reading, the institutionalisation takes place in the process of using the symbols and meanings, which, in turn, is the process of historical experience with objects without objective features suggested by the correspondence theory. Rather, encountering these objects creates *probable* effects on how the communication turns out. The result may purely be based on, for example, speech conventions arising from the *order* of the symbolic meanings without an *a priori* correspondence relation to some objective objects in the environment (Parsons 1991 [1951], 11). This underlines Parsons' relational approach to the institutionalisation of meanings. Secondly, in my reading, the communication is the 'empirical' proof of the existence of the shared symbolic universe rather than the last stage in some symbolic evolution toward the point at which communication can begin. For the theory of social structure, this is a noteworthy distinction. Without the relatively stable shared symbolic system, the communication would not be possible, but there is no objective relation to some objects or evolutionary stages to determine when the language is sufficiently ready for communication. Still, many questions about the actor's reflexivity are left unanswered in Parsons' theory.

<sup>57</sup> In the vein of Merton's (1938) differentiation, 'cultural' values can be seen as special cases of 'systemic' norms.

cultural standards (patterns of value-orientation)? This will be examined further in the subsections below.

So far, we have ascertained that the historically developed expectations related to the interaction situations are symbolically organised. These organisational patterns – standards – inform egos' actions and mediate them to correspond to alters' expectations through communication. We have not, however, addressed how this observation should be generalised such that it could serve as a basis for the theory of social systems and provide a solution for the problem of order. The answer is rooted in the universalising assumption that Parsons (ibid., 204–205) made about human interaction:

Now it must again be remembered that motivational processes are *always* processes in individual actors [...]. What, then, for our immediate purposes is an established state of a social system, or relevant sub-system?

The answer to this question is given in the basic paradigm of social interaction which has been discussed so often. An established state of a social system is a process of complementary interaction of two or more individual actors in which each conforms with the expectations of the other(s) in such a way that alter's reactions to ego's actions are positive sanctions which serve to reinforce his given need-dispositions<sup>58</sup> and thus to fulfill his given expectations. This stabilized or equilibrated interaction process is the fundamental point of reference for all dynamic motivational analysis of social process.

Firstly, Parsons states that individuals are motivational beings and, as such, cannot be treated as automatons. The problem, then, pertains to conformance with their motivations, which takes place through complementary interaction (a subject also discussed later in this section in connection with social constructionism). When two or more individuals interact, they act in a complementary manner, which entails them aiming to fulfil each other's expectations. People act in accordance with standards of acceptable behaviour because they try to avoid deprivation and gain others' acceptance for their own gratification. This is the mechanism behind the spontaneous equilibrium-seeking behaviour hypothesised also in neo-institutionalism. In this process, Parsons (ibid., 205) raises these complementary role-expectations to the status of 'the first law of social process', and we indeed need this assumption for an integrated theory of social systems:

It is certainly contrary to much of the common sense of the social sciences, but it will nevertheless be assumed that the maintenance of the complementarity of role-expectations, once established, is *not problematical*, in other words that the

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<sup>58</sup> Need-dispositions are discussed below in connection with the personality system.

‘tendency’ to maintain the interaction process is *the first law of social process*. This is clearly an assumption, but there is, of course, no theoretical objection to such assumptions if they serve to organize and generalize our knowledge. Another way of stating this is to say that no *special mechanisms* are required for the explanation of the maintenance of complementary interaction-orientation.

Accordingly, Parsons’ fundamental answer to the problem of order proceeds from the theoretical assumption that people tend to act *in a complementary manner*. They socially create the environment that contains the ‘rules of conduct’ that, again, stem from the self-preserving nature of the social system(s). It is in the system’s character to maintain its boundaries in relation to its environment; this is the functional aspect of the system. The self-preservation stems from the actors’ tendency to act in a complementary manner in a structured environment. This tendency may be a part of our genetic heritage, but, above all, it is learned in the socialisation process (ibid., 205)<sup>59</sup>. Socialisation is one functional aspect of the social system, which ties in with such phenomena as the division of labour and is discussed in the next main section of the chapter.

Next, however, we will consider Parsons’ sub-system analysis. Here, the general action theory of social systems entails these sub-systems being in relation to the complementary role-expectations, and, therefore, the answer to the problem of order – institutional integration – is found from the institutionalisation of the roles. Firstly, we explore the social system a bit further, in the longest of the subsections addressing the sub-systems. The second one addresses the cultural system, complementing the analysis and discussing the role of symbols and symbolic universe. This should also provide useful grounding when we get to the section dealing with social constructionism. Last, Subsection 3.1.4 introduces the personality system, which deals with the human motivation to act. The subsection in question is brief since it is the ‘social’ that we are interested in here, but it is necessary. After all, it is important to bear in mind that we are speaking of fundamentally relational theory. This means that the sub-systems presented cannot be found on their own; they represent different aspects of the same phenomenon.

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<sup>59</sup> Parsons does not explicate the origin of the concept of complementary behaviour. Durkheim (2005 [1897], 207–210) offers an interesting suggestion as to the origin of the complementary nature of behaviour, in *Suicide*. He claims that the awakening of conscience produced unlimited desires in the human being. The awakened human mind is capable of creating needs, passions, and desires it cannot restrain without an external force provided by the social environment. Thus, humans’ boundless desires are kept in check by the relations to – and, through them, dependencies on – other people.

### 3.1.2 The Social System

In *The Social System*, Parsons (1991 [1951], 480) describes the social system as an organisation of patterned interaction that takes place through ‘the stabilization of the processes of [the actors’] mutual orientation within complementary roles’. This means that people are interacting creatures who mostly act in situations involving other (interacting) objects, such as other people. People differ in their motivations to act, so different symbolic systems – language being the most important – are needed for understanding and communicating these motivations. However, because we deal with many, quite different situations that involve many, quite different people yet things should go at least reasonably smoothly, our motivations cannot differ too much, so we must share some standards of acting and behaving. At the same time, motivations cannot be understood merely as individual-level features; they have the aspect of system attributes that actors must internalise if they are to act in a reasonable manner. In social systems, these standards are mediated through complementary roles, and, therefore, the institutionalisation of roles holds ‘the most essential components and points of reference’ for analysis of social systems as such’ (ibid., 22).

Firstly, Parsons tells us, ‘[t]here are no roles without corresponding statuses and vice versa’ (ibid., 39). Here, ‘statuses’ refers to a structurally ‘located’ position, meaning that an actor is an object of others’ orientation (alongside one’s self), and ‘roles’ refers to an actor’s functional significance in relations with others in the social system – in other words, what the actor does within the system. When playing a role, an actor is oriented to others. It is important to notice that ‘statuses and roles, or the status-role bundle, are not in general attributes of an actor, but are *units* of the social system, though having a given status may sometimes be treated as an attribute’ (ibid., 25). An actor is a holder of a status and a performer of a role, and this must be distinguished from the personality of an actor, which has a given amount of autonomy irreducible to one’s status-role (ibid., 25–26). Thus, a contradiction may evolve between the status-roles and motivations of an actor.

Secondly, if ‘structure’ refers to ‘the structure of the *relations* between the actors as involved in the interactive process [and] [t]he system is a network of such relationships [...] it is the *participation* of an actor in a patterned interactive relationship which is for many purposes the most significant unit of the social system’ (ibid., 25). The way to participate in these patterned interactive relations is to occupy various status-roles. ‘Structure’ is a label for the relatively stable interaction patterns in static and/or changing social systems entailing the logic of the

organisational *standards* that represent the meaningful content of the accepted terms of conduct. The roles represent the functional necessities of the system to which people are socialised. For the integration to work, the actor's motivations must correspond sufficiently with the structure's operational demands, or functions. To be more specific, for Parsons, the higher-order unit for 'macroscopic analysis of the social systems' is what is called the *status-role* (*ibid.*, 25).

Again, if structures are the 'framework' for the relatively stable symbolic systems, they must carry the meanings of the roles, which are the counterpart for the expectations that actors meet when encountering new situations. 'In the case of a given actor, ego, there is soon built up a system of expectations relative to a given other, alter' in the words of Parsons (*ibid.*, 37). In other words, were the roles not structured, the ego would not know what to do and how, and the alter would not know what to expect. That could lead to social disintegration. For Parsons, roles serve as the nodal point for the standards since they incorporate the 'description' of the system's functional necessities and, hence, produce the understanding of how the roles should be performed and what to expect from actors performing the roles in question. Roles tell the people what should be done for the system to work, even though this involves not acting for the sake of the system but just living one's life. This conceptualisation is based on Parsons' (*ibid.*, 204–205) basic paradigm of the social system: the complementary interaction. We are creatures born to meet one another's expectations. Moreover, the paradigm describes mechanisms that operate 'underneath' our motivations.

However, another question appears: if the number of standards to follow is practically infinite – after all, we have a rich symbolic universe and a complex social life – and the integration is dependent on following the same standards, how do we choose between them? The idea of a structure implies only that there are relatively stable patterns around the interaction, yet people should know what patterns to follow in new situations. Here we may recall Parsons' definition of values. They set the criteria for selecting among the alternatives of orientation in varying situations and define role-expectations. Serving as the base criterion, values create the basis for the ordering between standards: some things are valued over others<sup>60</sup>.

The implication of values is that the social systems are not relativistic but relational and normative in nature. Things must be put in order because people and

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<sup>60</sup> However, as values are understood to be structural evaluation criteria in this context, the concept has more profound meanings in other works of his (e.g., Parsons 1935). The concept of values is an element through which Parsons builds his demarcation in relation to utilitarian theory and illuminates the indeterminacy and the 'non-logical' – a term used by Vilfredo Pareto – aspects of human action (Savage 1981, 106–111).

goods are distributed within the system. This process of distribution of various objects is called allocation. While Parsons uses the concept of allocation in a broader sense, he recognises the benefits of the economics concept by acknowledging that the resources and positions in social systems are usually *scarce*, and we are dealing in many cases with quantifiable entities, a typical case being, of course, money (*ibid.*, 114–116). Thus, Parsons (*ibid.*; see also pp. 120; 418–421; Parsons 1991 [1953], 15) elevates ‘scarcity’ to the key structural condition in relation to which the structural integration and allocation of resources takes place. Thus, the Hobbesian definition of the problem of order enters in also. If the supply of goods and/or statuses to distribute is more limited than the number of people with a will to possess them, there must be a shared allocative standard. This is something discovered also by Thelen and Mahoney (2010), as came out in the discussion of the theoretical premises of HI (see the previous chapter). To some extent, we all must share some idea of the basis on which things and responsibilities are distributed, and we must act accordingly. Whereas the roles are the behaviour-standard, values set the standard for evaluation between objects.

From the system point of view, one prerequisite for allocation of resources (and, more generally, overall *co-ordination*) is functioning division of labour. Whereas the roles may be somewhat open to subjective selection and less scarce, statuses are usually more competition-prone. There are fewer positions in the various (hierarchical) organisations than there are people willing to occupy them. Therefore, we need selective standards for choosing who occupies what position. This connects the role-statuses with the division of labour, which, of course, is one of the most fundamental features of functioning societies. In the idealised case, the positions and rewards in instrumental systems, such as organisations, are distributed in line with the concomitant responsibility in relation to the actors’ competencies (Parsons 1991 [1951], 158–160). The reality, of course, differs from this ideal. The division of labour involves institutionalised occupational role-statuses, which means that the questions about their relationship with the actors’ motives become a pressing one (*ibid.*, 184). Since the division of labour is a system-level structural attribute beyond the control of any individual actor, the role-statuses must be relatively stable, and people must be functionally allocated between them. This is where the ‘socialisation’ steps in:

The allocation of personnel between role[-stature]s in the social system and the socialization processes of the individual are clearly *the same processes* viewed in different perspectives. Allocation is the process seen in the perspective of functional significance to the social system as a system. Socialization on the other hand is the process seen in terms of the motivation of the individual actor. Learning to decide between alternatives of role-incumbency which the social system leaves open to the

individual is certainly part of social learning and such decisions manifest the value-orientations acquired through socialization. (Ibid., 207)

In essence, socialisation means becoming a member of a society, a social being, through social learning – learning the patterns of orientation to the social roles (ibid., 23; 205). If complementarity is the fundamental human social characteristic, '[t]he socializing effect will be conceived as the integration of ego into a role complementarity to that of alter(s) in such a way that the common values are internalized in ego's personality, and their respective behaviours come to constitute a complementary role-expectation-sanction system' (ibid., 211).

It follows from the complementarity paradigm that 'a stably established interactive process, that is, one in equilibrium, tends to continue unchanged' (ibid., 251). At this point, the most elementary principles of Parsonian theory have been established, involving the complementary and therefore equilibrium-seeking nature of the human interaction. Accordingly, people tend to act such that the system constantly tends toward a state of equilibrium if not interrupted. If it is prerequisite to the stability of the system that the integration be inbuilt in the motivational structures of the actors, the maintenance results from two fundamental processes: the socialisation, which is necessary for obtaining the actors' role-orientations, but also the mechanisms of 'social control' that are needed to maintain a balance between deviant behaviour and stabilised interactive processes. The social control is the motivational flipside of the ego–alters role-complementarity, where the ego learns to '*counteract* a tendency to deviance from the fulfillment of role-expectations, in himself or in one or more alters. It is a re-equilibrating mechanism' (ibid., 206). Thus, social control is a mechanism of rewarding and sanctioning others.

Socialisation is, on one hand, 'organized largely about kinship' (ibid., 116) but, on the other, an institutional practice that, 'like learning, goes on throughout the life' (ibid., 208). However, since people differ in their genetic constitution, in the constellation of their reciprocal relationships, and by the individual idiosyncrasies of their socialising agents, a wide variety of socialisations is produced (ibid., 229). Respectively, the possibility of multiple kinds of resistance against common standards develops – numerous possibilities for deviant behaviour are formed. For Parsons (ibid., 250), 'deviance is a disturbance of the equilibrium of the interactive system' caused by a change in the state of the system or re-equilibration by counteracting forces. For instance, the expectations of conformity – even written rules – may not be specific and/or detailed enough, or they may be in mutual contradiction, which poses an acute problem for complex systems. Moreover, actors may suffer from incapability of living up to the expectations set or face the problem

of not knowing what is expected. All this brings an element of uncertainty into the picture (ibid., 269–272). In addition, a role conflict may arise, wherein an actor is exposed to a set of conflicting but still legitimised role expectations (ibid., 280). In addition, of course, it is possible for a contradiction between the normative expectations and an actor's motivations to develop, since, as noted above, personalities cannot be fully reduced to status-roles.

If deviance is to be minimised and hierarchical systems beset by such problems as scarcity and (structural) differences between actors are to be stabilised, an institutionalised *order of precedence among norms* must prevail (ibid., 271–272). For example, with respect to institutionalised property rights, those value-patterns that integrate the action of component actors relative to possessions are governed by expectations, by obligations, and therefore by the definition of property (ibid., 39). Possessions, in general, are 'transferable from one actor to another', but, whereas physical objects 'change hands', rights themselves are a relative matter (ibid., 119). It follows that the physical exchange process is in many ways irrelevant and the attention should be paid to the governing relations. These property rights governing the physical exchange are determining in nature, and therefore they outrank several other norms, such as those pertaining to the inappropriate behaviour of jaywalking. Also, the highly institutionalised nature of property rights makes this exchange highly valued in the hierarchy of norms, and this enables the somewhat peaceful everyday market exchange needed for our survival in this complex environment.

The idea of market exchange is easily expanded into that of division of labour. Parsons (ibid., 159) notes that division of labour in modern societies usually requires a formal organisation since it is a complex co-ordinative process. An organisation such as a big company is an interesting example of co-ordinative structure and of the order of precedence among norms. It clearly requires the kind of co-operation that cannot be controlled by any individual but is also structured to function in accordance with its institutionalised principles, which are set in place, for example, by its owners and corporate law<sup>61</sup>. Because of the functioning co-ordination, people know what to do with regard to particular roles or role-statuses, but, also, each role has a function within the division of labour. People are allocated and rewarded, at least in principle and to sufficient extent, in accordance with shared norms that

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<sup>61</sup> Something that Marx would term the relations of production. It should be noted at this point that, since Parsons' social systems are equilibrium-seeking by nature, there is no room there for system-level contradictions produced by the property relations or the production relations. These are addressed in the last main chapter of this dissertation. Parsons' theory of organisations is set forth in other work (Parsons 1956a, 1956b).

makes the process understandable and acceptable to the parties involved. These norms are ordered by functional priority – the order of precedence that prevails among the norms is articulated. Norms are not just organising standards; they need organising standards themselves.

It becomes apparent that co-ordination and the integration of the system are two sides of one equation. Since this is one of the most elementary and profound features of the social system, we should let Parsons himself elaborate:

[I]nstitutionalization has integrative functions on various levels, both with reference to the different roles in which any one actor is involved, and to the coordination of the behavior of different individuals [...]. The individual engages in a wide variety of different activities and becomes involved in social relationships with a large number of different people whose relations to him vary greatly. One of the primary functions of institutionalization is to help order these different activities and relationships so that they constitute a sufficiently coordinated system, to be manageable by the actor and to minimize conflicts on the social level. (Ibid., 302)

The active institutionalisation merges the integration and co-ordination functions. By ‘institution’, Parsons refers to ‘a higher order unit of social structure than the role [where said unit] is made up of a plurality of independent role-patterns or components of them’ (ibid., 39). Therefore, institutionalisation can be deemed, at base, synonymous for the so-called standardisation of behavioural patterns and, thereby, role-statuses. The greater the degree of institutionalisation of a pattern, the more stable and observable it is. Therefore, an institution could be considered a special case of social structure<sup>62</sup>, as with an institution related to property or an educational institution.

Now, if the social system must fulfil integrative and co-ordinative functions simultaneously, people are socialised and allocated simultaneously. Still, these are two distinct functions, since, in the course of socialisation, actors absorb information and behaviour patterns, while allocation is a process wherein they are distributed among the system’s functional positions. As Parsons has stated, socialisation has an integrative function for the system, since people learn how the system works and what roles are available, alongside the grounds for these. During socialisation, actors also learn skills and values, etc. They learn the role-statuses that are crucial for the

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<sup>62</sup> I thank Juho Karvinen for this formulation. In addition, Parsons (1954 [1945], 239) elaborates: ‘Institutions are those patterns which define the essentials of the legitimately expected behaviour of persons insofar as they perform *structurally important roles* in the social system [...]. It is the *structurally* significant elements of the total concrete relationship pattern which are institutionally relevant. What these are cannot be decided in terms of the subjective sentiments of participant observers but only in the perspective of structural analysis of the social system.’

integration of the system. On the other hand, there are certain tasks that need to be performed. For us to be able to buy food from the store, grain must be sown, bread must be baked and transported to the shops, and so on. No-one can control this system alone, so functional division of labour must obtain, and therefore people must be allocated (between roles) across the system accordingly in conditions of prevailing scarcity.

The most crucial point connected with this observation is that these functions are present simultaneously in the system. This is important, since I argue, generally, that, just as '[t]he allocation of personnel between roles in the social system and the socialization processes of the individual are clearly *the same processes* viewed in different perspectives' (ibid., 207), the stability and change, respectively, are also the same process viewed from different perspectives. This is clear for Parsons (ibid., 503) too:

[E]ven in a relatively stabilized society, processes of structural change are continually going on in many sub-systems of the society, many of which are institutionalized. In other words stabilization and change are relative to the problems on which the observer focuses his attention; a complex social system is not either stabilized or changing as a whole, but in different parts and different respects, always both.

In effect, Parsons repeats what was quoted from Streeck and Thelen on the first page of this chapter. Following though diverging slightly from Parsons' view, my interpretation of the systemic and institutional stability and change is that they can be viewed as two fundamental sets of social relations: two sets of relations operating at the same time on different dimensions of social reality. The relation of change and stability proves much more illuminating than does observing these two dimensions of the phenomenon as separate research objects. There might be an institution whose stable vested interests (values) are protected against more general constant social change, just as was the case in the study by Campbell (2005) that illustrated how individual nation-states may withdraw from international tax competition. Therefore, contradictions may arise between individual institutions of a society. This does not necessarily require separate theories of change and stability so much as investigating the relation between the institution and the environment. It also implies that integration and contradiction may prevail at the same time, and there is only a *seeming* paradox in the co-existence of these phenomena.

In the simplest possible terms, a social system consists of plurality of interacting actors in conditions of scarcity, a condition at the heart of the problem of order. The prevailing distribution of resources must be accepted to sufficient extent for institutional integration to be possible and for preventing the society from falling

apart. The system tends to maintain itself through fulfilling its two main functional premises – namely, by *integrating* people’s motivations in shared norms and values and *allocating* them in accordance with the prevailing division of labour. Actors’ motivational structures stem from their historical experiences, and the mediation is through culturally structured symbols that represent shared expectations as to appropriate behaviour. People as conforming creatures seek to satisfy each other’s complementary expectations. These expectations are learned in socialisation processes and are upheld and regulated via constant social control. However, while scarcity and the prevailing conditions in general are often understood in very ‘material’ terms, Parsons extends his approach to expressive objects as well in his theory of the cultural system.

### 3.1.3 The Cultural System

If the structural order must have a shared, relatively stable, and normative system of standards, we need a symbolic system that gives meanings to these shared norms and values. Because of its symbolic nature, culture enables transmitting, learning, and sharing abstract objects. Transmissibility ‘serves as a most important criterion for distinguishing culture from the social system, because culture can be diffused from one social system to another. Relative to the particular social system it is a “pattern” element which is both analytically and empirically abstractable from that particular social system’ (Parsons 1991 [1951], 15). Therefore, culture forms and consists of patterned and ordered symbol systems that serve as objects of actors’ orientation. It also provides the meaningful content for orientation of an action, personalities, and institutionalised order through mediating and regulating communication – it ‘provides the [meaningful] *standards* of selective orientation and ordering (ibid., 327). Alongside these ‘properties’ of culture, the signs, symbols, and meanings could be called the ‘tools’ and communication the ‘method’ through which culture operates.

The main cultural objects are systems of ideas and beliefs, value-patterns, and expressive symbols (ibid., 4; see also Parsons & Shils 1962 [1951], 8, 20<sub>63</sub>). The so-

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<sup>63</sup> Parsons and Shils (1962 [1951], 8) ‘distinguish the following three major classes of culture patterns. (1) Systems of ideas or beliefs [...]. (2) Systems of expressive symbols; for instance, art forms and styles [...]. (3) Systems of value-orientations’. They continue (on page 20): ‘Each type of culture pattern might then be regarded as a solution of a type of orientation problem – systems of ideas are solutions of cognitive problems, systems of expressive symbols are solutions of problems of how “appropriately” to express feelings, and systems of value-orientations are solutions of problems of evaluation, particularly but not exclusively in social interaction.’

called expressive symbolism is ‘the primary cultural component in any form of expressive action, [which] is involved in some way in all types of action’ (Parsons 1991 [1951], 385). If the instrumental action involves calculation of probabilities of ‘successful attainment of a particular goal or the probable cost of its attainment’ (ibid., 40), expressive action is oriented in a symbolic manner. Therefore ‘the prototype of the expressive symbol, within the context of interaction, is the *symbolic act*’ (ibid., 387). This means not that the instrumental action could not comprise symbols but that the expressive action is oriented to meanings and norms, and hence the gratification in expressive action and symbolism is the *meaning* of the act itself.

The reciprocal interaction between ego and alter is symbolically oriented in that their performances ‘become directly gratifying or deprivational to [each other]’ (ibid., 387). However, to become meaningful in an expressive way, many of the relevant attitudes must be generalised to such extent that they have become objects. In his further differentiation with regard to the subject, Parsons cites the penis as an example of a symbolic object of such a high degree, whereupon ‘a substantial part of its psychological significance is to be interpreted in the light of this fact’ (ibid., 388). The symbol has become objectified so far that the symbolism transmitted orients the action irrespective of the actual attributes of the reference point. Of course, the relevant observation is that the ‘expressive symbolism generally is “embedded” in concrete action’ (ibid., 399), and therefore is always a significant part of the action system. Another example Parsons employs is patriotism, which means not that one loves every fellow citizen individually but that one loves the (symbolic) collectivity (ibid., 77–78). This further differentiates the role of norms, values, and attitudes in human action by pointing out how deeply our action is oriented by objectified expressive symbolism, and how it is intertwined with our expectations of our actions and of others’<sup>64</sup>.

Along with value-patterns and expressive symbols, common beliefs and ideas too are central cultural objects. Existential beliefs and ideologies are some of the most profound. When Parsons uses the term ‘ideologies’, he refers to belief and idea systems that are held in common in collectivities. Ideologies integrate these ‘by interpretation of the empirical nature of the collectivity and of the situation in which it is placed, the processes by which it has developed to its given state, the goals to which its members are collectively oriented, and their relation to the future course of events’ (ibid., 349). In practice, according to Parsons, ideologies answer questions

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<sup>64</sup> Parsons (1991 [1951], 408) sees the creative artist as a person specialising ‘in the production of *new patterns* of expressive symbolism [while] the performing artist is the person [who] specializes in the skilled implementation’.

related to 1) who we are, 2) how we have become who we are, and, 3) where we are going. If ideologies are systems of beliefs and ideas, which, in turn, are generalised expressive symbols and (normative) meanings, one important aspect is that they need to be incorporated into structures and institutionalised into roles *before* they may have a significant influence on action. They ‘constitute *more* than a body of “ideas”’ (ibid., 348), in that they cannot be detached from the whole-of-a-system revolving around its cultural and motivational elements: norms, values, and roles. Parsons (1938, 652) elaborated on his views about the role of ideas in social action in one of his earlier texts:

Ideas in general have been held either to have or have not to have an important role in determination of action [...]. Above all, from the fact that this paper will maintain that ideas do play an important part in the determination of action, it is not to be inferred that its author is committed to some kind of idealistic metaphysics of the sort from which it has so often been inferred that ideas must arise through some process of ‘immaculate conception’ unsullied by social and economic forces or that they influence action by some automatic and mysterious process of self-realization or ‘emanation’ without relation to the other elements of the social system.

In this perspective of Parsons, brought out to some extent in the previous chapter in connection with ideational scholarship and the role of ideas in social theory, the context of ideas is once again emphasised. What Parsons appears to be saying is that ideas cannot be the driving force of social change by themselves, since they are part of a system made up of various elements. However, as we will see in Section 3.2, addressing social constructionism, Parsons seems quite prophetic when describing the discussion of ideas. Even expressive symbols become objectified in that they cannot be treated merely as ideas; rather, they are objects that are dependent on the shared, organising standards – structures – around them.

This point that ideas should not be examined outside their social context and without their relations to economic or other social processes and forces will be developed further in the last main chapter, on ideology theory. For now, it should suffice to consider a work of art. Art may express anything an actor might want to see in it, but the distribution and its (monetary) value are still based on some shared standards. There are art markets that are dependent on systems of expertise, art galleries, marketing, etc., which regulate the market and influence the price and even the reception (experience) of art. There is no ‘idea of art’ detached from these structures. To cause a revolution in an artistic field, one must be able to rearrange the teaching in art schools to have an influence on the expertise, make the new form of art visible by using galleries and marketing, etc. And there are also the concrete

art pieces. While ideas are relevant and necessary, even the new idea exists in relation to the existing art. There is always the existing standard to compare with, to create the relation that enables the understanding of something new.

One important aspect of expressive symbolic objects is that the access to them is institutionally regulated. This is at the centre of the canons of ‘taste’: its objects are inherently scarce, and this scarcity is related to things such as purchasing power and positions. The better the position in reward systems, the better the access to objects of good taste (Parsons 1991 [1951], 420–421)<sup>65</sup>. This also means that different reward types are transmittable via each other since the relative nature of the possessions – money, art, etc. – renders them subordinate to standards. The most important common denominator among rewards is money by dint of its ‘one particularly striking property of unambiguous quantitative measurability [and therefore it] is a necessary common denominator as between different classes of concrete achievement goals’ (ibid., 424). Hence, relative standards are not equal, but the relative nature of standards makes them transmutable: money can be exchanged for fine art, so good taste can be bought. In a world of differences which must be organised, it is no wonder that one object with such a universal feature is the modern *primus inter pares*, first among equals.

Culture provides the meaningful content for the normative standards of selective orientation and ordering. It also highlights for us the relative and therefore normative nature of social phenomena. We live in a world of scarcity that produces differences, and these differences must be justified and put in order since not everyone can always have everything. Parsons’ view on culture and the cultural system underscores the important factor that the prevailing scarcity is not just ‘material’ – the scarcities exist in the field of statuses and other expressive gratifications, just as the objects of needs and gratifications do.

### 3.1.4 The Personality System

Since we are living, acting human beings with individual personalities, one last ingredient to the social system is needed: the personality system. For Parsons, [p]ersonality is the relational system of a living organism interacting with a situation [...]. The mechanisms of the personality must be understood and formulated relative

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<sup>65</sup> This idea has a great resemblance to Bourdieu’s field theory (see, for instance, Bourdieu 2000 [1997], especially Ch. 1).

to the functional problems of this unit' (ibid., 17).<sup>66</sup> Thus, Parsons formulates the problem of 'the human factor' in a way that acknowledges our nature as both biological organisms and wholly, fundamentally relational creatures in our interactive environment, where the adaptation problem determines the relationship. Current knowledge suggests that the ability to read alters the 'mind' and beliefs starts to develop at one year of age. This often unconscious, continual 'mind-reading' makes complex human (linguistic) communication possible, because we are physiologically tuned, as it were, to learn and react in such ego–alter relationships, a tendency that, in turn, results from and is explained by the fact that human cognition is essentially social (Bloch 2015).

It follows that, while human capacities and abilities are biologically determined to some extent, they are also highly differentiated between individuals. Because of this biological basis, Parsons concludes that 'no two human organisms are alike by genetic constitution. Therefore, the same influences operating on different genetic material will not necessarily bring about the same result' (Parsons 1991 [1951], 229). Although all individuals encounter the same structures, structures do not constitute all individuals in the same way; the same roles do not signify the same thing for all actors (ibid., 17–18). That said, since variations between large populations are far less important than the variations between individuals, it is unlikely that large-scale social differences are determined primarily by differences in biological capacities (ibid., 9–10). In an active relationship with our environment, we must, notwithstanding our individual features, adapt to successive situational requirements. It is equally inappropriate to treat social systems as resultants of the individual personalities in a

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<sup>66</sup> Parsons' definition of the personality system does not differ so much from Daniel Dennett's definition of consciousness. Therefore, it is interesting that Dennett, in one of his best-known works, *Consciousness Explained* (1991, 31), 'defend[s] a version of [cognitive] functionalism'. For Dennett, consciousness is fundamentally a relative phenomenon: it is irreducible to brain but corporeal in the sense that the brain is just one part of the whole, functioning body, where there is still no consciousness without an active relationship to environment. The subjective experience of hurting your arm does not 'lodge in your brain', since there is no experience of hurting your arm without that arm itself. Moreover, injury is a result of an active relationship to something, such as a blade or stick. Without this relation, there would be no conscious experience. One may extrapolate the notion to any experience. This view stands in sharp contrast to popular assumptions that consciousness is fundamentally a biological and subjective phenomenon, lodging in one's brain. John Searle (2002, 7) defends such a view: '[I]t is important to say exactly what we are talking about because the phenomenon of consciousness that we are interested in needs to be distinguished from certain other phenomena such as attention, knowledge, and self-consciousness. By "consciousness" I simply mean those subjective states of sentience or awareness that begin when one awakes in the morning [...] and continue throughout the day until [one becomes] "unconscious". Above all, consciousness is a biological phenomenon.' These assumptions have far-reaching consequences, as we saw in the previous chapter with regard to the role of ideas in institutional stability and change.

psychological sense, since it is unacceptable to see the personality system as reducible to biological constitution, just as reduction to social system *per se* would be (ibid., 539). We may conclude that, while Parsons eschewed all kinds of genetic determinism<sup>67</sup>, he established his theory of individual personality differences partly on a biological basis and partly in terms of structural relations.

Our investigation focuses on the social system and on the problem of order, so we can leave most of Parsons' genetic and psychoanalytical theorising alone. His notion of need-dispositions, however, remains relevant. Need-dispositions, which create the basis for individuals' motivations, have a 'gratificational' and an 'orientational' aspect (ibid., 7; see also Parsons et al. 1962 [1951], 8–29). In a broad sense, the gratificational element has to do with the gains and costs in actors' interaction with the object world, whereas the element of orientation is connected with how the relation between an actor and the world of objects is structured, with the organisation of the patterns of the expectation system. Overall, this means that the actors' motivations are organised in relation to personality, which seeks to find gratification and has historical experiences.

Actors create acting dispositions that are based on their basic (biological) needs and experiences. We may speak of motivational orientations that provide 'essentially a framework for analyzing the "problems" in which the actor has an "interest"'. Value-orientation, on the other hand, provides the standards of what constitute satisfactory "solutions" of these problems. The clear recognition of the independent variability of these two basic modes or levels of orientation is [...] the very basis of a satisfactory theory in the field of "culture and personality"' (Parsons 1991 [1951], 14). In other words, motivations are actors' interest-based problem-analysis frameworks, and values provide the solution standards for the problems:

This integration of a set of common value patterns with the internalized need-disposition structure of the constituent personalities is the core phenomenon of the dynamics of social systems. That the stability of any social system except the most evanescent interaction process is dependent on a degree of such integration may be said to be the fundamental dynamic theorem of sociology. It is the major point of reference for all analysis which may claim to be a dynamic analysis of social process. (Ibid., 42)

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<sup>67</sup> Interestingly, Parsons makes a series of references to genes and genetics in *The Social System*. It is important to note, however, that he emphasises on several occasions that the role of genetic constitution in human capabilities and abilities is unknown (1991 [1951], 32), and he states explicitly (on page 216) that the extent to which our needs are genetically inborn remains an open question. Moreover, he eschews social Darwinism (on page 353) and maintains that it should be considered an example of scientific ideology.

We come to the same conclusion once more. Actors' personalities must correspond with the value-patterns. If people do not accept the common values as standards for their action, the institutional integration is not going to hold. Discrepancies in this integration form the causes of deviant behaviour and, by the same token, may work as seeds for institutional change.

### 3.1.5 The Integration Compromise and Institutional Change

If there is any novelty in my reading of Parsons' social system theory, it is in the observation that all the elements of the theory represent dimensions of complementary role-expectations where the system-level integration compromise takes place in relation to scarcity, the prevailing social condition. In most commentaries addressing Parsons' system theory, role-expectations have been dealt with by way of introduction to Parsons but just by way of a brief connection 'to broader analyses of social order, linking social action at the individual level, with the wider social system' (Holton 1998, 103)<sup>68</sup>. For me, however, they deserve in-depth treatment since the whole theory culminates in them:

[T]he fundamental *common sector* of personalities and social systems consists in the value-patterns which define role-expectations. The motivational structures thus organized are units *both* of personality as a system and of the social system in which the actor participates; they are need-dispositions of the personality and they are role-expectations of the social system. (Parsons 1991 [1951], 540)

The role-expectations are defined in the value-patterns, which, again, must become an integral part of the actors' personality to work in an integrative manner on a system level. The trick in working with role-expectations is that they are *complementary*, which means that they constitute the relation between ego and alter. We operate in units of role(-status), the structural units with meaningful value-contents that refer to an actor's functional significance relative to others in the system. Actors, then,

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<sup>68</sup> *The Social System* has been presented also as constructed in such a way that 'the social system provides a linkage with two other analytically distinct systems: personality and culture' (Moore 1978, 333), without any mention of role-expectations whatsoever. A notable exception is the scholarship of Savage (1981), whose Althusserian reading of Parsons' system theory most closely approaches my treatment. That said, he still falls short of understanding how the relational aspect affects understanding of the relations among sub-systems, disregarding the complementary aspect. Moreover, he completely disregards the way in which the system's functionality ties in with conditions of scarcity, the latter being an elementary aspect of my reading. Nonetheless, he quite rightly points out how misinformed most conflict-theoretical criticisms are in the claim that scarcity plays no role in Parsons' theory whatsoever (ibid., 197–199).

perform the roles that are necessary for the integration and operation of the system by standardised means – i.e., appropriate behaviour. Thus, we are socialised to roles with regard to those aspects of our overall behaviour connected with the functional necessities of a given system. In other parts, there are additional degrees of freedom, and the personalities' need-dispositions may be expressed more freely.

It is clear, then, that – as mentioned several times already – roles are the area of social life wherein the institutional integration takes place. On the other hand, there would no point in talking about the roles without interactive context, so the expectations part is needed also. Whereas the roles are the functional units of the system, constant regulation – socialisation and social control – is needed to maintain the functional ability of the system. Here, the expectations enter the picture. In our historical process of becoming civilised individuals, we have learned the proper ways of behaving, and the performance-control dialectics<sup>69</sup> form a central part of our everyday interaction. We know how to play our part just as well as we know what to expect from the others. Deviance leads to sanctions<sup>70</sup>. We are creatures who seek to please each other and who suffer the consequences if failing in this. This time, let Durkheim (1982 [1895], 51) elaborate:

The system of signs that I employ to express my thoughts, the monetary system I use to pay my debts, the credit instruments I utilise in my commercial relationships, the practices I follow in my profession, etc., all function independently of the use I make of them [...]. Thus there are ways of acting, thinking and feeling which possess the remarkable property of existing outside the consciousness of the individual.

Here, Durkheim begins by pointing out how the existing order works irrespective of our individual feelings, and he sees these compelling relations as the social force 'outside' us. It is the relations to these institutions that exert external force upon us as thinking and feeling individuals, but only because people tend to act in accordance

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<sup>69</sup> Although Parsons uses the word 'dialectics' only in a pejorative manner, this is not germane here; the point is to emphasise how these sides of the process operate simultaneously. While it may go against Parsons' own views to do so, I still choose to call it dialectics at this point, since dialectics is an essential concept in the chapter addressing social constructionism and its relation to Parsons' theory.

<sup>70</sup> I shall briefly note that Parsons makes an interesting case with regard to gambling, which is largely illegal in the United States. Since gambling has important functions for acting out tensions, either wholly suppressing it or removing all restrictions to gambling would be 'seriously disruptive to society' (Parsons 1991 [1951], 307). Therefore, there are special arrangements of social control, such as partial legalisation. This could be seen as a 'safety valve' through which an integration compromise can take place without the whole system being driven into crisis. Parsons based his views on research of his day, which may or may not have fully accounted for the (conservative) views obtaining in the first half of the 20th century in the United States, but the general point still is interesting.

with the generally accepted demands of their society. It is only when we try to rebel, however, that the force of these relations reveals itself:

Not only are these types of behaviour and thinking external to the individual, but they are endowed with a compelling and coercive power by virtue of which, whether he wishes it or not, they impose themselves upon him. Undoubtedly when I conform to them of my own free will, this coercion is not felt or felt hardly at all, since it is unnecessary. None the less it is intrinsically a characteristic of these [social] facts; the proof of this is that it asserts itself *as soon as I try to resist*. If I attempt to violate the rules of law they react against me so as to forestall my action, if there is still time. Alternatively, they annul it or make my action conform to the norm if it is already accomplished but capable of being reversed; or they cause me to pay the penalty for it if it is irreparable. (Ibid.; emphasis added)

The conformity that results from our ‘internal’ tendency to complement each other’s expectations tends to cover the fact that breaching these norms has consequences. Again, this ‘basic paradigm of the social interaction’ (Parsons 1991 [1951], 204) – the complementarity of the behaviour – would not be possible ‘[w]ithout a sharing and relative stability of meanings’ (ibid., 327). Against this backdrop, the integration is at all levels dependent on standards that are independent of any given individual but upheld by most of the individuals, who aim, consciously or not, to maintain the status quo to sufficient extent. This notion of complementarity is especially important in Parsons’ theory of social change. Here, Parsons (ibid., 481) brings out two essential points: Firstly, social systems are, again, inherently boundary-maintaining, an aspect that goes to the heart of the concept of equilibrium. Secondly, there is a need to distinguish between ‘the processes *within* the system and processes *of* change of the system’ (ibid.), though things often get muddled in the use of the term ‘dynamic’. This view is related to the observation made earlier: the system must simultaneously fulfil its integration and co-ordination functions. Accordingly, we see once more that institutional stability and change are just two halves of the same equation (ibid., 503).

In Parsons’ terms as introduced above, if the theory assumes a system’s tendency toward stability and, yet, change takes place, there must be a *processual* explanation. The answer might begin with his observation ‘that there are no one or two inherently primary sources of impetus to change in social systems. This is true both in general and with reference to particular types of social system. The “dominant factor” theories, which were so popular a generation ago, that is, with reference to the priority of economic factors, of the genetic constitution, of organisms or of “ideas,” have no generalized basis in the theory of the social system’ (ibid., 493). Clearly, Parsons rejects the idea of simple determinations. In the irreducible conditions

wherein the interaction processes tend to continue unchanged, interruption may occur in either of two ways: as a failure in processes of socialisation or in mechanisms of social control (*ibid.*, 481–483).

Parsons begins to elaborate on his theory of change by considering ‘vested interests’<sup>71</sup>. While the term normally is used with regard to positions achieved or (other) material gains, Parsons refers to general patterns of gratification, whether ‘material’ or ‘expressive’. Thus, change always means overcoming of gratification-based resistance unless the process of change is not institutionalised itself, which is sometimes the case in systems such as scientific investigation (*ibid.*, 490–496). This simultaneously means that vested interests in Parsons’ vocabulary are values and norms that are generally accepted – at least to some extent – since people gain gratification from pleasing each other, from meeting their expectations and, therefore, meeting the value demands of the general public. On the other hand, overcoming resistance suggests that the aspiration is primarily conscious, acknowledged, and therefore the resistance should primarily stem from the system’s observed defects. The driving force behind change might, then, be a deviant or radical group seeking to break away from larger society by challenging the dominant values and ideology (*ibid.*, 355). Otherwise, internal or unconscious contradictions in the system may develop, as in cases of failing socialisation, wherein the elements necessary for the system’s functioning are not internalised to the actors’ motivational structures. Here, contradictions between the status-roles and motivation of an actor may emerge (*ibid.*, 25–26), just as Durkheim described in the context of anomie.

Moreover, as Parsons (*ibid.*, 16–17) points out, the integration is always partial and incomplete, whereas consistency across various components of the system – social, cultural, and personal – can only ever approach perfect integration. This leaves room for deviance and opposing actions, and it demonstrates at the same time that change in the equilibrium-seeking system is always present as the other side of the stabilisation process. On the other hand, Parsons continues by musing on how it would be impossible for society to stabilise on a foundation where people’s motivations are fundamentally ambivalent in relation to central values (*ibid.*, 529). These values function as a yardstick by which the (inter)action is proportioned. The key factor in producing deviance and alternative interpretations of the prevailing values is scarcity, for which reason not everyone can always have everything. In this world of differences, any settled values are always a compromise solution and prone

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<sup>71</sup> Further elaborating on his theory of institutional change, Parsons offered a case analysis (1954 [1945]).

to alternative interpretations and deviance. A theory of contradictions is already present here, but Parsons leaves it halfway.

In this system, role represents the functional necessity and status the structurally located position where the actor is an object of others' orientation. Expectations with regard to the action are formed by the culturally shared rules that values imply. Complementarity is the fundamental motivational mode of human interaction: we are creatures who are taught to please one another, and this makes our living together possible. As personalities we may be lots of things, but, for the sake of institutional integration, the motivations we have as acting units of our society must correspond to its demands. That enables the peaceful reproduction of our everyday social conditions. This is at the heart of the Parsonian structural-functionalist theory presented in *The Social System*: it is intended to explain how life in modern, complex, highly organised societies and in conditions of advanced division of labour is possible. It tells us how we manage to reproduce our predominant and functional day-to-day social relations peacefully.

### 3.1.6 Interim Conclusions on Social System Theory

While the starting point for Parsons' theory development was to bring together classic European sociology and economics and introduce the need for a social explanation for order in contrast with utilitarian theories, Alexander (1983, 213) points out that Parsons was 'not sure whether he is arguing for multidimensional theory or simply against the instrumentalist one'. We can be grateful that Parsons did not exhibit a fundamental change in his *oeuvre*, 'early vs. late Parsons'<sup>72</sup>, as this makes it easier to interpret the grand-theory line of his thinking (ibid., 212). The harder part is to figure out which parts of it, and on what basis, are the lasting and interesting ones in light of the new millennium, in light of contemporary institutional theory development, and for the light to be shed by the present work. While Parsons' structural-functionalist theory of the social system indeed displays 'a determinate logical structure' (Parsons 1949 [1937], 7), which addresses multi-dimensional issues of social order, his massive theoretical project still leaves a range of questions unanswered. However, before embarking on critique, I begin with some definitions of concepts and offer a run-through of what has been at stake here. The following

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<sup>72</sup> This does not necessarily mean strict intellectual consistency, which in any case is an uninteresting side of this particular reading since it is aimed only at locating the 'hard core' of Parsons' reasoning regarding the social systems and institutional integration.

definitions act also as a point of departure and thus begin serving my further purposes in supplementing neo-institutionalist theory.

In my reconstruction of Parsons' (1991 [1951], 541) 'wholly and fundamentally relational' and 'structural-functional' (ibid., 20–22) social system theory, I have suggested that it is an abstract depiction of at least modern Western societies with highly differentiated division of labour. These societies must reproduce themselves peacefully if they are to keep going, and, simultaneously, there are some preconditions for that reproduction. In other words, some functional prerequisites determine whether the societies can remain viable and operational as they strive to keep themselves going. To meet these demands, societies must simultaneously fulfil two functions: integration and co-ordination (or allocation). Hence, the term 'functionalism' is used for Parsons' theory<sup>73</sup>. On the other hand, we live in fundamentally relational social reality, wherein we are inherently interdependent with each other. Historically, we have produced relatively stable but dynamic systems such as language. When these systems institutionalise, they become relatively independent of particular individuals and, thus, their existence transcends any specific situation or location, and their durability potentially passes beyond the human life span. Without these relatively stable systems, any such thing as, for example, meaningful communication would be impossible. Thus, the 'structuralism' aspect of his theory comes in.

When understood as a Durkheimian object that exists outside individuals, the structure is a shared collective representation of a collective subject. A 'shared symbolic system' (ibid., 12) serves as an example. Structures manifest as standards, whether that system is values, the grammar of a language, or money. Thus, standards are something shared beyond individual control. Finally, the function of these standards is to organise, be it to integrate or to allocate. Therefore, we may say that 'social structure' (in the functional sense) refers to a *shared organising standard*. However, one should remember that, while standards – especially as values – are of a shared nature, this does not mean that they are generally and actively acknowledged and accepted (though they cannot be totally rejected either). They just organise our collective behaviour.

Whenever we speak about empirically observable manifestations of structures, we are talking about institutions. In other words, institutions are empirically identified social structures, such as communicated language, a plurality of role-patterns, marriage, or government administrations. To achieve stability and the

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<sup>73</sup> For more comprehensive introduction to functionalism and its development in social theory, see Moore (1978), among others.

allocation of people and resources, institutional standards must represent institutional(ised) values. This is where Parsons makes an important point with regard to my study: standards are learned through socialisation that, for the most part, takes place in and through these institutions. Because we live in highly differentiated and complex modern societies that operate in conditions of scarcity, these standards are needed to organise differences between people. Therefore, the prevailing structures arbitrate the Hobbesian problem of order in societies as many of us pursue desires that only a few can satisfy.

Scarcity has two sources: relational and non-relational, according to Parsons, who states that non-relational sources of scarcity are 'extrinsic to the social system as such. They concern for example physical and biological limitations on the availability of physical objects [...]. Similar considerations apply to a certain class of cultural possessions that may be important as facilities. [...] [F]or example the right to use an academic degree, which may even as in the case of the M.D. degree, be the prerequisite of practicing a given profession' (ibid., 120–121). These cultural possessions represent an 'intermediate' level of scarcity, at which the physical institutional environment is actively present while the statuses and similar elements are the resource distributed (ibid.). The more fundamental scarcity is the relational sort, which limits freedom of action. This 'relational limitation rests upon the fact that it is inherent in the nature of social interaction that the gratification of ego's need-dispositions is contingent on alter's action and vice versa' (ibid., 121). This characterisation of relational scarcity emphasises the social nature of producing scarcity in the first place: we actively organise our distribution standards. Importantly, Parsons' account of scarcity goes beyond the narrow economic definition of the concept. As we are multi-dimensionally relational creatures, several dimensions of scarcity limit our actions and produce differences between people that must be overcome and settled for the sake of order.

Parsons' solution for the Hobbesian problem of order reaches from the smallest social unit of action to the largest. Accordingly, his higher-level, system explanation of the social order is reducible to smaller units, here to complementary role-expectations whereby people satisfy each other's expectations in very immediate encounters. A problem arises when we consider, for example, the unintended consequences of collective human action<sup>74</sup>. For the theory of complementary

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<sup>74</sup> For material on the unanticipated consequences of purposive social action, see, for example, Merton (1936). The economics concept of externality could be placed in the same category of concepts describing the unintended consequences of human action. An economics approach is presented in other work (e.g., Cornes & Sandler 1996).

role-expectations to be valid in its explanation for these residuals of social phenomena, either the definitions of roles should encompass these consequences or the interaction within the roles should not produce any effects other than those ‘scripted’ into those roles. Obviously, this is not the case, since we have managed to produce all kinds of external effects through collective action without being aware of them – climate change, for example. Moreover, the ‘social facts’ are not wholly based on expectations of other people, since they might not be aware of what to expect, or the expected behaviour might produce effects additional to those connected with our gratification-based motives. Also, actions may be unconsciously motivated, just as some social arrangements, such as market competition, may operate on such a basis that their effects occur as a by-product of perfectly normative and acceptable behaviour. Our intentions may not include advancing capitalist competition when we choose products at a shop, but this is exactly what we usually do. That is, while people’s actions in various situations and positions fulfil the social functions that uphold the social system, they do other things as well.

Let me elaborate further. Our understanding of our doings does not necessarily correspond with *all* the effects of said doings on our (social) environment. We do not necessarily have any *idea* what we are doing (pun intended) beyond the immediately observable effects of behaviour. It follows from this that ‘other stuff’, the remainder or leftovers from collective social action, such as unintended consequences, must be explained with another theory. Even more importantly, when we encounter the ‘social facts’ that Durkheim spoke about in such forms as business bankruptcy, the ultimate reason for these social arrangements is invisible to the naked eye. The reason behind them cannot be derived from role-expectations alone. Still, this is not to say that Parsons’ theory is worthless for macro-level explaining; rather, there are limits to its explanatory power. Hence, I recommend understanding Parsons’ theory of the social systems as a theory explaining the stability through immediate interaction and therefore the immediate reproduction of the social conditions. This might be why Ken Menzies (1976) ended up suggesting that ‘[t]he action program focuses on the meaning of an action to an actor, while his social systems program focuses on the consequences of an activity or a system of activity. Parsons does not have an action system, as he claims, but only a behavioral system and a separate action theory’ (quoted also by Habermas 1992, 201).<sup>75</sup>

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<sup>75</sup> My argument resembles also Durkheim’s critique of Comte’s positivism, even though Parsons does not derive the macro-level phenomena from the individual consciousness as Comte does: ‘Indeed, if society is only a system of means set up by men to achieve certain ends, these ends can only be individual, for before society existed there could only exist individuals. It is therefore from the individual that emanate the ideas and needs which have determined the formation of societies. If it is

Recall that Parsons' theory describes the peaceful reproduction of our everyday social conditions, meaning the necessary functions that maintain the conservative structural 'base' that enables other activities. For Parsons, structures are the normative base for social continuity and make collective action predictable. Complementary role-expectations could be described as routines that uphold the observable social stratum, and, because of this, they explain why people tend to go to work on time, behave appropriately, and keep doing what they have been doing – what they did yesterday and the day before.

However, they also might inform us of the reasons and mechanisms behind phenomena such as the interconnected manifestations of xenophobia and climate-change denialism, for the arrival of new cultures and environmental patterns may seem a threat to the prevailing values. For instance, studies of climate-change denialism, proceeding from extensive statistical research in the United States, have found conservative white males to be significantly more prone to endorse these denialist views than other Americans (McCright & Dunlap 2011)<sup>76</sup>. The Parsonian explanation for this would be that conservative white males are the ones whose experiences of the social domain best meet the standard pertaining to appropriate behaviour: their worldview is the most 'naturalised'. Changes in social environment and, thus, in the legitimisation of particular vested interests – which entail privileges usually invisible to the people who enjoy them – cause disturbances principally for those whose experiences largely correspond with current standards. One could say that conservative white males are 'norm conglomerations' of a sort, with regard to what is acceptable and standardised.

One may not think about upholding these structures and institutions in the processes present in one's action, as in Blyth's example cited in the previous chapter, but those processes usually do so nonetheless. Equally, while one may not see oneself as being a part of causing social problems with one's legitimised behaviour, such as going to one's workplace or consuming, one still might have that effect. All this should be explained differently. The structural social theory should get past the idea of equilibrium and address the structural contradictions as well.

As noted above, several other criticisms levelled against the social-systems and other aspects of Parsons' thinking could be mentioned. Robert Holton (1998, 106)

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from him that everything comes, it is necessarily through him that everything must be explained. Moreover, in society there is nothing save individual consciousnesses [*sic*], and it is consequently in these that is to be found the source of all social evolution. Thus sociological laws can only be a corollary of the more general laws of psychology' (Durkheim 1982 [1895], 125). One may consider this against the backdrop of economic theory as well.

<sup>76</sup> This finding has been replicated in Norway (see Krange et al. 2018).

lists the most typically cited shortcomings, among them inability to explain power and inequality, issues with identifying conflict, and his tendency to operate with an ‘over-socialized conception of human actors [that] left individuals as robots programmed by an all-powerful set of rules’. The latter critique pertaining to agency is often repeated (see, for instance, Heritage 1984) and present with the over-socialisation argument in several neo-institutionalist accounts, as we have already seen. In contrast, my reading of Parsons points to the latter argument presenting a rather over-simplified depiction of Parsons’ multi-dimensionally relative approach to social systems. Still, I find some resonance in David Sciulli and Dean Gerstein’s (1985, 370) observation in line with which the very abstract ‘ideal type’ approach in *The Social System* went against the agenda Parsons set in his earlier writings and led to overemphasis on formal distinctions at the expense of interesting research findings. This is a fair criticism since, no matter how much Parsons emphasised the relational nature of his theory, the picture still is composed of blocks such as ‘the social system’ and ‘the cultural system’.

I leave these criticisms alone here, since my focus is on the problem of order – and therefore on the problem of social institutions. We may, however, still address the problem of agency briefly. It is true that, as John Heritage (1984) suggests, Parsons did not address the problem of reflexivity in such a way as would explain how individuals evaluate their own action or make moral judgements. Still, I do not consider agents in Parsons’ theory to be programmed robots. Actually, I find the exact opposite: if they were, the actors would automatically aim for the same goals after the programming, and there would not be any room for deviance. While they might do that, the variety of goals – even the utilitarian ones – is so broad that maintaining even basic-level stability in modern societies would be unimaginable without integration of the most fundamental motivations into society’s basic functions. This tells us about the variety of human personalities and individual goals more than social engineering producing robots<sup>77</sup>. Even elementary stability requires constant upholding through social control *because* of the human diversity. Just as Parsons (1991 [1951], 16–17; 481–483) said, the integration is always incomplete and constant social control is needed.

Thus, my reading of Parsons also emphasises the order of precedence among norms, whereby the higher the value placed on a norm, the stronger the resistance against change is. One’s latitude, or room for freedom, rises as one approaches the more peripherally social functions and shared values. Moreover, as I have brought

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<sup>77</sup> On the other hand, isn’t the whole of neo-liberal literature one big case of people’s needs, motivations, and desires being standardised into non-critically consuming market-subjects?

out above, we should consider stability and change to be the two sides balancing an equation, wherein the processes of stabilisation may lead to contradictions because of the external effects (such as everyday consumption accumulating into environment-hostile emissions). Nevertheless, this is where the everyday perspective reaches its limits, since the relations of commodity production are not visible to the naked eye as such and may even be irrelevant for the mundane interaction of individuals. The theory of complementary role-expectations cannot take us further, in that if the interaction that sums into a system were reducible to bilateral role-play, all the macro-level contradictions should be actively present in the micro-level interaction. This is obviously not the case, so a different theory is needed, which is provided in the last main chapter's presentation of critical ideology theory.

I see Parsons' social system theory as a set of integration and co-ordination principles that tell us where the limits of our freedom lie and, at the same time, could make the spots and positions of action and counter-action visible. It tells us why people's attitudes are so hard to change and why they resist change, or, more generally, it tells us why our whole social environment is fundamentally normative yet still may be investigated scientifically without us falling into full-blown relativism. Social structures that are dependent on collective human action are beyond the individual's control, so methodologically they may be treated as 'things', just as Durkheim suggested. On the other hand, while this is an equilibrium theory, it does not tell us where the structural contradictions lie, raising another issue for the last chapter of this dissertation. Before embarking on discussion of the theory of contradictions and conflict, I address the lifeworld dimension of institutions by considering social constructionism. The following section complements the neo-institutionalist juxtaposition between institutions and ideas in the context of classical social theory.

## 3.2 The Social As a Lifeworld: The Social Construction of Reality and Beyond

From the reconstruction of Parsons' 'structural-functionalist' social system theory as a lens for discussing institutions and ideas, stability and change, and agent and structure, it has become clear that, despite its ostensibly anti-Parsonian sentiments, historical institutionalism shared a wide expanse of common ground with Parsons, whose theory would provide tools for revision of HI's theoretical premises but also premises for idea scholars to consider. However, no matter how many functional

necessity principles the supporters of structural theory stack for the lifeworld theorists, they still tend to insist on priority for agents' ideas about their action and, thereby, emphasise the lifeworld aspect in social explaining. Since the ideational scholarship presented above identifies generally with social constructionism, I turn next to the lifeworld-related premises for the institutionalisation of society. This part of the chapter examines the neo-institutional discussion that supports rooting the theory in ideas by aiming to illuminate how the social world is constructed from the lifeworld of agents, if this is even possible in the first place.

The turning point between structural-functionalism and constructionism is crucial in many ways, but for our purposes we may begin by summarising it in one observation: the structural logic of necessities and norms transforms into a question of multiplied individual consciousnesses. In other words, after the constructionist turn there is no longer a foundation of concrete social conditions for the social phenomena, only an aggregate of individual consciousnesses as institutionalised interaction mechanisms. However, before diving head-first into the deep end of differentiation between Parsonian structural-functionalism and social constructionism (and the respective branches of neo-institutionalism), we should take a brief look at the central questions that constructionism addresses. In his article 'A Field Guide to Social Construction', Ron Mallon (2007, 94) sums up the general idea thus:

Social constructionists are particularly interested in phenomena that are contingent upon human culture and human decisions – contingent upon the theories, texts, conventions, practices, and conceptual schemes of particular individuals and groups of people in particular places and times.

Mallon addresses the *contingency* as the key issue in constructionism: things that are constructed and construct the human interaction are contingent, and hence they are 'neither necessary nor impossible' (Mautner 1997, 112). They are solely products of human conduct, so everything that is constructed can be changed by changing the conduct. There is a curious catalogue of things that have been said to be social constructs, such as danger, facts, illness, nature, quarks, reality, and gender, which may be in dramatic contrast against common sense (Hacking 1999, 1). Nevertheless, where such things as gender are involved, Simone de Beauvoir has elegantly stated that it is not about being born as a woman but about becoming a woman. The same thing goes for several other things to which we are highly accustomed. In addition, since social constructions are contingent, constructionism also refers to localism and cultural-relatedness rather than universalism, because human conduct varies between places and between cultures, and it very often attaches itself to ways of using

language (or, more broadly, discourse). Constructionism also questions the neutrality of language itself, seeing it as means of using power and as actively creating inequalities between people (Burr 1995; Hacking 1999; Mallon 2007; Haslanger 2012).

Another important issue related to constructionism is its twofold nature. It is said to be ‘a *realist* account of the nature of a certain category: it is claimed that the category is a real feature of human beings’ but one ‘determined by social, rather than natural or biological properties’ (Díaz-León 2013, 1). With this definition, constructionism takes a certain kind of realist stand while the properties of the category are social in nature. This is where the well-known idea of social ontology becomes paradoxical and, in my understanding, a frustrating bone of contention between the constructionist and realist scientific accounts that were present as the ‘material’ and ‘ideal’ positions in the neo-institutionalism debate. On the other hand, the constructionist thesis that the scientific theories are not natural, inevitable, and therefore necessary was central to the ‘science wars’ in the US in the 1990s<sup>78</sup>. This all boils down to confusion of the object’s properties with the social properties, as I will expand upon later.

Several, quite different kinds of interpretations of how this puzzle should be solved were introduced after the reign of constructionism began. Again, the interesting one from our point of view is social theory’s division between material and idea-related factors in explanation of the social. Because of their importance in neo-institutional theory, they are addressed later, when I dismantle the realist–relativist account, but for now I will continue following the debate about ideas, to reveal what kind of role they have in one of the most influential accounts presenting social constructionism ever, Berger and Luckmann’s landmark *The Social Construction of Reality* (1991 [1966]), a seminal work in which two familiar angles for considering social phenomena are dealt with: the question of social structures and the problem of order.

Berger and Luckmann identified the problem of order as the departure point for their particular construction of social reality. They proceeded from the observation that, ‘[e]mpirically, human existence takes place in a context of order, direction, stability. The question then arises: From what does the empirically existing stability of human order derive?’ (ibid., 69). This formulation of the problem is directly related to the question of social structures, since Berger and Luckmann saw that the answer could be given at two levels: firstly, we may approach the problem from ‘the obvious fact that a given social order precedes any individual organismic

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<sup>78</sup> For a brief introduction to the main points of the ‘science wars’, see Hacking (1999, 3–5).

development' and, secondly, the question could be turned around by asking 'in what manner social order itself arises. The most general answer to this question is that social order is a human product, or, more precisely, an ongoing human production. It is produced by man in the course of his ongoing externalization' (ibid., 69–70).

In building their sociology of knowledge, Berger and Luckmann deemed Parsons' social system theory ahistorical (ibid., 209). In addition, they saw 'the standard versions of functionalist explanations in the social sciences [as] a theoretical legerdemain [at which they arrived] by reifying [the] social phenomena[,] confusing its own conceptualizations with the laws of the universe' (ibid., 208). However, as we have seen, in the latest stretch of its development in the context of ideational scholarship, social constructionism ended up reifying the social phenomena in 'ideas'. Moreover, in the introduction to the book, Berger and Luckmann positioned themselves through Karl Mannheim in relation to Marxist ideology theory and the classical structural sociology presented by Parsons, among others. On these bases, they held that the constructionist solution to the problem of order and social structures should go beyond both Marxist ideology theory and structural-functionalism (ibid., 23). From the presentation that follows, one may judge how well that endeavour has succeeded.

### 3.2.1 Crusoe and Friday 'in *Nucleo*' in the Institutionalisation Process

From their observation about the ongoing externalisation process, Berger and Luckmann proceeded to examine the origins of institutionalisation, embarking on their Robinson Crusoe thought experiment, familiar from economics. This represents the turn in which internalisation of the world, meaning adjustment to the existing structures and ideologies, turns into externalisation, wherein the origin of the structures is found from the person's internal reality. It also leads to '[t]he central question for sociological theory [...]: How is it possible that subjective meanings become objective facticities?' (ibid., 30). To understand theoretically how everyday common sense constructs the objective reality we all encounter, Berger and Luckmann need to imagine A and B who are the starting point for typifications produced in reciprocal habitualised interaction (ibid., 70–85). People are creatures of habit who tend to solidify the ways they act while interacting in meaningful concert with others.

Next, a description of an institutionalisation process is presented. Firstly, in familiar fashion, Berger and Luckmann acknowledge that '[t]he typifications of

habitualized actions that constitute institutions are always shared ones [...]. Institutions further imply historicity and control. Reciprocal typifications of actions are built up in the course of a shared history' (ibid., 72). In other words, the institutions are built on historically developed shared meanings and are supported by the social control (and socialisation). More specifically, '[a]s A and B interact, in whatever manner, typifications will be produced quite quickly. A watches B perform. He attributes motives to B's actions and, seeing the actions recur, typifies the motives as recurrent [...]. In the course of their interaction these typifications will be expressed in specific patterns of conduct. That is, A and B will begin to play roles *vis-a-vis* each other' (ibid., 74). This role-play quickly evolves as constitutive among the multiplied actors and, *voilà*, 'institutionalization is already present in *nucleo*' (ibid.).

The presupposition that Berger and Luckmann saw as 'theoretically important [is] that the institutionalizing process of reciprocal typification would occur even if two individuals began to interact *de novo*' (ibid., 73). Importantly, when deriving the principles of their theory from the bilateral interaction, the authors factually derived all the properties of institutions from this primitive reciprocity. However, they attempted to expand the logic by giving A and B children, wherein the character of the social interaction taking place changes. When their bilateral institution is passed on, the 'institutionalization perfects itself' and institutions 'become historical institutions' (ibid., 76). At this precise point, along with historicity, another quality of institutions is acquired: objectivity. That is, the properties of the institutions are no longer tied to persons carrying the roles (in this case, paternity) and they instead appear objective for the *experience* of the children who encounter them. They exist 'over and beyond the individuals who "happen to" embody them at the moment. In other words, the institutions are now *experienced* as possessing a reality of their own, a reality that confronts the individual as an external and coercive fact' (ibid.; emphasis added).

This makes direct reference to Durkheim's idea of the externality of the social reality to the observer. It also addresses the problem Durkheim identified in asking what the exact process is wherein the collective state is created and what its constituent elements are. As Berger and Luckmann ask about the 'manner [in which] social order itself arises' (ibid., 69), they do and do not answer Durkheim's question. Firstly, they give almost the same description of the institutionalisation process that Parsons offers in *The Social System*, but a strange inversion takes place here. They fall into the trap of a kind of causal reasoning wherein one tries to find the ultimate starting point for a chain of events from which the complete social reality could be derived. The result is remarkably reminiscent of Durkheim's and Parsons'

description of the social; i.e., it is an objectified patterned network of interacting socialised actors who reproduce the habitual typifications (institutions) in their roles while also controlling and socialising others. However, Berger and Luckmann must play with their thought experiment before they can get this causal reasoning to work. There is a break by which the logic is merely returned to the individual experience of the objective reality: 'An institutional world, then, is experienced as an objective [and self-evident] reality' (ibid., 77).

Has the internalisation now been externalised, or what has now happened? It seems that the objectiveness of the institutions has been lost, since the properties of institutions just represent the experiences of individuals. No matter how objective these institutions might feel for the actors, there is no objectivity in anything existing outside the individual's consciousness. One might ask where it should be then, but, irrespective of how this question is worded in Berger and Luckmann's terms, we are back at square one (recall Durkheim's problem). This calls for elaboration on what exactly is meant by externalisation and internalisation:

[I]t is important to emphasize that the relationship between man, the producer, and the social world, his product, is and remains a dialectical one. That is, man (not, of course, in isolation but in his collectivities) and his social world interact with each other. The product acts back upon the producer. Externalization and objectivation are moments in a continuing dialectical process. The third moment in this process, which is internalization (by which the objectivated social world is retrojected into consciousness in the course of socialization), will occupy us in considerable detail later on. It is already possible, however, to see the fundamental relationship of these three dialectical moments in social reality. Each of them corresponds to an essential characterization of the social world. *Society is a human product. Society is an objective reality. Man is a social product.* (Ibid., 78–79)

Even more strangely, now the objective social reality stemming from the individual-level consciousnesses is met in dialectical relationship. How can one meet one's own consciousness as objective outside reality? If the reader is not yet convinced that this is the authors' *de facto* meaning, we need only go a couple of pages further to make sure: 'The logic does not reside in the institutions and their external functionalities, but in the way these are treated in reflection about them. Put differently, reflective consciousness superimposes the quality of logic on the institutional order' (ibid., 82). What is actually integrated in the process of institutionalisation is meanings: 'Language provides the fundamental superimposition of logic on the objectivated social world. The edifice of legitimations is built upon language and uses language as its principal instrumentality' (ibid.). Now Berger and Luckmann (ibid., 82–83) may turn Parsons' formula around:

[The] integration is not a functional imperative for the social processes that produce them; it is rather brought about in a derivative fashion [...]. This has far-reaching implications for any analysis of social phenomena. If the integration of an institutional order can be understood only in terms of the 'knowledge' that its members have of it, it follows that the analysis of such 'knowledge' will be essential for an analysis of the institutional order in question.

In other words, we only imagine the necessities we face as things external to us. We have abandoned the necessities brought by the real social conditions arising from scarcity that create the compelling norms. Berger and Luckmann also abandoned the idea of a system's functional necessities as conditions for societies' peaceful reproduction of themselves in their real conditions. These conditions would result from, for example, historically developed division of labour wherein all the actions are interrelated but be beyond the reach of any individual consciousness at pure experimental level. Still they should work in sufficient harmony, while there is no need for them to work in any specific manner. Instead, we are asked to adopt a view in which only knowledge of the members of society, in the form of language, is needed for understanding the social reality, since language is social reality. One may cast one's mind back to a problem raised in the previous chapter in connection with ideational scholarship: if language is the social reality, we do not need to separate theory from method, since investigating language grants us direct access to reality!

In Berger and Luckmann's 'dialectics', it is the shared habits and meanings stemming from individual consciousness that constitute the whole human institutional universe. Thereby, the human world is opened such that all social conditions are free for spontaneous (expanded bilateral) re-negotiation. Even the social division of labour can be derived from the bilateral exchange of experiences (ibid., 75), where 'the historical accumulation of knowledge in a society' (ibid., 95) leads, further, to an ever-deepening knowledge-based division among the duties in the society, with no reference to any concrete conditions whatsoever. What is lost is the logic of the historical relations that maintain the institutions' properties without them being dependent on any particular individuals' consciousness.

At this juncture, Berger and Luckmann's institutionalisation theory adds a little more to Parsons' analysis of social systems: The institutional order lies in the typifications (*institutions*) expressed in specific *patterns* of conduct in one's (the ego's) and the other's (the alter's) *role-performances*. We recognise other actors' performances in the relevance structure (*pattern variable*) in question. Relevance structures are, in fact, created while one is acting in a socially objectified world; when we repeatedly run into certain types of action, we begin to recognise and create *expectations* with regard to them (ibid., 89–91). For Berger and Luckmann, *roles* are actor types in a

context of an objectified stock of knowledge, where the ‘construction of role typologies is a necessary correlate of the institutionalization of conduct’ (ibid.). What is new in their story is the expansion of the concept of socialisation, in the second part of their book, which addresses the society as subjective reality. It is the two-stage process of socialisation wherein the individual internalises the meanings necessary if one is to become a member of the society (ibid., 149–165). Again, ‘language constitutes both the most important content and the most important instrument of socialization’ (ibid., 153).

Even though matters are expressed slightly differently in their telling, Berger and Luckmann seem to be talking about complementary role-expectations. While the authors’ primary attempt was to bring the social phenomenology from Alfred Schütz’s *The Phenomenology of the Social World* (1967 [1932]) to the centre of social analysis, their anti-functionalist dialectics greatly resemble Parsons’ social system theory. The biggest difference from Parsons’ work is that Berger and Luckmann’s story is told from the experience point of view. Therefore, it somewhat describes *the historical construction of the experiences* that Parsons was talking about, but in more detail, instead of institutionalisation. Another contribution is in their detailed description of the socialisation process, especially as far as it differentiates between primary and secondary socialisation, the former being a more primitive and general stage and the latter involving institutional and more specialised knowledge. As the main beats of the institutionalisation story seem familiar here, it may be interesting to see whether social problems and change as characterised by Berger and Luckmann might be similarly recognisable.

### 3.2.2 Trouble in an Island Paradise

The institutionalisation-related problem that plagues human societies is the issue of integration and, according to Berger and Luckmann, specifically the integration of meanings. In the scenario of perfect institutionalisation, the order presents itself as given and generally known to everyone. In this situation, the problems with integration are purely subjective ones; i.e., the individual has not internalised the meanings that are socially agreed upon. The greater the discrepancy between this heuristic model and reality, the more objective the problems are: the problem involves integration of the social institutions themselves and a reality where disproportionate and incomplete institutions may and/or must exist side by side. Our best empirical knowledge indicates that this phenomenon does occur (Berger &

Luckmann 1991 [1966], 99–100). Simultaneously, institutions ‘tend to persist unless they become “problematic”’ (ibid., 135). In other words, when people do not share the same institutional presuppositions as the guiding principles for personal life but live in a complex reality wherein several institutional settings persist simultaneously, we face the problem of order and change.

According to Berger and Luckmann, the co-existence of contradictory institutions should be impossible *a priori* in the conditions imposed by the functional necessities, so it can only be ‘accounted for [...] in reference to the reflective consciousness of individuals who impose a certain logic upon their experience of the several institutions’ (ibid., 100). Now, Berger and Luckmann decide to take their argument a step further by returning to their A–B explications and offering an example of a triangle drama involving A–B–C, wherein A becomes dissatisfied with the prevailing situation. Theirs is a far-fetched example wherein the solution stems from the explanation that some behaviour patterns ‘are functional in terms of the “personality system”, while [others are] functional in terms of the [...] “social system”’ (ibid.). The trick is that, after all the reconciliation of the various forms of knowledge, it all boils down to whether ‘A is successful in propagandizing [B and C] with *this* theory, [after which] their “knowledge” of the functional imperatives involved in their situation will have certain controlling consequences for their conduct. *Mutatis mutandis*, the same argument will hold if we transpose it from the face-to-face idyll of our example to the macro-social level’ (ibid., 101–102). This is why ‘it is essential to keep pushing questions about the historically available conceptualizations of reality from the abstract “What?” to the sociologically concrete “Says who?”’ (ibid., 134).

From here, the problems of providing integrative meanings for the whole society and causing an increasingly fragmented social experience for the individuals multiply; ‘[f]urthermore, there will be not only the problem of overall meaningful integration, but also a problem of legitimating the institutional activities of one type of actor *vis-à-vis* other types’ (ibid., 102). Carried even further, the role specialisation may develop ‘to the point where role-specific knowledge becomes altogether esoteric as against the common stock of knowledge [...]. The chance of sub universes appearing, of course, increases steadily with progressive division of labour and economic surplus’ (ibid.). Even if we do not pay attention to the similarities with Durkheim’s and Parsons’ accounts, one may wonder how people find the ‘propaganda’ that stems from bilateral interaction plausible. It could also be asked where these society-binding stories come from, since Berger and Luckmann imagine the abstract A–B–

C existing at the same time as complex knowledge forms, such as mythologies, religions, and the social sciences<sup>79</sup>. We can only guess the answer.

As their theorising progresses, Berger and Luckmann explain how legitimation is the key to the integration of symbolic universes and, therefore, for the entire institutional order. Again, in a contrast to Parsons' theory, the legitimation 'has a cognitive as well as a normative element. In other words, legitimation is not just a matter of "values". It always implies "knowledge" as well' (ibid., 111). As we already know, the knowledge in question is the everyday common sense held in the individual consciousness, acquired from everyday dialectical interaction. The same knowledge serves as a foundation for the symbolic universe that 'provides order for the subjective apprehension of biographical experience. Experiences belonging to different spheres of reality are integrated by incorporation in the same, overarching universe of meaning' (ibid., 115). The significance of the symbolic universes is underscored as follows:

This nomic function of the symbolic universe for individual experience may be described quite simply by saying that it 'puts everything in its right place'. What is more, whenever one strays from the consciousness of this order (that is, when one finds oneself in the marginal situations of experience), the symbolic universe allows one 'to return to reality' – namely, to the reality of everyday life. Since this is, of course, the sphere to which all forms of institutional conduct and roles belong, the symbolic universe provides the ultimate legitimation of the institutional order by bestowing upon it the primacy in the hierarchy of human experience. (Ibid., 116)

What we learn here is that the order of institutions resides in the individual consciousnesses that create the symbolic universes. These symbolic universes order the biographic experiences of the actors to correspond with the institutions to sufficient extent. Discrepancies between institutions are dealt with via legitimising 'propaganda', whereby there is negotiation with others, on one side or another of the relevant dispute. Institutional change takes place mostly in development in which 'more complex forms of knowledge emerge and an economic surplus is built up' (ibid., 134). The specialist knowledge then becomes 'increasingly removed from the pragmatic necessities of everyday life', and, hence, conflicts emerge (ibid., 134–135).

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<sup>79</sup> There is a striking similarity between Berger and Luckmann's so-called Robinson stories, which economists have long referred to, and what Marx problematises in his *Capital*. Marx criticises David Ricardo, a classic figure in political economics, for the same fallacy: 'He makes the primitive hunter and the primitive fisher straightway, as owners of commodities, exchange fish and game in the proportion in which labour time is incorporated in these exchange values. On this occasion he commits the anachronism of making these men apply to the calculation, so far as their implements have to be taken into account, the annuity tables in current use on the London Exchange in the year 1817' (Marx 2010 [1867], 87).

Still, Berger and Luckmann understand that '[t]he historical outcome of each clash of gods was determined by those who wielded the better weapons rather than those who had the better arguments', and it follows that, in any intra-societal conflict, '[h]e who has the bigger stick has the better chance of imposing his definitions of reality' (ibid., 127).

In this respect, they recognise the role of interests in society, but that is subordinated to the mechanisms creating the conflicts in the first place. In essence, any kind of special or everyday knowledge could prevail, but the overarching symbolic universe happens to be the one that it is. Interests then follow the existing knowledge. Against this backdrop, one can understand the critique arising from the Marxist ideology theory<sup>80</sup> that Berger and Luckmann were supposed to transcend. By adopting Mannheim's concept of relationism, under which 'knowledge must always be knowledge from a certain position' (ibid., 22), they turned the question into one of perspective. While this quite rightly brings out the contextual nature of the knowledge, it also demolishes its historical foundations. Hall (1978, 21) was a key Marxist ideology theorist who elaborated thus on the problem with regard to ideas – even before 'ideas' become a novel explanatory factor in institutionalism studies:

[T]he sociology of knowledge has a complex position in relation to the theory of ideology. Ideas are no longer treated in terms of their historical roots, the classes which subscribe to them, the specific conjunctures in which they arise, their effectivity in winning the consent of the dominated classes to the way the world is defined and understood by the dominant classes. The relation of the ideological instance to other instances in a social formation has been obliterated. Their specific practico-historical function is lost. Ideas have been given a far wider and more inclusive range: they form the background to *every* social process. Indeed, it would be more correct to say that social processes are treated essentially in terms of ideas. They are pre-eminent because *it is through ideas that we construct social reality itself*. There is no objective reality – and hence there can be no 'scientific' knowledge of it. There are only the different 'takes on reality', lodged in the different perspectives which social actors bring to the world. The area of everyday social interactions only *feels* like a substantial sector of reality, because it is the zone in which the vast majority of individual perspectives overlap.

Juha Koivisto (1995, 70) also pays attention to how the connections between the historical knowledge and social relations fade away amid the transformation into everyday knowledge. In addition, where this knowledge came from remains a mystery, since in Berger and Luckmann's thought experiment it is created in the interaction of two sovereign, completely asocial(ised) individuals (ibid.). In sum,

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<sup>80</sup> Marxist ideology theory will be presented in the last main chapter of this thesis.

lifeworld theorists such as Berger and Luckmann seem to share with diverse ideational neo-institutionalist scholars the idea that there exists some kind of social equilibrium, wherein the only resources available, ideas and meanings, are distributed equally at the start. They also imagine sovereign individuals with capabilities to change the world through negotiation wherein people could simply be persuaded to abandon their imagined interests. In their world, all knowledge is produced without any connection to objects apart from other sovereign individuals' corresponding consciousness. While there are some references to bigger sticks, the power here is in ideas, and in the ways of using them (see also Carstensen & Schmidt 2016).

In my interpretation, this is due to the strange inversion mentioned above, wherein Durkheim's question pertaining to the objectivity of the 'external' world for an actor is at the same time re-created and demolished by way of a certain kind of causal reasoning. It seems that Berger and Luckmann arrived at the inverse question by trying to capture the essence of the social through tracing it along a one-dimensional causal chain. So, where does the chain lead?

### 3.2.3 The End of the Causal Rope

So far, while addressing several neo-institutional approaches to causality, I have discussed also how the linear causality model may have affected Berger and Luckmann's social constructionist reasoning as well. As brought out in the previous chapter, for establishing neo-institutional lifeworld-rooted theories, causality served as a legitimation and demarcation tool. 'Ideas' needed to be 'real', and idea science needed to be based on causal reasoning for it to be convincing in the eyes of the scientific community (for example, see Schmidt 2010b, 2017). In Berger and Luckmann's constructionism, it served as a theoretical background factor since these authors were troubled by the question of the source of the empirically evident stability of human order. Embedded in this question is an organic link to linear causal reasoning through the assumption that some ultimate factor behind institutionalisation can be found, while it also leads back to the old realism–relativism debate, understood as material–ideal in neo-institutionalism, where also the borders of valid science are drawn and negotiated. I will address this issue, however briefly, since I find it important in making my case as to how following linear causal reasoning both leads to problems in social explaining in general and has led particularly to lifeworld scholars explicating their primary explanatory factor 'ideas'

as causal-object. In addition, this handling is part of building my case for relational social theory.

The question of causality has been a problem for social constructionists. This is because in causal reasoning some isolated social agents or factors ought to be causally responsible for the existence of any object, or kind/class, and its corresponding properties (Díaz-León 2013, 5). In these terms, it is hard to see anything social in each object or kind, since all the properties these constructions may have should be derivable from their constitutive parts only (hence also the above-mentioned inversion of Durkheim's problem). Moreover, I maintain that this is a more general problem especially for the kind of social research wherein social questions are modelled in a language of linear causality and, thus, in ideational neo-institutionalism, where it leads to forming of causal-objects of ideas. This is also why there must be something at the end of the causal chain: the ultimate explanatory category, from which all the other things can be derived. In Finland, there is a saying that if you pull the rope long enough, you will only reach the end of it. Perhaps this is the case here.

What is lost in the inversion is the social relations. Durkheim had a somewhat incomplete picture of the mechanisms by which the individual-level action turning into social action acquires properties that are solely products of those relations created in this association. This altered state, as Durkheim termed it, is something that exerts effects upon the very same association of people that created it in the first place. In an attempt to be more specific with regard to the mechanisms, Parsons developed his 'wholly and fundamentally relational' theory of social systems, derived from complementary role-expectations. While there are numerous similarities between Parsons' conceptions and Berger and Luckmann's 'relationism', the starting point for Parsons was the relation between A and B, whereas in Berger and Luckmann's treatment it was A's and B's consciousness – more specifically, ideas, meaningful thought contents. Parsons struggled to explain where his 'norms' originate, but it is also hard to understand how Berger and Luckmann's dialectics work if all the external social objectiveness resides in the individual minds.

It would be useless to turn this into an actor–structure dichotomy or, more generally, defend either one via an object- or kind-*first* approach. This would inevitably follow from the requirement of deciding which position we want to defend in relation to causal logic with clear-cut cause and effect at the respective ends of the chain (or rope). I instead defend a position from which theoretical interest especially should be focused on the social relations, associations between people<sup>81</sup>. These social

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<sup>81</sup> I expand on this stance further in the last main chapter but will state here that it also resembles many contemporary theoretical accounts considering institutions (e.g., Hodgson 2006; Lawson 2016).

relations may be considered productive by their very nature in that people are capable of creating institutions historically without conscious effort, by coming together in a (co-)operative manner. These institutions are dependent on the presence of human beings and their (re)productive conduct but independent of any given individual. As the operation of institutions escapes from the control of individuals, they become an ‘outside’ force in relation to the individuals and hence encountered as ‘objective’. This is because people cannot control all possible effects, especially of their collective behaviour. These effects accumulate and build structures in social practices that become objectified (i.e., institutionalised) over the course of history and get articulated and entwined differently in different situations. This is why they cannot be derived from individuals (i.e., from consciousness) alone – they are not under the control of any single individual. Shrouding this perspective from view might produce drastic results as theorists fight over the *objectiveness* of social phenomena.

We are fortunate that this potential problem has not gone wholly unnoticed: for example, Díaz-León (2013, 11) acknowledges that ‘any property that is *constitutively* socially constructed will be *relational*, not intrinsic, given that by definition, what makes a property constitutively socially constructed is the fact that something satisfies the property only if it bears a relation to certain social practices and communities’. Indeed, per the *Stanford Encyclopedia of Philosophy* definition, relations ‘hold *between* things, or, alternatively, relations are *borne* by one thing *to* other things, or, another alternative paraphrase, relations have a subject of inherence *whose* relations they are and termini *to which* they relate the subject’ (MacBride 2016). One way to express this in more general terms would be to say that the relations are dependencies. The property in question is a result of, and therefore dependent on, the relation(s) that constitute(s) the object(s) in question. Now, we could get mired in metaphysics by discussing which objects are ‘mind-independent’ and which are not (Díaz-León 2013, 6). From my point of view, herein lies the danger of social ontology that lurks behind the ways in which we try to track the essential properties of various objects and further differentiate which properties are those of mind-independent objects and which are the mind’s properties. An excellent example of this is Paul Boghossian’s (2007, 38) rat race of proving, from the realist standpoint, that constructionism is nonsense:

How, then, could their [electrons’, mountains’, dinosaurs’, giraffes’, rivers’, and lakes] existence depend on us? How could we create our own past? Wouldn’t this commit us to a bizarre form of backwards causation, where the cause (our activity) comes later than its effects (the existence of the dinosaurs)?

This is a crystallisation of how the constructionism debate is stuck in what Boghossian (ibid.) quite rightly calls the problem of *causation*. While there are other problems too, it is fair to say that they mainly follow from this. If one *constructs* the questions as Boghossian does in the quotation above, the answers would be ‘they don’t’, ‘we can’t’, and ‘it would’. However, this is the point where it all goes terribly wrong. Please, let me elaborate.

### 3.2.4 Beyond the Worldly Dough?

Boghossian’s anti-constructionism and anti-relativism are built on two general principles. Firstly, he firmly stands behind the very realist fundamental idea that the objects existing independently of the description truly do exist independently of our descriptions of them (just as in Díaz-León’s formulation above, referring to mind-dependent and mind-independent objects in the world). Duly noted! Secondly, in addition to taking that fundamentalist stance, he sees the dispute as being about the existence of the objects *qua* objects. As Boghossian puts it, constructionists see facts as description-dependent. This view is somewhat understandable, in light of the cases he presents, such as that of Latour denying that tuberculosis existed before the bacillus was ‘discovered by Robert Koch in 1882’ (ibid., 26). Provocative claims of this sort create easy ammunition for the science wars<sup>82</sup>.

Boghossian’s general point in talking about the metaphysical objects that are at the hard core of the realist view is that, for the constructionist argumentation to work in the first place, it always needs ‘worldly dough’ (ibid., 22–23; 36–38). From any sets of objects (apples, pears, or oranges), one may put together any set of objects and give the cluster whatever name one wishes (picnic basket, work of art, or supper), but the possibilities for doing so are always dependent on the existing worldly dough (the fruits). It follows that the world exists ‘largely independently of us and our beliefs about it’, and also, therefore, [f]acts of the form – information E justifies belief B – are society-independent facts’ (ibid., 22). On the other hand, according to Boghossian, for constructionists, the world and, therefore, also facts related to the

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<sup>82</sup> When recently interviewed for *The New York Times*, Latour stated that he ‘had never seen himself as doing anything so radical, or absurd, as calling into question the existence of reality’ (Kofman 2018). Latour asked a full 20 years ago: ‘[I]s it even necessary to say again that reference [for the realist/relativist, “out there”] is real, social and narrative at once?’ (Latour 1999, 22). However, at the same time he described his theoretical movement as ‘one of the many anti-essential movements’ (on page 20), and he has made contradicting statements about the matter, on different occasions, as indeed highlighted by Boghossian (2007, 26).

form ‘are not what they are independently of us and our social context; rather, all such facts are constructed in a way that reflects our contingent needs and interests’ (ibid.).

Now, Boghossian makes two kinds of argument above. Firstly, he confuses the *fact* with the *object*. This seems rather amazing, but Boghossian manages to find examples such as the one of the tuberculosis bacillus, wherein at least it seems that the constructionists are talking about the existence of the bacillus per se as dependent on our beliefs. This is at the nub of the dispute, where it might be that Boghossian refuses to understand that the constructionists’ point of view was never that; instead, they see the fact as the significant question, whether such things as realist-style independent objects exist. Boghossian does recognise that institutions such as money and the priesthood are socially constructed (ibid., 33–34), but, according to him, it makes absolutely no sense to confuse the objects, such as constellations of stars, with the priesthood. This is a reasonable statement, but it just might be that the constructionists were not talking about the stars as existing objects in the sense Boghossian addresses. For them, that may not be a very interesting question.

This leads us to the second type of argument, wherein Boghossian sees the dependence–independence question as a straightforward binary matter. The main idea here is to defend the realist assertion that there are objects existing outside the socially constructed world. Boghossian’s formulation of constructionists’ notion of facts about the form is revealing. He says that all ‘facts are constructed in a way that reflects our contingent *needs and interests*’ (ibid. 2007, 22; emphasis added). I do not recognise the need for the amendment ‘needs and interests’, since it results in several reservations with regard to the constructionist conceptualisation of facts. It seems that Boghossian needs it to salvage his argument; i.e., he has to construct such an image of constructionism to mesh with his needs and interests. One can see the irony. However, there is absolutely no need to treat objects thus when operating with social construction, since, as Mallon states in the extract above but with my emphasis added, ‘[s]ocial constructionists are particularly interested in phenomena that are *contingent upon* human culture and human decisions’. I suggest that, when dealing with social questions, we should focus on this contingency instead of trying to prove anything to exist *per se* independently of human perception.

The argumentation in social constructionist literature itself usually gets bogged down with things that are treated as metaphysical objects, with the concomitant felt need to force them into clear-cut causal relations with other objects (including orders of precedence), although the ‘object’ might be a meaning, legal arrangement, or social practice. Even in Mallon’s and Díaz-León’s accounts of constitutive social

construction that address the institutional issues of collective human action and/or behaviour, the reasoning gets stuck in these essentialist categories. This is problematic, since the properties then are found in the objects themselves, while it is the *relations* that should be under examination. It is not the mind-(in)dependence or description-(in)dependence that should be given the attention but – forgive me the tautological expression – relation-(in)dependence.

If social constructionism is interested in the humanly contingent phenomena, we may express this by saying that constructionists are interested in phenomena that are dependent on us being in productive relations with each other and other objects. The real objects so dear to Boghossian should be considered not mind-independent or description-independent but objects with *non-contingent properties*. Some objects in the world maintain properties that are not contingent in the way constructionists suggest, as in the case of stars and constellations. The realist argument demands that the objects exist as such, independent, but the significance of any object's existence for us as humans is wholly and fundamentally dependent on the relation that is established with that object. An object may or may not exist without us being aware of it, but it becomes significant once a relation between it and us is established. All objects may retain their constitutive properties, be they 'social', as with money, or 'physical', as with metal that acts as the bearer of money, but the non-contingent properties of these objects reveal themselves only in relation to us, whatever they may be. Therefore, the stars may (or may not) have some properties independent of the relationship with humans, but they just do not matter to us *without the relationship*.

Boghossian may pursue his realist argument all he wants, but it does not alter the fact that he is stuck in his own relation with these objects that are, on one hand, dependent on the relation per se and, on the other, dependent on the meanings that he uses to communicate his findings. It may be that Boghossian is right that the stars were there long before anyone called sets of them constellations, but the relation that was established between stars and us enabled the debate. Again, this does not mean that objects such as stars or bacilli would not exist if Boghossian or Latour were not in relation with them. Rather, their non-contingent properties have significance for the established relation that should be considered essential and, therefore, accorded primary focus for especially social scientists. *A relationship must be established* for anything to become treatable in the first place, whatever the differences between the objects' actual properties and those inscribed in the relations that connect us with these objects.

Let us suppose that Ramses II died of tuberculosis in 1213 BC. It is a fact that Ramses did not have to be aware of the disease that killed him; the bacillus existed

and killed him anyway. Whether a case was diagnosed by Koch in 1882 or a Chinese doctor in 2018 is immaterial in that the properties the bacillus has in relation with humans are not a matter of culture or meaning. Yet, in both cases, it is the relation that matters: whether between the bacillus and Ramses II, between the bacillus and Koch, between Ramses II and Koch, or between Koch and the Chinese doctor. From the social scientific perspective, there is a great difference here with regard to the facts of what killed Ramses II: was it revenge of the gods or tuberculosis? Because the relation between the bacillus and people has historically changed, its meaning differs dramatically between the whole society around Ramses II and around that Chinese doctor.

The non-contingent properties may not be dependent as such on the ways in which we treat them, but the facts that are formulated on their basis are<sup>83</sup>. Furthermore, the properties of an object affect the relation that is established – for example, if I get skin cancer, it is hard to negotiate the cancer away. However, there remains difficulty in establishing clear-cut differentiation among the objects present in the relationship: was it the sun, the rays, the atmosphere, a genetic predisposition, or the lack of sunscreen cream that was responsible for my cancer? In another example, if I decide to resign the membership of Finland’s state church that is mine by default, will my mother be upset, or do I just receive some benefits from not having to pay church tax<sup>84</sup>? These are always primarily matters of productive relations, although observation of the related causal relationships in isolation usually is needed also for shedding light on these issues.

I have emphasised that, in particular, the social sciences’ theoretical interest should be directed to the productive relations. In the spirit in which Parsons described co-ordination and integration of the system as two sides of an equation, one could argue that the stability and change in societies work as two sides to a single phenomenon, for no change could be perceived without stability to compare it with. What kinds of relations produce change in conditions of stability, or vice versa, and how do some stable relations last in conditions of turmoil? These would be matters

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<sup>83</sup> Even this might not always be true. Barad (2007, 106) points to one unexplained phenomenon in physics as represented via the ‘two-slit experiment’, wherein observation of the phenomenon changes the result of the measurement – ‘the nature of the observed phenomenon changes with corresponding changes in the [measuring] apparatus’. My relations-based approach to non-contingent properties somewhat resembles the overall idea of Barad’s agential realism, where in the scientific measurement ‘the measure[d] properties refer to phenomena’ and ‘[t]he referent is not an observation-independent object but a phenomenon’ (see page 20). Moreover, according to Barad, measurement is where the ‘natural’ and the ‘social’ meet.

<sup>84</sup> Everyone baptised in Finland belongs to the Evangelical Lutheran congregation at least until age 18, when one can resign or, alternatively, have church tax automatically deducted from one’s income.

of social conditions or frameworks in which people's collective practices take place. The question would be about the type, quality, or class of relations established between objects, whether social, physical, cultural, or something else. Also, several kinds of relations might exist among a given set of objects, but if the theory is stuck in considering objects with innate properties and clear-cut causal relations, it is impossible to see the productiveness of the relations themselves. The discussion of neo-institutionalist dichotomies above laid bare the consequences. However, now that the relations are established, the background assumption of social equilibrium remains to impinge on our analysis. Moreover, it should be explained further why social relations may set themselves against us as an 'external' force. Before we delve into these questions, however, some final thoughts are in order with regard to social constructionism, as is synthesis of the entire chapter's discussion of the classic social-theoretical division between system and lifeworld thinking.

### 3.2.5 Interim Conclusions on the Social Construction of the Lifeworld

When embarking on my analysis of social constructionism above, I suggested that a shift in theory from the determining social conditions to social constructionist mind-dependency has taken place. According to my analysis, the transformation took place through Berger and Luckmann's constructionist theory. Though that theory shows remarkable resemblance to Parsons' theory of social systems, Berger and Luckmann considered the social sciences' standard functionalist explanations to be theoretical legerdemain. This was arrogance that they could not afford, since their own theory of institutionalisation borrowed greatly from Parsons' functionalism, even only if when entering the realm of 'psychologization', about which Durkheim had warned social scientists. This led Berger and Luckmann's dialectics into problems, which they could not explain away. Still, they also emphasised questions that remain relevant today, questions pertaining to the role of subjects' (actors') consciousness and the 'starting point' of the society, in a counter-motion balancing out the earlier structural theories, for which the society was always already there.

Since Berger and Luckmann wanted to turn their backs on Parsons, they had to try to find an other-than-functionalist solution for their problem with regard to the 'origin' of society or an institution, a solution that would also address the problem of order sufficiently well. They saw the order as a result of everyday knowledge institutionalised into a symbolic universe. Here, the fatal inversion took place by which a question of ultimate causal explanatory category emerged via reasoning that

all things, whether phenomenon or society, should have an equally locatable starting point. In the resulting thought experiment, society was found in the consciousness of abstract, asocial(lised), and sovereign A and B. In the absence of a social reason for people to seek equilibrium collectively, the question was moulded into language of common sense wherein individuals want to reconcile their needs and interests, together. In this view, the norms are set in a ‘propaganda’ contest – legitimation – wherein people choose from among the socially available theories what they want to believe of the world but are forced to adjust if their individual-level stock of knowledge stands in excessively stark contradiction with the generally accepted everyday knowledge. Since people’s *Weltanschauungs* cannot be forced into the same mould, several stocks of knowledge may thrive in parallel, simultaneously. Thus, contradictory institutions may live side by side.

Their best intentions aside, I have found that Berger and Luckmann’s constructionist depiction of the institutionalisation of social reality ended up being largely a description of the formation of individuals’ historical experiences. It does not describe how institutions come into being, because the fully mind-dependent origins are mired in the problems of A–B dialectics, however well it might describe that historical development of experiences. In other words, their account of institutionalisation could offer valuable insights for explaining how individuals’ *experiences* evolve as a function of their life processes – a matter that was addressed both in neo-institutionalism and in Parsons’ system theory but not explained by either in such detail.

With regard to the general constructionism discussion, the term ‘contingency’ proved to be useful for understanding the significance and the role of relations in (social) research. While Berger and Luckmann’s treatment left a lasting ontological fingerprint on theory of social phenomena, it also has aided in understanding what kind of union prevails between social relations and the contingency of objects that people deal with. These questions keep troubling social philosophers and theorists, and the debate continues to gravitate toward realist–relativist conceptions of the ‘real’ nature of the world. In these formulations, everything coalesces in questions of whether ‘mind’ should be considered first or second. However, this phrasing of the question makes it ultimately an issue of precedence, and it also objectifies the controversial elements, such as ‘mind’. Accordingly, I have recommended the alternative course of dealing with the issue in relational terms, whereby no ‘object’ would be first. These operational categories should be seen in their productive relations with each other. Moreover, as social theory, social constructionism adopts the above-mentioned social equilibrium approach to society, since it assumes only

mind-dependent objects as a starting point for social issues. Without bringing in social conditions, such theory leaves the relation between social necessities and their relationship to, for example, division of labour and structural inequalities unaddressed. Against this backdrop, it is hard to see where new ideas or their appeal originates.

### 3.3 The Social World As Equilibrium

Let us return to the interpretation I have suggested in which the social ‘thing’ that Durkheim saw as external for individuals is the compelling associations between people, social relations. As Therborn (1976, 246) has brought out, political economy was the point of departure for Durkheim, with ‘[h]is main and decisive criticism [being] that the economists isolated economic phenomena from their social context’ (ibid., 252). This connects Durkheim with Parsons (1991 [1953], 20–23), whose central criticism of economic theory was the same: the economy is one of the sub-systems of society, without any primacy in relation to other sub-systems. Therefore, people’s interconnected operations require a social base. Still, just as Durkheim did, Parsons adopted the idea of equilibrium as a spontaneous state of collective action if left uninterrupted. Whereas Durkheim saw in this a general moral issue and necessity, Parsons responded by developing his relational theory of the complementary role-expectations resulting in the integration compromise, which is simultaneously able to explain the resource allocation within functioning division of labour.

According to Parsons, social conditions such as scarcity, in its relational and non-relational forms, create differences and divisions between people, with some always having more goods and better positions than others do. Hence, all structural social arrangements must be normative in nature, since norms are directed to conciliating these differences by ‘explaining’ to people why these arrangements prevail. For a non-utilitarian solution to the problem of order, Parsons suggested that people must follow some normative standards to sufficient extent. These standards differ in the purposes they serve, as they organise people’s behaviours in complex societies in such a way that some necessary social functions are kept fulfilled, such as division of labour and obedience to the law. In other words, Parsons’ theory of social structures comprises three elements, which come together in the concept of *shared organising standards*.

They must be *shared* in that their existence depends on the majority of us: they cannot be ‘predominantly contingent on highly particularized situations [and they] must extend between individuals and over time’ (Parsons 1991 [1951], 11). Hence, the structures are a result of collective human conduct yet are beyond the reach of any particular individual. Secondly, whether they integrate or allocate people/resources relative to some aim or objective, the structures *organise* human interaction. Without this function-oriented organising component, the collective interaction is bound to fall into chaos. A language without any grammar would be futile. Finally, since this organising is directed toward a shared objectives, it holds a *standard* that directs the interaction more specifically. Alternatively, the standards exist for purposes of organising: they direct the interaction to some shared goal through behavioural patterns. These standards are learned in socialisation processes and constantly upheld through social control, which makes them wholly and fundamentally relational; they are social products that can be changed. While they prevent highly complex societies from falling apart, they are not necessarily actively accepted, let alone supported by all the individual people, and they may cause discontent and contradictions both within and between the institutions driving change.

These abstract structures always include a cultural element, for, in Parsonian vocabulary, culture both refers to symbols and meanings that mediate communication and connects it with our value and norm standards. If structures represent the relatively stable nature of human institutions, culture populates those structures with meaningful content. Values and norms integrate people’s actions one with another by offering them a ‘criterion or standard for selection among the alternatives of orientation’ (ibid., 12) that informs them of the acceptable conduct. It follows that if we live in a world of differences that is structured on some principles, these values must always have a normative nature: they give instruction for our day-to-day life and justify the differences between people in a certain way, which is socially constructed but also set in relation to prevailing social conditions. What Parsons lacked was an explanation as to where these values and norms are derived from and as to the origin of the structures described. This was the stuff of disagreement between system and lifeworld theorists, leading to the social constructionist movement 50 years ago and still serving to legitimise demarcation within the neo-institutionalist movement.

It is interesting that Berger and Luckmann’s theory of social constructionism recognised the problem of order as the starting point for social explaining but turned Parsons’ formula around by both characterising it as *legerdemain* and also denying

societies' functional imperatives. Their view of these imperatives as instead arising in a derivative fashion renders the institutional order understandable only with regard to the 'knowledge' its members have of it. Thereby, their internalisation–externalisation dialectics of society dispelled the structural differences between people that arise from arrangements in accordance with which resources in society are distributed, and that are beyond individuals' control. As mind-first theory, Berger and Luckmann's social constructionism takes an agential, individualistic approach to social order that has been followed to this day by ideational scholars within neo-institutionalism.

For their institutionalisation theory, Berger and Luckmann adopted a framework very similar to that of Parsons and took people's historically developing experiences as the starting point for the analysis. Experiences constitute the roles that people play in day-to-day life. What arises from this is an interesting description of the development of historical experiences of members of society rather than an actual theory of institutionalisation. It is regrettable that in turning Parsons' formula around they ended up with the above-mentioned inversion wherein the whole relational logic is transformed into linear causality. Both ends of the causal chain are reified by an implicit suggestion that there must be clear objects that make up the relation and where the direction of the cause–effect chain is determined. Thus results the logic wherein the 'thought content' as the aggregated cause produces the institution. This kind of logic, already identified in the new institutionalist logic, could be considered *causal-object reasoning*. The primary worry with this explanation model is that it dismisses the productiveness of the social relations while the lifeworld theories seem to anchor their ultimate premises more generally in objectifying micro-foundations.

Micro-foundations in social theories represent an agential approach to collective human action, wherein it is claimed that social phenomena can be derived and modelled from individuals alone. As we have seen with regard to neo-institutionalism, agent-theorists tend to insist that structures cast people as dopes, thus portraying human activity in such a way that even human rights may be disregarded (for example, see Mehta 2011, 45; Hay 2011, 78–79). The problem of agency is significant in the sense that people are real, living humans with capabilities that are exceptional in animals, such as reflexive ability that extends to making plans with regard to future conduct and to (re)assessing those plans in a creative manner. This probably also explains a large amount of the variation between the ideas that people have and use (for any of various purposes) and, to some extent, accounts for the intra-institution changes that the idea scholars considered in the previous chapter sought to explain. However, I sense a trap here, in suggesting that a human being is

a sovereign, autonomous individual and the structures that we discuss in the social sciences are only a matter of individuals' attitudes, in the end. In my interpretation, the agential theorisation addressed here also signals normative aversion to structural theories. This positioning should be reconsidered since it results in losing sight of the context of human conduct and participates in a project wherein the structurally produced and maintained differences between people (and ideas about them) are reduced to problems connected with individuals' attitudes.

While lifeworld theories need the micro-foundation to explain the institutions, they seem to share one premise with the system theories introduced above, of equilibrium as grounding for the collective human action. This premise is somewhat justified since these theories focus on non-utilitarian phrasing of the problem of order, which Parsons addressed as 'institutional integration'. Accordingly, the endeavour is to respond to the problem of how a society may hold together when all men seek to realise desires that few can fulfil (Parsons 1949 [1937], 89–94). As Parsons abandoned the utilitarian solution and focused on the normative premises behind human conduct, the equilibrium premise remained. However, while Marxist theory has always stressed the opposite approach to system integration, some recent neo-institutionalist accounts have also questioned the premises that most social theory has leant on for many of its fundamentals since the dawn of specialised social sciences. For example, in one of his recent texts, Blyth (2011, 99–100) questions the stability assumption and aims to show how misleading the presupposition of social equilibria as the normal state of the world is. However, as always, he reduces these struggles to struggles over ideas, thereby reiterating the problematic presuppositions as to the 'ideal' that were unpicked in the previous chapter. Therefore, my next step is to suggest a wholly different approach to matters institutional and to the problem of order: an ideological-theory approach wherein the ideas represent a systemic phenomenon of organising people's lifeworlds in capitalist societies.

## 4 IDEOLOGY IN CAPITALIST SOCIETIES

In this chapter, I address the critical ideology theory that opens the last layer of my theoretical analysis of the problem of order, and the social institutions that follow. It is related organically to the foregoing analysis while it still provides its own twist. In the previous chapters, while dealing with the theory of social structures, I have pointed out repeatedly how vital it is to explain the structural effects without deriving them from individual minds. Whereas Parsons provided a theory of structures that sheds light on their immediate reproduction mechanisms, the logic of structural external effects remains unexplained. For this, we need to tackle the questions of unconsciousness and competitive capitalist relations. Just as Parsons connected up his structural-functionalism with a conditional term of scarcity, this chapter's analysis of capitalist society and capitalist relations puts meat on the structural bones by situating the mechanisms of creating and maintaining scarcity; explaining through examples how differences between people are produced and maintained, and identifying how dynamics created by these mechanisms lead to the structural 'surplus effect' heretofore missing from the picture. Capitalism is a concrete condition creating scarcity for what is a highly specific purpose in functionalist terms: making profit. This chapter's final contribution is to turn around the equilibrium presupposition discussed earlier on and, in so doing, offer one explanation for structural relations being 'out of hand' (displaying a strong disorganising tendency) but still holding without the system crashing under the weight of its own impossibility.

I begin where I ended the previous chapter, with Blyth's reservations about the presupposition of social equilibrium as a normal state of the world. Blyth (2011, 83–86) listed four fundamental assumptions of social scientific theory before the 'turn to ideas', under which everything is seen as, in essence, relying on a self-perpetuating circle of equilibrium, linear causality, normally distributed outcomes, and exogenous change. In this view, in the absence of interruption to this innate harmony from outside, the world kept circulating in its relatively predictable and stable manner, in which change was an exception. Blyth goes on to characterise the 'idea' approach as bringing uncertainty, inconstant causes, dynamics, and contingencies – in sum, change – to the centre of the social sciences (*ibid.*, 83–84, 99).

So far so good, but we have seen that placing ‘ideas’ at the core of refraction of the social reality might lead to serious problems, especially with regard to bringing ideas and their carriers, agents, into meaningful social context. Another problem emerges when Blyth himself implements the more implicit assumption of linear causality into his reasoning. This paradoxical move leads to searching for some ultimate factor in social order at the end of the causal chain, and, since structural reasons are no longer available, he ends up adopting a popular evolutionary approach to social explaining (ibid., 97–99). I maintain that this is because he lacks sufficient understanding of any historical explanation of human institutions that would neither automatically exclude evolutionary understandings of social phenomena nor require them. In any case, it seems to be quite a stretch to apply evolutionary theory with respect to a phenomenon such as climate change for explaining a particular kind of ‘spontaneous’ organising of people capable of bringing on that change. Moreover, when such reasoning is applied to the ideational framework explored in some detail in Chapter 2, the leap of faith becomes too great. Explaining requires an alternative approach.

While I agree with many of Blyth’s views, I recognise that one does not have to see ideas as the ultimate explanatory category with regard to change in human societies. For example, change may stem from the contradictions (internal to social relations) that determine the conditions that people encounter and within which they must act. In addition, raising ideas to this position begs one to ask what ‘ideas’ actually are and where they and their appeal come from. Blyth’s fellow ideational theorists have not missed this question, however. Here lies the first point of connection with critical ideology theory as introduced in this chapter. When addressing neo-institutionalists’ questions about which ideas are available, their origins, and how they gain influence (e.g., Gofas & Hay 2010c, 23–24), ideology theory takes its turn to wrestle with the problem of order; however, it provides an alternative angle and specifies other factors that aid in understanding the social dynamics and what there is in the collective action that cannot be reduced to agents alone – the social factor.

As I have already suggested, addressing institutions as historically developing, collective structures may offer at least a plausible answer to the question pertaining to the social remainder that vexes social theories. In simpler terms, the context matters, whereas isolating ideas as actors links events one to another in clear-cut causal chains. Aware of this, Pierson addressed the large inequalities of power in contexts wherein ideas become organised as systems of ideologies. Furthermore, instead of conceiving of various kinds of inequalities frequently erupting into

conflicts, Pierson (2016, 125) saw the exact opposite – ‘large inequalities of power are unlikely to generate open political struggles’. This is precisely because of power asymmetries in agenda control and systematic cultural manipulation:

Powerful actors can gain advantage by inculcating views in others that are to their advantage. In essence, this involves what Marx termed false consciousness. Those controlling the media, schools, churches, think tanks, or other key cultural institutions may promote beliefs in others (about what is desirable or possible) that serve the interests of the powerful. Again, what looks like consensus on the surface may reflect underlying inequalities of influence. (Ibid., 127)

In this account, as critical ideology theory too suggests, ideas do not float freely but are tied to various kinds of apparatus, which, again, possess unequal resources and possibilities to take part in formation of public opinion. These apparatuses are ‘grounded in durable policy arrangements’ and used to ‘exercise authority’ in a field of ‘fierce contestation’ (ibid., 132). The powers develop over time and simultaneously become less and less visible as the process progresses (ibid., 134). It was on the basis of these observations that Pierson set a new *research agenda*: after identifying how ‘the very concept of ideology has lost ground in the empirical study of politics with the rise of behavioralism and experimentalism’ (ibid., 136–139), he states that just this ‘ideology’ binds together the distinct areas of institutional power. Pierson’s agenda setting connects neo-institutionalism and ideology theory in two further ways. Firstly, it places ideas in historical social institutional context, and, secondly, he addresses the concept of false consciousness – so strongly associated with Marxist theory – also with regard to the realm of institutionalists such as Hay, Blyth, Streeck, and Carstensen and Schmidt.

With this chapter, I suggest that the context in which social institutions and, thus, ideological powers operate is capitalism, where I consider modern societies at least in the West to be capitalist in nature. Capitalist models and their phases of development may vary between countries or regions, but societies with highly developed institutions of individual rights and liberties to ‘own, buy, and sell private property’ (Hodgson 2015, 259) coupled with the necessary and supporting institutions constitute the phenomenon. Capitalism has a crucial role in creating the necessary incentives, behaviour patterns, and interdependencies for people’s operations in these societies. Simultaneously, its internal contradictions create conditions whereby instability is predominantly present, leading to ideological reconciliation of social conflicts of the manner Pierson refers to in the extract above. I should stress that, instead of embarking on empirical analysis, I aim at providing theoretical context that supplements existing institutional theory and thereby enables

multifaceted analysis of the dominant ideological institutions of our modern, Western societies today. In addition, critical ideology theory suggests that the difference between system and lifeworld theories can be surmounted in a manner that also eliminates the need to see ideologies as ‘false consciousness’, although it does not necessarily suggest that false consciousness could not exist at all. Nevertheless, with the concept of ‘ideology’ being so readily recognisable in terms of everyday use, the analysis must begin with identifying what problems its mundane use could cause.

In day-to-day life, ideology is often associated with worldviews and normative beliefs, or values. This is understandable, since ideologies, as values do, have a strong association with personal political ideas – in particular, with -isms, such as liberalism and socialism. Also, ideologies are considered something opposite or competing with objective reasoning or logic. Therefore, ideologies are seen as blurring the kind of reasoning that is held to be valuable especially in scientific communities. This is probably why Michael Freeden (2003, 1) started his introductory text on ideology by saying that this ‘is a word that evokes strong emotional responses’. To drive this point home, he shared an experience from a lecture in which, after introducing the ubiquitous nature of ideology, he received this indignant response from someone in the audience: ‘Are you suggesting, Sir, that I am an ideologist?’

Ideologies, thus, are considered to be mental images of the world that represent personal values in the form of political opinions, as opposed to objective reasoning. Therefore, it may be insulting to suggest that people who are not directly engaged in (party) politics disseminate ideology. However, just as values are, ideologies are much stranger things than they appear to be, whose comprehension requires going beyond common sense and immediate perception. Instead of regarding ideology as blurring our otherwise straight, objective take on the world, I suggest that our *spontaneous relationship* with the world can be ideological. This is the exact opposite of how ideology is usually understood. The formulation here may resemble a ‘false consciousness’ hypothesis, but it refers instead to how we engage with the world: what *kind of* relationship we form with it in terms of the *kind of* order we accept and the *kind of* world-building in which we actively or passively participate. While our understanding of the world may be exactly right, especially in a practical sense, it still covers only some aspects of the world.

The implications of this are a somewhat more complex matter, but where Freeden says that ‘ideologies will often *contain* a lot of common sense’ (ibid., 2; emphasis added), critical ideology theory suggests that ideologies also *produce* common sense. Again, this does not mean false consciousness; rather, it suggests a

view wherein ideologists and their interest groups struggle ‘over people’s “hearts and minds” (Rehmann 2013, 7). This means that they struggle over people’s spontaneous relationship with the world, on which basis they comprehend it and carry out social-material practices that either consolidate the prevailing order or do not. This depends on how contradictory the social reality appears in the lived experiences of these people. From this perspective, our ideological relationship to the world is *material* but not in the sense of materiality ‘out there’. The ideological-material ‘existence [means] an ensemble of apparatuses, intellectuals, rituals and forms of praxis’ (ibid., 5).

The prevailing order is thus constituted through material practices in which the social relations are either consolidated or disintegrated. Recall our discussion of the relationship between historical institutionalism and ideational scholarship, in which the debate about stability and change was motivated by a need for a theoretical supplement to HI, which the field gained via ‘ideas’. I suggest that, instead of seeing ideas as objects of investigation in their own right, scholars should pay attention to the functioning of the ‘ideological’ and its material practices, meaning something that Marx (2010 [1845], 3) brought out in his Theses on Feuerbach:

The chief defect of all previous materialism (that of Feuerbach included) is that things [*Gegenstand*], reality, sensuousness are conceived only in the form of the *object, or of contemplation*, but not as *sensuous human activity, practice*, not subjectively. Hence, in contradistinction to materialism, the *active* side was set forth abstractly by idealism – which, of course, does not know real, sensuous activity as such. Feuerbach wants sensuous objects, really distinct from conceptual objects, but he does not conceive human activity itself as *objective* activity.

As Marx states here, as long as we treat the reality ‘out there’ as an object, we cannot see how real human activity constitutes the ‘objectivity’ of reality. As I have already brought out, I hold the division between material and ideal to be one of the most wicked problems of neo-institutionalism, since it regards materialism to denote something ‘out there’ in the most common-sense meaning. Therefore, in this chapter, I will introduce materialist theory of the ideological wherein an ideology is treated not as ‘an edifice of thought and consciousness, but rather as a set of social relations determining human practices and thought-forms’ (Rehmann 2013, 245). In doing this, I will use *Projekt Ideologietheorie* (PII) as a backrest for drawing together the two positions that neo-institutionalism too addressed, system and lifeworld. This unifying project boils down to the analysis of contradictory relations that prevail in capitalist societies, producing, on one hand, the kind of disorder that stems from the market competition and, on the other, the kind of spontaneous relationship to the

surroundings that naturalises the capitalist relations. The ideological operates in these conditions, so we must begin with investigation of said conditions.

Firstly, I will briefly lay down the premises for competitive capitalist relations, to explain what kind of social conditions may get ‘out of hand’, producing disordering dynamics and a tendency toward crisis at social level. This adds to the theory of structures in an attempt at explaining the remainder that classical sociology and historical institutionalism could not fully explain, and it represents a system dimension to ideological explaining. The question, again, is this: what kinds of mechanisms are able to produce the structural surplus effect that transcends the agent-based explanations? In addition, this turns the structural equilibrium formula around. That is, we consider matters not from the perspective of the system-theoretical and historical institutionalist equilibrium-seeking order addressed in previous chapters but its flipside. In a capitalist society, people do not tend toward spontaneous equilibrium unless interfered with. Rather, there is a strong tendency toward disorder. For the society not to fall apart because of its contradictions, the order must also be maintained from above.

Secondly, I will address the question of the spontaneous relationship with the world in which the above-mentioned relations operate. For this, I apply Marx’s idea of commodity fetishism, which is an ‘anchor’ for the ideological in PIT. As is discussed above, he saw the products of human brains as beginning to appear as ‘autonomous figures endowed with a life of their own’ (Marx 2010 [1867], 83). He uses this idea to ‘explain the phenomenon that in the capitalistic market the producers are ruled by the “things” they produce’, and that a fundamental ‘inversion’ hence arises in bourgeois society (Rehmann 2013, 39). This inversion plays a significant role in the lifeworld dimension of the ideological explaining.

After introducing these theoretical premises, I address the systemic order and ideas in terms of ideological social relations. My aim in this is to point out how the approach transcends the unnecessary dualisms and offers a realistic theory that is workable for dealing with modern capitalist societies. From the outset, I wish to stress that I am not attempting to offer definitive answers to the philosophical questions of the ages. My aim is only to point out, once more, how these questions have been considered again and again, while showing also how applying some very basic social theory gives us a concrete and solid framework to grapple with social questions that extend beyond the reach of the individual observer’s eye.

## 4.1 Capitalist Relations As Conditions for Operation of the Ideological

Capitalism could be regarded as the objective conditions in which people in capitalist societies must act. Whereas so-called neo-liberalism is a widely discussed phenomenon nowadays and figures in newspaper-level debate, capitalism often remains a somewhat vague and unspecified concept<sup>85</sup>. Still, there have been recent attempts to define capitalism and its characteristics (e.g., Lippit 2005; Hodgson 2015; Kocka 2016; Shaikh 2016; Streeck 2016), and there is also ongoing debate about its history, future, and contemporary development (e.g., Wallerstein 1983; Boltanski & Chiapello 2005; Kliman 2012; Wallerstein et al. 2013; Anievas & Nişancıoğlu 2015; Harvey 2015; Wood 2017 [1999]). Streeck (2016, 201) offered a particularly good starting point for understanding capitalism as a social phenomenon: ‘Once upon a time sociologists knew that *modern* society is *capitalist* society; that capitalism is not one thing – a particular kind of economy – and modern society another. [...] [C]apitalism denotes both an economy and a society [...]’<sup>86</sup>. What Streeck obviously emphasises is that capitalism is not something separate from society; *we live in comprehensive capitalist society*.

Interestingly, several broad-based debates that cross the boundaries of (political) economy and institutionalism and tackle the critical questions of capitalism have taken place in the neo-institutionalist field. Examples range from ‘varieties of capitalism’ (Hall & Soskice 2001) and ‘economic sociology of capitalism’ approaches (Nee & Swedberg 2005) to institutional economics (Hodgson 2015) and to more general historical institutionalism (Streeck 2016). Where political economy scholars are often institutionalists, they usually also are those social scientists who have added the term ‘capitalism’ to their vocabularies and research programmes for a distinctive phenomenon. That said, they have their own reference apparatus, which overlooks the Marxist tradition almost entirely, even though it would be reasonable to look in

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<sup>85</sup> For an introduction to the history of neo-liberalism, see, for instance, Harvey (2007). For a treatment of more recent debate about its development, see, among others, Davies (2016).

<sup>86</sup> According to Streeck (2016, 201), Parsons ‘negotiated’ the division of labour between modern economics and sociology. This is true, but one should keep in mind when assessing Parsons’ social system theory that in Parsons’ elaboration the economic variables are not treated as something different from the others but handled as resultants of some relatively constant functions that appear in special conditions. This means that they are derived from fundamental variables that determine the social system’s basic functions. The correct view is, rather, that there is *one* set of fundamental variables of the social system, which are just as fundamental in its economic aspect as in any other, and, of course, *vice versa* (see Parsons 1991 [1953], 16); accordingly, economic theory is ‘considered a sub-theory of the general theory’ in Parsons’ words.

exactly that direction when seeking answers to questions about capitalism<sup>87</sup>. For example, in an institutionalist framework it is hard to find references to the so-called Brenner debate even though that is one of the most fundamental 20th-century historical-theory debates on the subject (see Brenner 1976, 1977; Aston & Philpin 1985)<sup>88</sup>.

Much of the obscurity in the debate pertaining to capitalism is due to definitional vagueness. One reason can be found in mainstream economics, in whose textbooks capitalism is often synonymous with market system or market economy (e.g., Hubbard & O'Brien 2010). While it is not my wish to engage in deep historical debate about capitalism, I follow Robert Brenner (1976, 1977) and Ellen M. Wood (2017 [1999]) in suggesting that the capitalist relations should be seen as an essential part of economic history in institutional research. Therefore, I find that capitalism should be seen as a distinct phenomenon of the market economy. There is no 'natural' development of market forces or a market society that, as market economics would suggest, brings human evolution to perfection. While capitalism is often seen as eternal and without origin, Marxist tradition usually emphasises the historical break and the specificity of capitalism (*ibid.*). This is the opposite of what Brenner (1976) and Wood (2017 [1999]) call the 'commercialization model'. In this model, a commercial society indicates the furthest stage of natural social progress: it 'represents a maturation of age-old commercial practices (together with technical advances) and their liberation from political and cultural constraints' (*ibid.*, 13).

The concept of market economy retains other problematic connotations also, since elementary economic theory holds that autonomous individuals exchange their goods, services, and labour freely in such a market, associated with barter. Furthermore, as a system-level phenomenon, it is claimed to make its way into equilibrium and eventually reach a point at which resources – factors of production – are efficiently allocated. The concept of market economy is inadequate and even misleading when one is considering capitalist dynamics. Where the market economy theory begins with the assumption that a market spontaneously seeks equilibrium (order/stability) as a result of free exchange, capitalism theory begins with the assumption that, along with strong ordering patterns, the order in question 'is

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<sup>87</sup> For an exception, see Dugger and Sherman (2000), who bring Marxist and institutionalist economics under comparison within an evolutionary framework. They describe the fundamental difference between institutional and Marxism economics as being that the institutionalists usually fall back on Darwinism in the end, whereas even 'evolutionary' explaining is social and historical in nature for Marxists.

<sup>88</sup> For a brief introduction to the Brenner debate, see Ellen M. Wood (2017 [1999], 50–64).

generated in-and-through continual disorder, the latter being its immanent mechanism’ (Shaikh 2016, 5).

Many theorists and historians of contemporary capitalism agree that, whether or not we may call market systems prior to modern industrialisation capitalistic, the kind of modern society that consists of capitalist imperatives and institutions should be distinguished from earlier models (Hodgson 2015; Kocka 2016; Streeck 2016; Wood 2017 [1999]). From the Marxist perspective, the decisive factor for the origin of capitalism is the ‘so-called primitive accumulation’ (Wood 2017 [1999], 36; Marx 2010 [1867], Part VIII). The primitive accumulation is ‘so-called’ because it comprises not only accumulation of wealth but also, more importantly, reorganisation of the social relations that govern production and ownership:

The specific precondition of capitalism is a transformation of social property relations that generates capitalist ‘laws of motion’: the *imperatives* of competition and profit-maximization, a *compulsion* to re-invest surpluses, and a systematic and relentless *need* to improve labour-productivity and develop the forces of production. (Wood 2017 [1999], 36–37)

Marx (2010 [1867], Part VIII) saw this critical transformation as having taken place in the English countryside through expropriation from direct producers. Along with the imperatives, compulsions, and needs, this change in social relations enabled a new kind of division, into classes of landowners, capitalist tenants, and wage labourers. This division would eventually evolve into classes of capitalist producers and workers, although the distinction is not purely statistical and refers to positions in the organisation of production. What is important in this transition is that feudalism did not carry a capitalistic embryo of some sort; rather, the class conflict between the feudal lords and peasants set the capitalist dynamics in motion as an unintended consequence (Brenner 1977). In practice, this meant ‘a situation in which [direct] producers were subjected to market imperatives’ (Wood 2017 [1999], 52). In competition, they forced themselves into unprecedented market conditions wherein rents were not fixed but had taken on the form of leases as a politically constituted form of property. Wood (*ibid.*, 54–55) summarises the main point by highlighting that Brenner brought under discussion the *political and social* features of capitalism that required explanation, rather than seeing them as part of a *natural* progression of self-perfecting markets.

In consequence, capitalism became a ‘mechanism beyond communal control, as the transparency of market transactions was supplanted by the mysteries of a “self-regulating” market, the price mechanism, and the subordination of all communal values to the imperatives of profit’ (*ibid.*, 69). This did not take place purely through

market forces. It required state coercion – as such scholars as E.P. Thompson (1980 [1963]) and Karl Polanyi (2001 [1944]) have emphasised – along with more capitalism-affirmative traditions, such as ordo-liberalism<sup>89</sup>. The important implication is the juxtaposition between natural and social-political development of the capitalist market society. Critical theories such as PIT hold that maintaining order in capitalist societies requires constant operation of a state since there is nothing natural in the capitalist relations, nor do they automatically keep the promise of equilibrium. The capitalist market system is a social and political system that required enormous effort for creating and demands constant maintenance work, just as Polanyi (*ibid.*, 60) has highlighted:

[T]he control of the economic system by the market is of overwhelming consequence to the whole organization of society: it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system. The vital importance of the economic factor to the existence of society precludes any other result. For once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that system to function according to its own laws. This is the meaning of the familiar assertion that *a market economy can function only in a market society*. (Emphasis added)

The critical implication of the above quotation is that the market society must be created if the ‘self-regulating markets’ are to function. According to Wood (2017 [1999], 178), ‘[i]n fact, capitalism, in some ways more than any other social form, needs politically organized and legally defined stability, regularity, and predictability in its social arrangements’. Wood continues this line of thought by stating that capital cannot provide these conditions for itself since its own laws constantly tend to subvert them (*ibid.*, 178–179). Therefore, there is nothing natural in these unleashed social forces, and a great deal of effort is put expended to uphold institutions of such a sort as could serve these uncontrollable forces, which were set in motion as an unintended consequence of the historical-political reorganisation of social relations.

This explains why we need another theoretical perspective, one that opposes (or complements) the naturalising view of equilibrium models that underlie so many social theories. Marxist historical theories of capitalism and critical ideology theory offer several perspectives for neo-institutionalist thinkers to consider. Firstly, institutional theorists see all of capitalism’s properties in its constituent institutions,

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<sup>89</sup> For a very short introduction to ordo-liberalism in the context of austerity politics, see, for example, Blyth (2015, 135–143). A somewhat longer treatment in the context of the neo-liberal movement and its origins is provided by Foucault (2008 [2004]).

such as property, money, markets, and firms, but also in governmental and other national or international systems and organisations (e.g., Hall & Soskice 2001; Hodgson 2015). However, these theories, while perhaps able to compass institutions, systems, and organisations as social relations, do not consider capitalist competition as a force in producing the system-level contradictory dynamics. Also, as they fall back on equilibrium models, they largely disregard the imperatives that property and class relations produce. Secondly, deriving the market economy and its development from mainstream economics' free-market models leads to interpretations of historical processes wherein these processes are rendered natural and eternal: they become fetishised. This means that historical processes are seen as forming an evolutionary story wherein eternal market forces operate in such a way that the more obstacles are removed from its path, the more 'naturally' human evolution and progress may perfect itself. Hence, capitalism loses its historical (non-eternal) and specific nature.

The perspective gained from the historical aspect of the development of capitalist relations supports avoiding determinist or teleological views in which the modern market is a natural being or any kind of 'end of history' hypothesis. It also offers an angle from which structural social theory can see how capitalist relations operate by creating dependencies. These dependencies create imperatives in accordance with which people must act, but it is important to notice that these imperatives as historical relations do not determine all the outcomes of collective or individual-level action; rather, they *regulate* collective action. Thus, following Anwar Shaikh's argument (2016), one could say that they are present in most of the social relations as a contradictory, regulative force, creating order and disorder at the same time. In this way, capitalism distinguishes itself from the mere market economy that is often associated with equilibrium-seeking circulation of goods and money.

#### 4.1.1 Defining Capitalism

According to economic historian Jürgen Kocka (2016, 94–104), modern industrialisation-based capitalism has its origins in the early 19th century. Even in the 16th century, the term 'capital' in European languages was used for invested or lent money, and it later started to refer to profit-gaining assets – money, commodities, commercial papers, etc. – by the 19th century at the latest (*ibid.*, 2). Correspondingly, since the 18th century, 'capitalist' has denoted a wealthy person

capable of living off interest and rent payments<sup>90</sup>. Kocka (*ibid.*, 101–103) summarises the four major ways in which industrialisation changed capitalism: 1) Contract-based wage labour that is subordinate to fluctuating market relations became a mass phenomenon. 2) Fixed capital – factories, mines, and infrastructure – started to accumulate on an unprecedented scale. 3) Technical and organisational innovation escalated and its role grew rapidly, just as benefits and disadvantages between groups did. 4) The nature of the crisis changed: capitalism ‘had become the economy’s dominant regulatory mechanism, intensively influencing society, culture, and politics all at the same time’ (*ibid.*, 103). While modern capitalism grew from 19th-century industrial soil, it reached global dimensions only in the latter half of the 20th century.

As the debate about capitalism’s birth and history could continue forever, I agree with Streeck (2016, 4) that ‘[t]here is no need to get into the unending discussion about when capitalism came into the world’. I will focus instead on trying to understand its consequences for our contemporary societies. For this, we need an operational definition for it. Streeck’s definition draws on classical political economists’ and sociologists’ definitions, such as thoughts of Marx, Weber, Werner Sombart, Joseph Schumpeter, and John Maynard Keynes. Streeck characterised capitalist society as a version of industrial society ‘distinguished by the fact that its collective productive capital is accumulated in the hands of a minority of its members who enjoy the legal privilege, in the forms of private property, to dispose of such capital in any way they see fit, including letting it sit idle or transferring it abroad’ (*ibid.*, 1–2). The class-society that thereby arises is produced through the fact that ‘for the vast majority of its members, a capitalist society must manage to convert their ever-present fear of being cut out of the productive process’ (*ibid.*, 2).

Because of the highly unequal distribution of wealth and the concomitant authority to decide about production, capitalist societies arrange people in accordance with their positions within these ownership relations. For the sake of simplicity, those positions are denoted from here on as ‘capitalist producers’ and ‘workers’. Most people are dependent on the twists and turns of decisions and dynamic processes involving capital, while only a few are more privileged. From this arises the special nature of capitalist relations: while a relation in the general sense encompasses dependency, most of the people in the case of capitalism are far more dependent on the work that the few offer than the few are dependent on any individual worker’s contribution. All of them, however, are dependent on the market and the process of accumulation of capital.

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<sup>90</sup> On the etymology of capital, see also Hodgson (2015, 174–184).

Nevertheless, the nature of capital and its accumulation dynamics remains to be explained. Here, motivational aspects often are cited, since the dynamics of capitalism are associated with greed and/or desires. Even Streeck uses this kind of wording when talking about capitalists' 'desire to maximize the rate of increase of their capital' (ibid.). While greed and desires most definitely have a part in these dynamics, such talk may be somewhat misleading since the social dynamics of capital cannot be derived from individuals. Their roots are in its dynamics as a social force. Streeck (ibid., 13) recognises this fact when he speaks of the end of capitalism as an emergent phenomenon, and he points out that the 'nature of capitalist competition' (ibid., 206) is what is vital for the markets alongside rules and regulation.

One of the most extensive recent attempts to produce a systematic definition for capitalism is Hodgson's *Conceptualizing Capitalism* (2015). Hodgson, an economic institutionalist, proposes his own 'legal institutionalism' as an entry point for defining the phenomenon. By this, he refers to capitalism as consisting of various governing, productive, distributive, and exchange sub-systems, many of which are constituted by the state and its effective legal framework. As an institutionalist, he concludes that, fundamentally, 'rules and relations constitute social reality and some of the most important and powerful social rules are legal and statutory in nature' (ibid., 9).

The first point Hodgson makes is that we must, at the outset, 'clear up the mess caused by the promiscuous application of the term *capital* by economists and sociologists' (ibid., 11), by which he refers to concepts such as human capital, social capital, and cultural capital. Later, he lists 'a plethora of capitals', cataloguing 23 distinct capital applications he has found in social scientific literature (ibid., 191–192). Hodgson then gets to work on building a social-theoretical backrest for his definition. He sees social structures as consisting of enduring, orderly, and patterned social relations (ibid., 54–57). Whereas these relations operate between interacting individuals, 'social positions are a specific form of social relation' (ibid., 55). Relations, then, have various types, modes, and dimensions that manifest themselves in actual practices as social positions – social positions become observable through actual practices that follow the relations in question. Moreover, Hodgson brings out that '[w]e do not necessarily have to claim that structures somehow impinge directly and causally into individuals; it is simply that our interactions with others depend on the type of relations involved' (ibid.; see also Hodgson 2006).<sup>91</sup>

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<sup>91</sup> Interestingly, Hodgson's theoretical texts (e.g., Hodgson 2006, 2015) make very little reference to the sociological classics discussed in chapters 1 and 3, and there are no references at all to neo-institutionalists. Still, he manages to build his 'not functionalist' (Hodgson 2015, 40) social theory somewhat similarly to Parsons' functionalist theory or historical institutionalism, on the basis of Darwin's theory of evolution and Veblen's evolution-influenced institutional theory. This leads him

Under his relational-structural formula, Hodgson (2015, 181) identifies the immaterial essence of capital in social relations and in information. While he leaves his understanding of immateriality unexplained, in practical terms he sees capital as ‘a fund of money to be invested by a person or a firm in some enterprise’ (ibid., 184), meaning production. Hodgson also extends his definition to cover tangible and intangible assets, in which regard his supplement to prior definitions of capital is the point that it can be used as collateral. Therefore, as such, ‘[c]apital is money or the realizable money value of owned and collateralizable property’ (ibid.). He continues by underscoring this point, stating that ‘factories and machines can serve as collateral on a loan but *the labor power of a wage worker cannot*’ (ibid., 188). It follows also that, in Hodgson’s definition, capital cannot be understood in isolation from its relation to the capitalist system of debt.

In sum, capital is a social relation that manifests itself as money or money values that are either invested in production or used as collateral for obtaining loans. Hodgson (ibid., 199–203) narrows the concept down with that definition because extending it beyond its monetary meaning would necessitate giving this historically particular phenomenon another word. Such extension would also create the impression that all human and natural phenomena can be appraised, invested, and controlled in monetary terms. Finally, ‘the issue of collateral, inherent in the monetary definition of capital, helps highlight a key difference between the assets owned by a capitalist and the labor power owned by a worker [...]. This illuminates an important aspect of class inequality intrinsic to capitalism’ (ibid., 201). Capitalism, then, is understood in terms of private ownership of means of production, the employment relationship that follows, and the dominant financial institutions (ibid., 258). Hodgson (ibid., 259) ends up defining capitalism as a system of production via six characteristics:

- 1) A legal system supporting widespread individual rights and liberties to own, buy, and sell private property;
- 2) Widespread commodity exchange and markets involving money;

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to look to human biological nature for the ultimate origin of social behaviour (see, for instance, pages 10, 54, 67–73, 90, and 101). His stance on ideas, articulated on page 37, is that ‘[i]deas and rhetoric are vital, but their origins and spread among the population must also be explained’. Moreover, he holds that ‘[i]nstitutions are not simply ideas in people’s heads [...]. Both the ideas and the social relations have to be understood’ (see pages 61–62). Hodgson obviously adopts some kind of conception of unconsciousness in his discussion of people’s incapability of being fully aware of all the ideas and the nature of the system alongside still being able to function in such a way that the system remains operational.

- 3) Widespread private ownership of the means of production by firms producing goods or services for sale in the pursuit of profit;
- 4) Much of production organized separately and apart from the home and family;
- 5) Widespread wage labor and employment contracts;
- 6) A developed financial system with banking institutions, the widespread use of credit with property as collateral, and the selling of debt.

(Some punctuation marks added for presentation here)

This definition of capitalism broadly follows the lines of Marx's and Schumpeter's understandings of its conditions in particular. However, similar summaries are found in many classic works of social theory, such as Weber's (1978 [1922]), as Streeck has noted (2016, Introduction) in his own characterisation. In fact, while the description above quite usefully specifies the conditions that prevail in capitalist societies, the most classical formula for capitalism's dynamics is what Marx provides in the first part of his *Capital*. Capital has one specific feature that opens up the dynamics we look for:

M–C–M' is therefore in reality the general formula of capital as it appears *prima facie* within the sphere of circulation. (Marx 2010 [1867], 166)

This formula illustrates how capital is used in the profit-making process. Here, '[m]oney (M) is invested in commodities (C) representing labor power, raw materials, plant, and equipment with the intent of recouping more money (M')' (Shaikh 2016, 206). When the initial money capital is invested in production, it transforms into commodity capital and is finally sold for money capital. The most important point is that all this is done 'to make more money[;] profit is the bottom line: M' must be greater than M if the operation is to be deemed successful' (ibid.). Moreover, it underscores how *all* factors of production – human labour, money, nature, etc. – are treated in exactly the same way: as means for making a profit. This is why Shaikh (ibid.) points out that 'Marx's notion of the circuit of capital M–C–M' provides [a] particularly useful method for identifying capital'. It begins with money invested in production and ends up being collected as 'the original sum advanced, plus an increment' (Marx 2010 [1867], 161).

The M–C–M' formula puts emphasis on the function and purpose of capital: it is invested in the circulation solely for profit-making. This differs from market-economy economists' thinking, in that they identify economic action with barter

wherein all exchange follows the one-to-one principle, meaning direct exchange of goods. In this kind of exchange, no money truly exists, since the only purpose of money is to serve as a neutral arbitrator of the exchange. This view has been challenged repeatedly from several perspectives because it disregards the modern economic and financial institutions in place and their history (see, for example, Dillard 1987; Graeber 2011; Wray 2012; Bertocco 2013; McLeay et al. 2014; Mitchell 2015; Shaikh 2016)<sup>92</sup>.

Shaikh (2016, 207) approaches money by considering the division between money as a commodity used in personal consumption and money as a capital commodity used for investment: 'It is the intent which defines its function. [...] [M]oney spent for personal consumption is different from money invested as capital, even if the object purchased is the same: to purchase fruit to eat is different from purchasing fruit to sell for profit. In the former case, both the money and the fruit are part of a circuit of revenue; in the latter, both are part of a circuit of capital.' In other words, no such object as 'money' exists, only social relations that arbitrate various kinds of social processes that share a common denominator. Thus, using money for investment activities results in another kind of social action than does using money for personal consumption, although these activities intersect in circulation. Still, the more financial activities are focused on the money-making sphere as such, the more the concrete human activities get allocated to the sphere of pure profit-making. Consider the modern financial sector as an example. When money is used as capital to gain profits from production and the profits are calculated in the form of money, the action operates also in the sphere of capitalist competition. As the principle of operation of capitalism is to produce profits through investing capital in commodity production, this principle is also the cause of major dynamics within this mode of production.

Hodgson's definition is useful because it describes the most essential features of modern capitalism with sufficient sensitivity to its characteristics. However, he seeks answers about the nature and development of capitalism by turning to humans' biological nature and disregards the capitalist competition as its driving dynamic force. In fact, when addressing competition, Hodgson pays attention to only 'creative tension between organizational cooperation and market competition [as] synergetic phenomena' (ibid., 242), seeing it as a 'powerful force in capitalism [which] promotes cost cutting and innovation' (ibid., 320). Hodgson is stuck in the 'perfect competition' framework promoted by market economists and cannot see anything apart from the Schumpeterian 'creative destruction' aspect in the larger social

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<sup>92</sup> In Marx's terms (2010 [1867], Part II, Part IV), barter would have the formula C–M–C.

dynamics produced by capitalist competition. This approach neglects to consider competition's active part in creating the growth imperative and turbulent dynamics of capitalism. Moreover, Hodgson, as is alluded to above, sees social relations such as capital as something 'immaterial' but leaves this mystical essence unexplained (ibid., 181).

Streeck's (2016, 204–209) formula, on the other hand, acknowledges the difference between the market economy and capitalism by paying attention to capitalism's endogenous dynamics. This formula recognises its expansion – economic growth – as its fundamental property. Still, he ties the competition to human characteristics such as fear and greed and sees expansion of credit as the accumulation mechanism complementary to the intrinsic human attributes. Both Streeck and Hodgson have obviously missed one of Marx's most essential points in their otherwise fine analyses: the dynamic social force of the capitalist competitive relations.

#### 4.1.2 The System Dimension of Capitalist Conditions: Competitive Relations

Free competition brings out the inherent laws of capitalist production, in the shape of external coercive laws having power over every individual capitalist. (Marx 2010 [1867], 276)

For Marx (2010 [1894], Ch. X), competition is the main social force and equalising power of capitalist societies. Any conditions wherein capitalist production prevails are adapted in accordance with the progress of this mode of production, subordinating these conditions by its immanent laws of competition. As I noted in the previous section, market operators are subjected to market imperatives that make them incapable of controlling the competitive forces. Owners of the means of production are forced to attract capital by offering greater profits than competitors offer, or it is withdrawn to more profitable spheres of production. On the other hand, since these capitalists as producers constantly seek competitive advantages or try to respond to advantages reaped by other producers, they have to intensify their use of the labour force and/or production forces (e.g., technology), cut wages, or expand their profit-making production activities to new areas. Competition creates constant fluctuations that even out differences between spheres of production through the nature of their production forces and even out differences between workers through the nature of their labour forces. In other words, via its profit-seeking competitive nature, 'capital becomes conscious of itself as a *social power* in

which every capitalist participates proportionally to his share in the total social capital' (ibid., 194).

Following Marx, Shaikh (2016, 259) finds that '[r]eal competition is the central regulating mechanism of capitalism'. Only by taking the capitalist 'real competition' with the 'profit motive' as a starting point for analysis can we understand the simultaneous prevailing systemic order and continuous disorder. Shaikh (ibid., Ch. 2) finds these dimensions of profit-seeking competition to cause 'turbulent regulation', which renders such economics concepts as (im)perfect competition and (dis)equilibrium redundant. This is because even speaking about imperfect competition or disequilibrium always brings with it the burden of a perfection- or equilibrium-oriented version of the concepts, ultimately reinforcing these idealisations. Shaikh describes this set of dynamics thus:

The profit motive is inherently expansionary: investors try to recoup more money than they put in, and if successful, can do it again and again on a larger scale, colliding with others doing the same. Some succeed, some just survive, and some fail altogether. This is *real competition*, antagonistic by nature and turbulent in operation. It is the central regulating mechanism of capitalism and is as different from so-called perfect competition as war is from ballet. (Ibid., 14)

As one can see, Shaikh's idea about market competition is in sharp contrast with market economics. Competition does not harmonise prices and market conditions, making them only more effective, but causes constant turbulence. This turbulence results from dynamics wherein producers compete against each other in any way possible but mostly by cutting wages, squeezing more out of the workers, and/or making technical changes. Shaikh states:

Competition within an industry compels individual producers to set prices that keep them in the game, just as it forces them to lower costs so that they can cut prices to compete effectively. Costs can be lowered by cutting wages and increasing the length or intensity of the working day, or at least by reducing wage growth relative to that of productivity. But these must contend with the reaction of labor, which is why technical change becomes the central means over the long run. In this context, individual capitals make their decisions based on judgments about an intrinsically indeterminate future. Competition pits seller against seller, seller against buyer, buyer against buyer, capital against capital, capital against labor, and labor against labor. *Bellum omnium contra omnes*<sup>93</sup>. (Ibid.)

When capital as faceless social power operates only in pursuit of increasing its amount through production, it leaves individual producers no other option than to

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<sup>93</sup> 'The war of all against all', a Hobbesian maxim first referred to in Section 1.4.

try to compete with others. They must also compete against the workers for a share of the income, as they try to maximise their profits while simultaneously maintaining competitive market prices. However, this relation between workers and capitalist producers is not competitive *per se*; rather, Shaikh sees it as a struggle. Nonetheless, it is more likely for workers, holding unequal positions, to compete with each other as individuals, whereas as an organised group they could compete against the capitalist producers for a share of the income, usually within the legal limits of the state. Therefore, I choose to call it competition. What results is emergent properties of a capitalist economy such as a ‘general tendency for profit rates to be equalized across sectors. A roughly equalized profit rate is an emergent property: it is not desired by any, yet it is imposed on all’ (ibid., 66). This entails ever-fluctuating flows of capital between sectors that must compete against each other for investments, but it also represents the relationship between the ordering patterns and disorder: order as roughly equalised profit rates is achieved through the dynamic process of competition among sectors, creating disorder at the same time at sector level. This example illustrates what Shaikh means with his notion of order being generated in and through its immanent mechanism of continual disorder.

Workers – i.e., labourers – have a role in real competition also because of their wage demands. With the competing interests, capitalist producers compete on two fronts; however, workers<sup>94</sup> too have a double role in the equation – namely, as labourers and consumers (or even today’s investors). As labourers, they earn their wages from production, and, as consumers, they spend those wages in the sphere of commodity circulation – the market. For firms to make their profits, the products in circulation must be sold. Consumers, on the other hand, need income for buying these products from the circulation that they have produced as workers. Against this backdrop, the dynamics become actualised as two-front competition:

- 1) *Competition between capitalist producers*: competition forces capitalist producers to lower prices, intensify the use of productive forces (production technology and labour productivity), and expand profit-making productive activities to new geographic or ‘lifeworld’ areas.
- 2) *Competition between capital (as a social force) and workers*: competition forces a struggle to ensue over income distribution and the development of labour productivity.

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<sup>94</sup> Once again, one should keep in mind that these labels refer to social positions. A person may be a capitalist producer who still earns wage from his or her own company, but that person turns into a consumer when entering the sphere of the market.

The above-mentioned competition between workers may take place in parallel with all this, since most workers have no other option than to obtain their income from the labour market, where vacancies may be a scarce resource for reason of (permanent structural) unemployment. Thus, the overall dynamics are produced as described below.

The multi-dimensional competition arises from investors seeking profit while the investments go to the producers who profit the most. The capitalist producers compete against each other for investments as they compete also against the workers with regard to income distribution. In the market, these producers compete, via prices, to get their products sold to workers, who as consumers tend to expend their wages for low prices. For producers to maintain the profit rates under these competitive conditions, they must further develop the production forces (via new technological solutions, higher productivity, etc.) and/or expand markets to new areas (through new types of consumer products, financial derivatives, geographic expansion, etc.), lower wages, or fire workers. If profits are to be made, the products must be on the market, and for those products to be bought from the market, workers must have paid work.

It follows that, while producers must keep the profit rate high and offer paid work, they simultaneously have to cut wages, discharge workers, or develop the production forces in ways that lead to reductions to purchasing power. This brings challenges to selling of products. If the products are not sold, firms will not be able to earn profits, investments will wither, jobs will not be created, and the economy will stagnate, Shaikh points out. This ‘incessant equilibration of constant divergences’ (Marx 2010 [1894], 195) requires increasingly mobile capital and labour. Achieving these conditions necessitates ‘complete freedom of trade within the society [and] the development of the credit system’ (ibid.). Society must create these conditions for the capital, so that its uncontrollable forces may operate in the most effective manner possible. In this web of tense relations, capitalist societies must reproduce themselves, which historically has required the state.

Shaikh brings out in his magnum opus *Capitalism: Competition, Conflict, Crises* (2016) that, while there are many tendencies counter to these abstract dynamics historically and at the macro level, this is an effective depiction of the turbulent forces of capitalism. While several caveats could be stated with regard to the details, it provides us with a theoretical description of mechanisms that operate beyond individuals’ control and perception. This multi-dimensional competition is a result of the profit-seeking nature of capital, which ‘always give[s] rise to unintended outcomes’ (ibid., 260). Therefore, this picture, on one hand, complements the structural theory

addressed earlier in the dissertation, in explaining how the competitive relations operate and cause emergent effects. On the other hand, it includes one condition that is quite important for the ideology's operation: when market operators operate in this environment, they face the consequences of their actions as social power that stands against them, but without being able to observe the cause with the naked eye.

#### 4.1.3 The Lifeworld Dimension of Capitalist Conditions: Commodity Fetishism

For Marx (2010 [1867], 81), a commodity is 'a very queer thing, abounding in metaphysical subtleties and theological niceties'. In the first instance, the commodity has use-value because of its useful properties, which as products of a capitalist system are produced by human labour. Through its use-value, the commodity simply satisfies human needs. The metaphysical subtlety appears when human labour is organised in a particular social form (i.e., capitalist production) and therefore operates solely for producing commodities for the profit-making market, also as a commodity itself. Hence, all commodities within capitalist production receive a twofold nature: objective appearance and social character. In this connection, Marx (ibid., 83) refers to these 'products of labour [having] qualities [that] are at the same time perceptible and imperceptible by the senses'.

The notion of commodity fetishism points to the peculiarity that all commodities within the capitalist mode of production have a social character that hides itself behind their objective appearance and private production mode. Especially when nominally free individuals produce commodities solely for sale, the social character of the commodities disappears and the social relations between people begin to appear as relations between commodities. According to Marx (ibid., 83), '[s]ince the producers<sup>95</sup> do not come into social contact with each other until they exchange their products, the specific social character of each producer's labour does not show itself except in the act of exchange'. Staring at any given commodity's objective characteristics does not tell us much about the social relations in which it was produced – we observe only the ready-made commodity. This makes fetishism a 'by-product' of capitalist commodity production since within the sphere of exchange we encounter only private producers with their ready-made products.

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<sup>95</sup> Marx refers here to 'producers' in the broad sense of the word, meaning those who participate in the production process with the rules that have been given to them.

What Marx means here is that social relations begin to appear both as relations between commodities and as properties of the commodities themselves. For example, when staring at a commodity's price tag, one may imagine it to represent the product's properties, even though the price is merely a representation of the social relations required to produce the commodity. Moreover, when the commodity of money is used as a means of exchange, it begins to appear akin to a 'thing' capable of producing the effects that its use seems to cause. In other words, when these products of the human brain begin to appear as independent beings that have life, they seem to be furnished with a life of their own. This is why Marx borrows the term 'fetishism' from 18th- and early-19th-century historians and sociologists of religion, who used it to describe 'the oldest and most primitive stage of religion' (Rehmann 2013, 39). It designates something man-made while it also refers to 'sorcery and witchery: the man-made products gain power over their makers' (ibid.).

For this phenomenon, it is important that some features of capitalist commodity production are directly perceivable via the naked eye while others are not. The trickiness of commodity fetishism lies in inversion between these sets of features in practical, day-to-day life. Out-of-control competitive social relations governing the production exchange result in 'an irrational reversal by which exchange-value rule over use-value, money rules over labor, accumulated capital rules over life, shareholder values rule over life-values [...]. Commodities turn into an alien power that is used against the workers by replacing them with new technologies, by firing them, by impoverishing them, by making them "superfluous"', in Jan Rehmann's words (ibid., 40). This 'fundamental "inversion" in bourgeois society' (ibid., 39) means that the products of people's work turn against them: the movement of their own products controls them in place of them controlling the movement of products. Thereby, capitalism produces alienation wherein the relations between people become subordinate to the relations between commodities – 'social relations among people are mediated by the process of commodity exchange' (Wood 2017 [1999], 7). This is also how commodity fetishism operates as PIT's anchor for the ideological<sup>96</sup>.

Commodity fetishism's relation to the ideological is twofold. Firstly, it results in the inversion that is crucial for the operation of the ideological. Secondly, this does not, however, entail apparent false consciousness, since the relations that producers and workers encounter when entering the market realm are real for them. The

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<sup>96</sup> Alienation has been addressed on several accounts in Marxist literature. For instance, Ollman (1975) addresses the issue in terms of 'internal relations' that resemble the ones referred to here in their fundamentally relational nature. For a classic investigation of Marx's theory of alienation, see the work of István Mészáros (1970).

imperatives they face have little or nothing to do with false ideas or imagination in their own right, since the producers must sell at market prices and workers must gain income from the same market. The forces they encounter are real, and the logics they apply to manage and succeed in the competition are right in many ways, not false. Therefore, it would be wrong to say that they possess false consciousness: they live in practical reality, whose conditions determine the rules they must act within. Still, the inversion occurs that leads to the ‘objective thought-forms’ of Marx (2010 [1867], 87). These are a result of direct observation of practical reality (Rehmann 2013, 39–43).

For example, when setting foot in the market, one may observe with one’s own eyes how things work: one visits a shop, sees the price tag, pays, and leaves the shop with the goods. The shopkeeper uses the money to buy further products, which sends a signal to the producer to produce an additional product, and the cycle continues.

When market economists peer into this arena, they see only the ‘appearance-form’ of the economic actions, while the relations that govern the production and exchange are hidden behind everyday practices: the nominally free and direct commodity exchange. The crookedness of the fundamental inversion is in how things look correct in practice but there is a veil over the relations that truly govern the material reproduction of society beyond the control of any individual. This leads to the kind of everyday thought-categories, objective thought-forms, that are based on mundane practices and direct perception. These seem to describe the laws and motion of this process, since they focus on the movement of the commodities/money. However, they address only immediate relations and actions between things, not the organising social relations that constitute the exchange. This paradox is present in Marx’s (2010 [1867], 98) definition of commodity fetishism: ‘the Fetishism inherent in commodities [is] the objective appearance of the social characteristics of labour’. According to Rehmann (2013, 43),

Marx’s critique therefore targets the very *normality* of bourgeois reality: the ‘inversion’ sits in the fundamental structure of unplanned, private commodity-production and -circulation itself; what is ‘inverted’ is its mode of functioning that proceeds stealthily behind the backs of the producers. The corresponding mode of thinking is ‘inverted’ only insofar as it takes the reification of praxis-forms at face-value as a ‘natural’ and ‘self-evident’ fact.

In summary, the following points arise in considering the commodity fetishism operating as an anchor for the ideological: Firstly, commodities seem to possess social properties. This is because the relations between people appear to be relations

between commodities, and respectively, to be properties of them. In Bertell Ollman's (1975, 28) words, when Marx speaks of fetishism, he speaks 'of social relations which are taken for things'. Secondly, when productive activities are carried out only for profit and the profits are calculated in monetary terms, the movement of commodities begins to control the movement of the people who produce them. Thirdly, since we stand in practical-functional relation to the world, we create corresponding objective thought-forms in relation to practicalities we encounter in day-to-day life, such as movement of commodities. It is on the basis of these thought-forms that we form our practical judgements and evaluations of the world. In relation to ideology production, these objective thought-forms create an operational base for the ideological to function, since they are adequate descriptions of the necessities we encounter.

Going behind the curtains of commodity fetishism requires that we acknowledge how our reflections about social life – and, equally, our scientific enquiries into it – always begin *post festum*, in observing the results of the development that has already taken place (Marx 2010 [1867], 86). It may be difficult to see the historical trait in the human products since we face these products in a ready-made world of ready-made commodities. The exchange takes place through the money-form that as a universal equivalent further shrouds the social nature of commodities, giving them a seemingly natural and objective character. Staring at this character long enough gives rise to the so-called objective thought-forms: thought categories that make capitalist relations appear ahistorical and therefore eternal (ibid., 86–87). Objective thought-forms are an essential factor for ideology production in that they portray the inverted bourgeois world of commodities as natural. With this understanding of Marx's theory of commodity fetishism, we can now journey into the world of the critical ideology theory of PIT, which utilises it as a backrest for its materialist theory of the ideological.

## 4.2 The Critical Ideology Approach of *Projekt Ideologietheorie*

*Projekt Ideologietheorie* is an ideology-theoretical approach founded by Wolfgang Fritz Haug in the late 1970s<sup>97</sup>. It carries the essential aspects of Antonio Gramsci's theory

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<sup>97</sup> For Haug's 'Outlines for a Theory of the Ideological', see <http://www.wolfgangfritzhaug.inkrit.de/documents/Umriss-engl.doc>. The text was written in 1979 but was published in his book *Commodity Aesthetics, Ideology & Culture* only in 1987. *Projekt Ideologietheorie* is somewhat unknown to Anglophone audiences since so many of its contributions are in German, but some English-language articles in addition to Rehmann's (2013, 2014) and Koivisto and Pietilä's

of hegemony and Louis Althusser's theory of ideological state-apparatuses, along with the ideology-critique of Marx and Friedrich Engels (Rehmann 2013, 241), but its development owes much also to historical enquiry by many other figures in the long tradition of ideology theory. It could be said that thinking about ideology began in the late 18th century when Destutt de Tracy coined the word in 1796. The investigation of 'ideology' began in response to a felt need for 'idea-science'. The goal was a discipline wherein human perception could be disconnected from 'any pre-construed causal assumption. [...] [According to de Tracy, the] new science of "ideology" claimed to overcome the dualism of materialism and idealism' (ibid., 16). However, as so many times before, the eventual result was a 'semantic shift from the systemic knowledge of an object to the object itself, from the critical analysis of ideas to the ideas themselves' (ibid., 15)<sup>98</sup>.

Rehmann, one of the key PIT researchers, has highlighted that, when the concepts of knowledge, discourse, and power replaced the concepts of ideology and hegemony, in a triumph over Marxist class-reductionism and state-orientation, post-structural theorists ignored the fact that these shortcomings had already been challenged by Marxist ideology theories such as PIT<sup>99</sup>. Indeed, PIT differentiated itself from those Marxist traditions that were stuck in 'economism', 'class-reductionism', or the false consciousness thesis. It also set itself apart from the social-technological 'legitimacy-theories' that writers such as Weber and Niklas Luhmann represent (ibid., 4–5). The critical ideology theory of PIT advanced beyond the understanding of 'determining economic class-interests' that created the main fuel for the neo-institutional critique of 'Marxist material interests'. It also offers a more sophisticated account of consciousness and consideration of the question pertaining to its falsity, as we saw in the previous section's discussion of commodity fetishism. Actually, it poses three objections to the false consciousness accounts that also could be levelled at the ideational variants of neo-institutionalism<sup>100</sup>:

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(1996) key works can be found via Haug's personal homepage (<http://www.wolfgangfritzhaug.inkrit.de/eu/eu-index.htm>). For a very recent application of PIT's theoretical stance, especially its 'appearance form' aspect, see Torssonen (2019). All Web links were valid as of 3 Jun. 2019.

<sup>98</sup> Rehmann (2007) provides a more detailed history of ideology theory.

<sup>99</sup> Another form of critical ideology theory aimed at overcoming the fundamental problems associated with Marxist accounts is provided by authors such as Therborn (1980).

<sup>100</sup> The claim that Marxist ideology theory leans on the false consciousness thesis seems ubiquitous in the Anglophone world and is found in almost every political or social science textbook addressing ideology (e.g., see Freedman 2003, 7; Heywood 2003 [1992], 7), along with one-dimensional base-superstructure concepts and ideas on teleological conceptions of history.

[Firstly, these accounts] tend to overlook the material existence of the ideological, that is, apparatuses, its intellectuals and praxis-forms, which impact on people's common sense. Two, it overlooks or underestimates, by its fixation with phenomena of consciousness, the unconscious functioning of ideological forms and practices; and finally, the endeavor to refute ideologies risks drawing attention away from the main ideology-theoretical task, which is to grasp their appeal and efficacy. (Ibid., 6–7)

In other words, PIT asks three critical questions of ideational scholarship: Firstly, how is the existence of ideas and their impact on people to be explained without addressing of the uneven conditions wherein people have to act and within which they are socialised. This connects with the way in which ideological impact is directed to *how* the common sense operates (on which premises), not only to its ideal contents. Here, the second problem rears its head: if one focuses just on how people make conscious choices (in line with preferences), one's view has no room for considering a world that is too complex for conscious beings alone to operate such that those ideas that serve as a basis for our consideration get reflected in it. Moreover, conscious elaboration is given too much credit despite people's spontaneous and habitual relation to the world. In light of these, some practices and thought-forms must be unconscious. Over-emphasising the consciousness grants excessive credit to agency too, since we are collectively able to create structures that, once created, cannot be fully controlled. Thirdly, if one only describes what kinds of ideas have an effect on people, the major question of *why* they affect people remains. It is the ideological that is in operation with regard to these questions.

PIT's definition of ideology is unlike several other schools' in that the ideological does not refer to universalising worldviews or some other formulation of subjective perception of the world, although these do have their role. In fact, since the ideology is not a thing in the first place, it is the adjective form, 'ideological', that gets the attention here, referring to the practical and relational nature of the phenomenon as 'a set of social relations determining human practices and thought-forms' (ibid., 245). In PIT, ideologies themselves are something more particular, various forms of the ideological, whereas the ideas in this sense are only meaningful content of particular ideologies. Even though the ideological is constituted in social relations, it operates concretely through 'an ensemble of ideological apparatuses, practices, and discourses that help reproduce class-society by manufacturing "consensus" from above' (ibid., 109). These diverse mechanisms work to produce ideological cohesion for maintaining social order. In this way, PIT, just as many other social theories do, motivates itself by addressing the problem of order. Rehmann states:

The need for an ideology-theory renewal resulted from the fact that none of these [economistic, false-consciousness-related, class-reductionist, or legitimacy-theoretical] traditions was able to explain the stability of bourgeois society and its state, let alone to develop a strategy of democratic-socialist transformation capable of gaining hegemony. The approaches of ideology-theory attempted to fulfil this need by inquiring into the social constitution and unconscious modes of the functioning and efficacy of the ideological. (Ibid., 4)

In this sense, PIT sets itself as a part of continuum of this dissertation. It acknowledges the problem of order and places its theoretical approach along the agent–structure axis on ideal–real terms by abandoning the consciousness-orientation. It also sets itself in the long continuum of ideology theory and places itself in differing fields of ideology-conceptions as the following table shows.

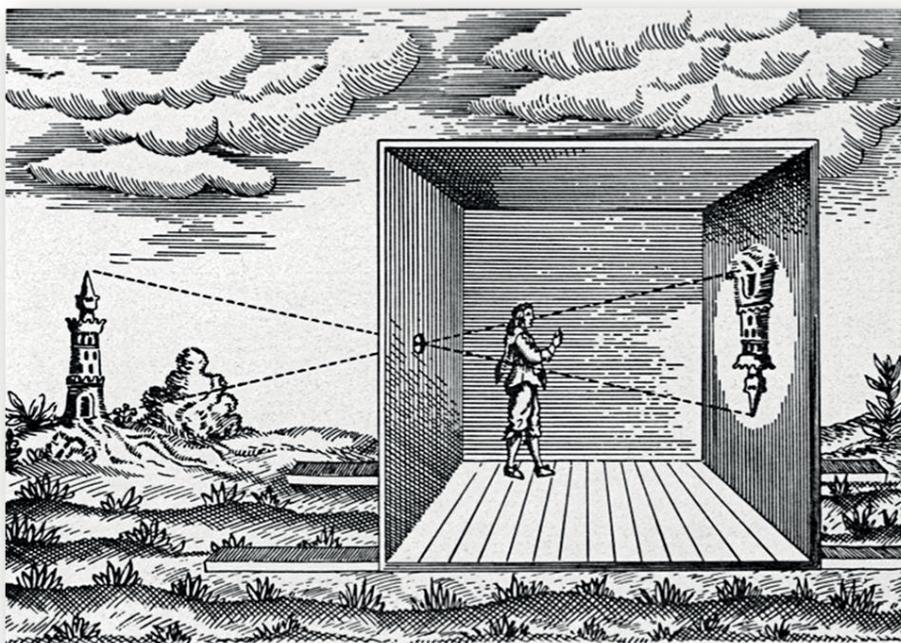
**Table 2.** The theoretical field of ideology (adapted from Koivisto & Pietilä 1996, 43)

<b>THE THEORETICAL FIELD: Conceptions of ideology</b>		
	<i>A phenomenon of consciousness</i>	<i>Something that somehow constitutes consciousness</i>
<i>Neutral conceptions</i>	Contesting, unified class or group-specific worldviews	
<i>Critical conceptions</i>	False consciousness, opposed by science and accordant practices engaged in anti-ideological struggle	PIT situating the above in the context of critique of ideal socialisation ( <i>Vergesellschaftung</i> ) ‘from above’; this form of dominating social relations (‘ideological in general’) is embodied in the ideological powers and contested discourses specific to them

As one can see from the table, Koivisto and Veikko Pietilä place ideology theories on two axes, where the first runs from critical to neutral but the second sets ideology theories along a consciousness continuum, with ideology as a ‘phenomenon of consciousness’ lying at one end and the other holding ‘constituted consciousness’ – consciousness as a practical-relational-structural phenomenon. Earlier in the chapter, I described how the capitalistic competition and fetishism dimensions intersect with

system–lifeworld thinking as relational conditions, where the lifeworld approach can be seen as an inverted-perception-form of general competitive conditions. Correspondingly, Koivisto and Pietilä use the double-dichotomy approach to point out how the ideological operates in society, producing image-like appearances as an effect of the whole apparatus. The idea stems from the famous metaphor Marx and Engels used of the *camera obscura* (see the picture below). While usually interpreted as a metaphor for false consciousness, it does not refer to images of something false, so it should be thought of ‘not primarily as a form of consciousness, but as a form of practice that nurtures certain forms of consciousness’ (Marx & Engels 2010 [1846], 36).

**Figure 4.** The *camera obscura* (source: Wikimedia Commons).



It is the inverted image that usually imparts the idea of false consciousness perceived as cheating or similar; however, the whole point behind Marx and Engels’ metaphor is to stress the structure, the apparatus that inverts the picture, not the picture itself. If one (anachronistically) views the *camera obscura* through the lens of commodity fetishism, one understands how it operates as an anchor for the ideological. But, in

contrast to fetishised appearance and thought-forms, the ideological works through apparatuses – the ‘structure’ of the camera that surrounds the observer. That structure should get the focus, not the ‘picture’. Following Gramsci and Althusser, one could characterise the ideological under PIT as ‘complex material arrangements, consisting of hegemonic apparatuses, specific intellectuals, ideological practices, rituals, images, *and* also of texts as an integral part of this whole arrangement’ (Rehmann 2013, 218). Correspondingly, focusing solely on texts, communicative processes, or discourses ignores the ‘material-ideological settings and practices they are embedded [in:] the actual corporeal conditions’ (ibid.). Therefore, the ideological is also anchored in the materiality of the human practices.

It bears reiterating that ‘materiality’ here refers not to either physical entities or properties of some physical objects as such but to objective sensuous human activity, to seeing human practice in this sense as material, or the material as human practice (Marx 2010 [1845], 3). This account, which offers a good starting point for understanding both ‘material’ and, hence, ‘objective’, connects with *The German Ideology* (2010 [1846], 43), where Marx and Engels elaborate on ‘aspects of social activity [...] which have existed simultaneously since the dawn of history and the first men, and which still assert themselves in history today’. Rehmann (2013, 24) summarises these aspects thus: Human beings must satisfy their basic needs. By producing the necessary means for this task, they produce new needs. It follows that, while reproducing their day-to-day life and arriving at new needs, they simultaneously create co-operative social relations, but also these exist to ‘propagate their kind’ (Marx & Engels 2010 [1846], 42). This approach binds the human–nature relationship to historically developing social relations, while acknowledging that there is no unambiguous division between these sets of relations.

Wal Suchting (1982, 3) addresses these questions theoretically by pointing out that human practice can be understood in general terms as ‘*the mode of transformation* and hence the *instrumentation* (in a broad sense of that word)’. Hence, practice is ‘a regular way of transforming a certain sort of pre-existing situation by applying various sorts of instruments to it [ultimately] by the use of labour-power’ (ibid.). Following Marx, Suchting steps beyond the material–ideal division and pays attention to “subject” and “object” [as] not two items *pre-constituted* with respect to the practice that unites them; rather, it is the practice that is primary, “subject” and “object” (in the particular context) being constituted *within* that practice’ (ibid., 4). Suchting further elaborates on his ‘practical materialism’, wherein people conform to the results of their own doings, as follows:

[A] certain practice [...] extends itself in accordance with the objective tendencies of its functioning, the executors of the practice conforming themselves to these tendencies. Again, it is [...] a relation [...] between the objective structure of a practice and the way in which it is carried on, the latter including ideas about what is going on. (Ibid., 9)

What is essential here is ‘the objective character of the practice’ (ibid., 8) and its relation to the ideas of what is going on. This active process of transformation wherein human beings create their own world constitutes the relation between the practical human beings and their ideas of what they are doing: the ideas become *real* only in practice. In the words of Wood (2016 [1995], 26), this kind of materialism is ‘not simply a natural given; it is a mode of productive *activity*, a system of social relations, a historical product’.

Wood, also following Marx, finds there to be no division between the social and natural life, since nature is not isolated from productive human activity and social relations. Quite to the contrary, nature is entwined with human relations as all these relations historically change, and change is wrought on nature too in accordance with developments in human societies. Thus, human interaction with nature does not leave nature intact, and it is human beings who define this relation, in their own terms, in accordance with how the relation is perceived. This defining is a practical act also, an act of transforming the relation into ideas and, therefore, making it communicable, which, again, seeds behaviour that ultimately changes nature. In this connection, Suchting (1982) refers to Marx’s comments (2010 [1867], 97) that ‘commodity-owners think like Faust [...]. They therefore acted and transacted before they thought’. The more general point is that once the producers have unintentionally created the conditions described in the sections above, the above-mentioned spontaneous relationship to the world of commodities they use for profit-making followed. The perception and thought follow this active relationship, which determines their forms and the possibilities available for further transforming the surroundings.

This means, in short, that, in the course of historically reproducing their lives and creating new needs, people simultaneously create corresponding social relations to co-operate and influence each other; they produce life and make history in the broad sense of the word. As these productive forces have developed as practices of life, accordant modes of consciousness have resulted. As Rehmann (2013, 25) points out, Marx and Engels (2010 [1846], 44) saw consciousness as practical and arising from need, from ‘the necessity of intercourse with other men [...]. Consciousness is, therefore, from the very beginning a social product, and remains so as long as men

exist at all'. In the process of consciousness developing alongside productive forces, it creates division of labour between manual and mental efforts, resulting in 'the formation of a specialized priesthood that is set free from manual labour' (Rehmann 2013, 30). The priests arise as the first form of ideologists.

Rehmann draws from Gramsci too, in pointing out that the idea of objectivity of the external world is related to religion and that, as a belief, it has a religious origin. Gramsci (1971, 441) stated that all religions teach that 'the world, nature, the universe were created by God before the creation of man, and therefore man found the world all ready made, catalogued and defined once and for all, [and therefore] this belief has become an iron fact of "common sense"'. Rehmann (2013, 64) concludes: 'Since social practice is both real and subjective, the dichotomy of the "objective" and "subjective" cannot be maintained.' Althusser too adopted these material elements for his ideology theory, and Rehmann (*ibid.*, 151) concluded along similar lines that 'ideologies have their own "material existence" and therefore temporality. Individuals are moved by a system that goes from a particular apparatus to material rituals, to everyday practices of the subject<sup>101</sup> and produces ideological effects there' (*ibid.*). With regard to the operation of the ideological, Althusser (2014, 186) modified an example from Pascal so as to illuminate what the material practice in this sense means:

Kneel down, move your lips in prayer, *and you will believe.*

Althusser continues the explanation by stating that Pascal 'scandalously inverts the order of things' (*ibid.*) in that coming to faith is usually conceived of the other way around. Althusser's formula above is a description of the ritualistic practice that keeps up active faith in an institutional religious environment. The faith is an active social practice that is upheld through rituals that maintain religious sensations and ideas – a man's 'ideas are his material acts inserted into material practices' (*ibid.*). It is the act of kneeling and praying that creates the belief, not *vice versa*. The same is true of the ideological in general. Ideologies are upheld not through ideas by themselves but through the practices and rituals combined with the ideas, making said ideas the best explanations for the existing material order and the (common) sense of the order that follows. This takes place, again, in the 'complex material arrangements' described by Rehmann, wherein mechanism of several sorts are fundamental. This makes all these conditions material, in that they all participate in producing the effect.

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<sup>101</sup> Althusser refers here to the subject of ideological powers, a person. The ideology theory of PIT is a theory of subjection, as addressed further on in this chapter.

In this institutional environment, upholding ideologies is a highly practical exercise. For example, when one teaches at a university, one usually takes the curriculum as a given. Then, one makes sure that the students know how to replicate what is expected under that curriculum and receive study credits accordingly. It is not just the act of transferring the idea from the curriculum to the head of a student but the entire material arrangement wherein the act of transfer takes place, involving the authority of the university, that of the teacher, and the accordant corporeal practice of learning how the world works and thinking accordingly<sup>102</sup>. One could paraphrase Althusser's formula thus: learn what is in the textbook, repeat the ideas in the exam, *and you will believe*. In other words, the ideological operates through learning how to apply the 'scientific model' that has been handed down as a given in the ready-made university with a ready-made curriculum. The primary ideological struggle in the university, then, takes place in forming the curriculum that the students encounter when practising their scientific skills (for the first time), not in an open field of ideas and deliberation where a rational, autonomous, and sovereign individual may freely choose what seems to be the best argument. The ideological is concretised in this as practical and material. Next, I consider how it combines certain thought-forms with institutional practices.

#### 4.2.1 The Ideological As Rule by a Hegemonic Class

Ideological powers operate in capitalist class-society, where, on one hand, capitalist competition prevails and, on the other, the respective interests prevail and are protected. Even though there is by no means a single unified class with one uniform interest, there most likely are unifying class-interests. In a capitalist society, a capitalist class consisting loosely of the owners of the means of production is probably a group with some unifying interests to protect since these people benefit most from the prevailing order. While it is clear that there are groups organised

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<sup>102</sup> Foucault offers good descriptions of corporeal practices in his *Discipline and Punish*, with examples from such contexts as schools, where 'an assistant teacher taught the holding of the pen, guided the pupil's hand, corrected mistakes and at the same time "marked down trouble-makers"; another assistant teacher had the same tasks in the reading class; the intendant who supervised the other officers and was in charge of behaviour in general also had the task of "initiating newcomers into the customs of the school"; the decurions got the pupils to recite their lessons and "marked down" those who did not know them. We have here a sketch of an institution of the "mutual" type in which three procedures are integrated into a single mechanism: teaching proper, the acquisition of knowledge by the very practice of the pedagogical activity and a reciprocal, hierarchized observation' (1977 [1975], 176).

around interests, one should still bear in mind that class in an economic sense is a result of social relations that follow on from the ownership relations, in a process that, again, produces the prevailing division of labour. Within this division, some people are more dependent on capital for their immediate subsistence-level life. Hence, while human groups may be divided into statistical classes representing their structural position within the division of labour, the division principles are equally important, from the social relations that organise production, labour, and the distribution of well-being in the society (for example, see Wood 2016 [1995], Ch. 3).

The queer nature of the relation between competition and unifying class-interests is visible in how capitalists perceive their interests. Through competitive relations, they see it as being in their interest to lower the costs of production and to justify and naturalise their position as the owners of means of production. The point is that no unified conspiracy or plot of some sort is needed; they become aware of their objective interests through the functioning of the capitalist market and the concomitant need to keep up with the game. The market that is ‘natural’ for them unifies their interests in that respect. Again, these need not be purely ‘material interests’ in the way neo-institutionalists understand materialism. They may be values and attitudes learned as part of the socialisation process wherein this class take their ‘natural’ place in society with the privileges it entails.

This does not mean there is a unifying interest among capitalists any more than within the working class, who may adopt values that are hostile to their economic interests. This has proved to be the case with so-called Thatcherism in Britain (addressed by, among others, Hall & Jacques 1983; Hall 1983, 1988) and, more recently, with ‘austerity’ (Blyth 2015). According to Hall (1988), Thatcherism was particularly successful in bringing quite different, conflicting social interests together by manufacturing ‘consensus’ from above. This is the point on the path where PIT breaks with narrow economism: scholars such as Hall have recognised the discrepancies between the economic and ideological positions:

The challenge is how to grasp why turning to certain ideological values and attitudes can go hand in hand with the loss of collective and individual agency. A major subject of a critical ideology-theory is people’s ‘voluntary’ subjection to alienated forms of domination, the consent to conditions restricting their capacities to act. (Rehmann 2013, 5)

According to Hall (1988, 41), ‘Thatcherism’s capacity to become popular [is particularly significant] especially among those sectors of the society whose interests it cannot possibly be said to represent in any conventional sense of the term’. Hall saw that ‘class is not the only determinant of social interest (e.g., gender, race)’ and

that, more importantly, ‘interests are themselves constructed, *constituted*, in and through the ideological process’ (ibid., 45), of which Thatcherism is a parade example. Instead of focusing merely on ideas, PIT and Hall (e.g., 1983, 1988; see also Hall & Jacques 1983) brought a special touch to work on ideological hegemonic class-rule and struggle, by connecting it with the underlying conditions and the historical continuum. Seen from this angle, the rise of Thatcherism, for example, resonated with the social conditions of the time and its political conjuncture, and it was produced through the existing political machinery. Moreover, in PIT scholars’ investigation of German fascism, they were ‘not looking for a specific content of ideas, [but instead, concentrated] from the outset on the Nazis’ practices of ideological transformation. Indeed, the material-studies showed a continuous primacy of ideological arrangements, practices and rituals over the edifice of ideas. [...] [A] sequence of “performative acts” with ideological subject effects [took place], for example marching, mass-assemblies, collecting foodstuffs [*sic*] and money for those exposed to the cold [the *Winterhilfswerk* relief programme], living in camps, company-fêtes’ (Rehmann 2013, 264–265).

When considering the role of ideas in ideology, Marx and Engels brought out an especially significant point related to the ideological power struggle. According to Marx and Engels (2010 [1845], 60), any new class aiming for power ‘is compelled [...] to present its interest as the common interest of all the members of society, that is, expressed in ideal form: it has to give its ideas the form of universality, and present them as the only rational, universally valid ones’. Thus, with regard to ideas, ideological struggle offers the ‘best explanation’ for the order that the groups aiming for power try to provide or secure. This takes place through a process wherein various kinds of ideologists – politicians, jurists, artists, think tanks, and intellectuals who are public figures – work to translate the ‘predominant ideology into a language that people find convincing’ (Rehmann 2013, 3). After all, in the ideology domain, it is not so important what is false but what makes good sense, ‘which [...] is usually quite enough’ (Hall 1988, 46). Rehmann (2013, 33) considers this translation practice of ideologists to be ‘a crucial component for a class-formation to gain and maintain hegemony’. This is how the contradictory values and attitudes of the ruling class are brought together in a process of collective identification of mutual interests, which are then transformed into ‘voluntary subjection’ of people (i.e., hegemony) through an ideological process.

From PIT’s point of view, the ideological is ‘alienated socialization (*Vergesellschaftung*) from above’ in Rehmann’s words (ibid., 11). This approach takes class-rule to be Gramscian ‘hegemony’, wherein the ruling class not only rules but

also leads, in the sense of generating among the subjects a ‘kind of consensus (active or passive) to its rule’ (ibid., 3). In this description, ‘alienation’ refers to fetishistic inversion whereby the movement of commodities controls the movement of people. Within this process, people are subordinated by an alien power that is a result of their own doings. That power is understood primarily through the objective thought-forms – in its appearance form – with which the attention is paid to necessities and real abstractions such as money, resulting from the uncontrolled movement of commodities. While no-one has to be fully aware of ‘how things really are’, ideologists work to translate these necessities into the language of ‘inevitable’ and ‘fair’, to sustain the profit-making (ibid., 106). In other words, the translation of the prevailing conditions uses the alienated, objective thought-forms as its foundation for explaining to people the things they (objectively) encounter in their mundane lives. Because people’s experiences resonate with these thought-forms, they ‘make good sense’ (Hall 1988, 46), and get accepted – whether actively or passively – as reasonable explanation for the existing order.

The concept of socialisation, in turn, refers to social upbringing and learning in and through institutions (i.e., ideological apparatuses), where individuals internalise norms. The PIT notion applies the word in its broad meaning based on the German word ‘Vergesellschaftung’, which underscores the *societal* dimension, with all of the social relations included, and stresses that society consists of these relations, which are the primary socialising element in ‘making society’ (Rehmann 2013, 248)<sup>103</sup>. The state as the dominant power is distinguished from earlier models for societies by its ‘permanent “administrative staff” ready to exercise the “necessary compulsion”’ (ibid., 253; see also Weber 1978, 53–54<sup>104</sup>). The state is ushered in thus as an ideological power with its *vertically socialising* ‘super-structural instances and [...] bureaucratic apparatuses. [It] fixes and regulates the antagonistic class-interests from

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<sup>103</sup> Rehmann (2013, 248) attaches this German word to contexts when discussing socialisation because it ‘has [a] more encompassing and more active meaning of “making society”, in the sense of shaping and realising social relationships on all levels. It is in this sense that the concept of *Vergesellschaftung* can be analytically separated into vertical and horizontal “socialisation”’. The English word ‘socialisation’ loses these more general connotations of the German word that Marx often employed for the role of the state in this process. One could consider the next paragraph’s distinction between the words ‘socialisation’ and ‘societalisation’ to be a parallel example, setting up a separation uncommon in social scientific literature.

<sup>104</sup> Weber (1978, 53–54) wrote: “The head of the household rules without an administrative staff [...]. A ruling organization will be called “political” insofar as its existence and order is continuously safeguarded within a given territorial area by the threat and application of physical force on the part of the administrative staff. A compulsory political organization with continuous operations (*politischer Anstaltsbetrieb*) will be called a “state” insofar as its administrative staff successfully upholds the claim to the *monopoly* of the *legitimate* use of physical force in the enforcement of its order.”

above' (Rehmann 2013, 246). While states operate in many ways, from the ideology-theoretical perspective they maintain social reproduction by upholding the vertically socialising institutions, such as schools, family, religious communities, and juridical apparatuses – all institutions that it directly but also indirectly maintains. This is why the realm of ideological powers also includes institutions such as trade unions and employer associations, political parties, media entities, and cultural quarters.

The idea of ideological apparatuses has its origin in Althusser's essay 'Ideology and Ideological State Apparatuses' (2014 [1970]), where he lists the above-mentioned apparatuses while pinpointing how the question about them pertains to the necessary reproduction of 'conditions of production'. This is because 'every social formation must reproduce [...] 1) the productive forces [consisting of labour power and] 2) the existing relations of production' (ibid., 233). Since the schooling system is the principal ideological apparatus for Althusser, he is especially interested in the manner of reproduction of general qualifications – 'know-how'. Schools with their obligatory attendance are usually the first institution to take over the socialisation function from parents. In my interpretation, if parents have the responsibility for primary *socialisation*, schooling and other, equivalent institutions are active in secondary socialisation and therefore *societalise* people. While the schooling system fulfils its integrative and co-ordinative functions in a Parsonian sense and thus reproduces society with regard to its necessities peacefully, that system has a part also in reproducing the predominant class-relations by naturalising them as it teaches how the society works practically. In this sense, the ideological struggle is over such elements as curricula more than presenting directly opposing political positions.

Rehmann (2013, 152) describes how Althusser's perspective on reproduction has often been criticised as functionalist – that is, as 'a view from above that disregards the actual contradictions and struggles in social institutions in favour of considering their function for the stabilisation of domination, so that their significance seems to lie outside themselves'. For him, the PIT approach suggests replacing the term 'state apparatus' with 'ideological powers' and supplementing the idea with, for example, some parts of Pierre Bourdieu's field theory and ideas about 'habitus'. It follows from such a view that people are not so much tied to certain concrete institutions as they stand in objective relations between positions (ibid., Ch. 8). Through the term 'ideological powers', attention is drawn to how one may see these concepts as complementary, not exclusionary. For true complementarity, I suggest that, while the idea of functionalism carries strong negative stigma among social scientists, one may still consider the arrangement of objective relations in society in such terms as division of labour and integration, along with what kinds of necessities their

reproduction entails. One may at the same time give consideration to the cost for social theory of abandoning the notion of objective preconditions for a functioning society.

Irrespective of the latter fine-tuning, reproducing apparatuses have ideology-theoretical value in illuminating how all of these institutions – schools as much as trade unions and media outlets – socialise, in a broad sense. As Althusser's actual analysis was tied to the conditions obtaining in France at the time, his key concepts maintain their relevance because their perspective on socialising institutions is set in conditions still witnessed today, wherein hegemonic interests prevail. These institutions do not just objectively inform of how the world works; they also actively put forward their interpretations of the contradicting interests and other conditions. In Rehmann's terms, they constantly struggle over 'hearts and minds', but in this they struggle to persuade of their particular frame of reasoning, since they may operate on different bases. Irrespective of their differences, those groups in power with sufficiently similar interests manufacture seeming consensus from above. This occurs because, in the vertical socialisation, they operate on an institutional basis with resources that are provided and backed by state or corporate powers. These powers are usually beyond individual-level control, bringing imbalance to the power relations between individual citizens and these groups from the outset.

However, analysis can consider horizontal socialisation too. The latter concept refers '(in whatever displaced way) to the people's "commons" [...] recognised by them as their "own"' (ibid., 12); i.e., this is construed as socialisation among equals. The concept is designed to include people's present realities and personal experiences of the world as it points to the fact that people try to regulate social life actively themselves. Therefore, the term denotes 'common-consensual control of the conditions of social life' (ibid., 248). In keeping with this definition, PIT scholars recommend reserving the term for acts that take place 'whenever the "common", the "commune"[,] which has been alienated by ideological powers, is reclaimed and reappropriated' (ibid., 249).

Let us return to what the ideological is for PIT: alienated socialisation from above that is aimed at class-rule in terms of Gramscian hegemony. The concept of hegemony addresses how dominant groups aim for people's *voluntary subjection*. In addition to ruling – setting the common norms and rules – they want to lead, which requires people's willing surrender of their direct authority for democratic planning, be this surrender active or passive (i.e., not embarking on active resistance). In other words, hegemony involves a relationship wherein ruling and leading must be constantly reproduced from above, but such that the group in power succeeds in

forming the necessary consensus among the people and between groups, which causes them to choose to give up their power to decide on their own affairs. Hegemony is an active ideological-political practice. Gramsci's use of the term is probably one of the most well-known, with Peter Thomas (2009, 159–160) describing it thus: 'It is upon the concept of hegemony, more than any other, that Gramsci's contemporary fame rests; indeed, his name is almost synonymous with it.' While this concept has several dimensions<sup>105</sup>, I am interested primarily in the one that Gramsci (1971, 12) himself called 'spontaneous' consent:

The 'spontaneous' consent given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group; this consent is 'historically' caused by the prestige (and consequent confidence) which the dominant group enjoys because of its position and function in the world of production.

This category is related to the analysis of so-called civil society, usually understood as 'private' in contrast to the state. Direct domination is exercised within the state, but hegemony is something that the dominant group exercises throughout the society to achieve the seemingly spontaneous consent of the masses, no matter how contradictory the 'compromise-formations' may be (Rehmann 2013, 11). In Gramsci's (1971, 12) analysis, though, these two levels of society act in sequence – not binary oppositions – where the state with its coercive function uses its legal power to enforce discipline on groups who do not consent. This conception ties in with Althusser's ideological state apparatuses, in that they 'reproduce the relations of production under the "shield" [bouclier] of the repressive state-apparatuses' (Rehmann 2013, 147). Therefore, Gramsci's consent vs. coercion dimension of hegemony is one of dialectical relationship, wherein the two complement each other in such a way that the classes 'for' and 'against' the leading group are dominated by different means. Thomas (2009, 163) elaborates:

Leadership-hegemony and domination are therefore conceived less as qualitatively distinct from one another, than as strategically differentiated forms of a unitary political power: hegemony is the form of political power exercised over those classes in close proximity to the leading group, while domination is exerted over those opposing it. Consent is one of the means of forging the 'composite body' of a class alliance, while coercion is deployed against the excluded other.

He states that these forces must counterbalance each other (*ibid.*, 165). That is, domination should not be exercised too much, lest it weaken the ostensibly spontaneous consent, since the delicate balance between these dimensions of

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<sup>105</sup> For in-depth analysis of Gramsci's conception of hegemony, see Thomas (2009, especially Ch. 5).

hegemony is based on a common understanding of ‘natural’ equilibrium that people perceive in mundane life. This perceived equilibrium results from the functioning of ‘sensible people’ or ‘good citizens’, who are willing to be voluntarily subordinate to the prevailing order since they accept it in ideological terms based on objective thought-forms. Once again, this does not equate to false consciousness, for most of us make decisions to sustain ‘normal’ life for very practical reasons, which may be the right ones from our individual-specific point of view. Gramsci’s description of ‘spontaneous’ consent describes the relationship between us and socially dominating, leading, and organising forces that aim to disguise the fact that we do not share equal starting positions, or convey a sense that unequal positions are ‘natural’, ‘right’, and ‘fair’, which is required for maintaining the *status quo*. In the best-case scenario for hegemony, people may even demand measures that are directed against disruption of this observed ‘equilibrium’. Since the society has dominating and leading groups, there is hegemonic regulating ‘from above’ and, therefore, voluntary subjection ‘from below’.

Voluntary subjection can involve active and/or passive acquiescence to class-rule. One may be active in the society-building or just let it happen, as long as one reproduces the society by the rules that prevail via one’s own practices. While we may have our doubts about the order, we live in a practical world that appears objective to us, especially when we tend to livelihood concerns, immediate subsistence. As we take these conditions as given, we are in a spontaneous relationship with the world that appears natural since it works in a manner that seems immediately understandable. This spontaneous, shared, and immediate understanding on the part of ‘the multitude’ is what Gramsci (1971, 421) calls ‘common sense’. No matter the individualistic connotations of the idea of ‘sensible people’ using common sense, this is exactly where the queerness of the ideological is situated. If our spontaneous relationship with the world is ideological and the ideological struggle is over people’s hearts and minds, it is over *how* people commonly use their sense and over *what kind of sense is commonly used* to understand the world around us. Thus, the question of the spontaneous subject comes into play.

#### 4.2.2 The Spontaneous Subject

That’s obvious! That’s right! That’s true! (Althusser 2014 [1995], 263)

As illustrated in the introduction to this chapter, people tend to take it personally when someone claims that they are not thinking for themselves but acting

ideologically. Usually, one would rather see everyone else as ideologically oriented. I associate this with holding up the image of an autonomous, sovereign individual, a conception that is cherished as nearly equivalent to human rights – even among social theorists, as we saw in the chapter addressing neo-institutionalism. In fact, this spontaneous reaction may be seen as useful for purposes of ruling, since it casts our voluntary subjection as automatically a well-thought-out and balanced decision by an individual. While there is a fine line between our individual-level consideration and spontaneous ideological reactions, the middle ground of a not-so-autonomous individual should be taken seriously. If our individual-level perception says that we live in a world of acting individuals, I suggest that as socialised individuals we could be considered subjects.

According to Rehmann (2013, 11), ‘PIT’s concept of the ideological does not claim to comprehend the entirety of the subjects’ social practices, thought-forms, and feelings, but identifies the specific dimension of a socialisation from above, which is in turn traversed and counterbalanced by other dimensions of socialisation’. As contradictory compromise-formations, the ideological must appeal to people’s ‘commons’ as well as their ‘own’ (ibid., 11–12), but the difficulty with ideological analysis lies more in explaining how different levels of people’s life and experiences are combined such that the necessary compromise-formation is produced (ibid., 50–51). That is why it is so important to ‘grasp the “meeting-points” and combinations between ideological discourses and the “objective thought-forms” that produce common-sense mystifications’ (ibid., 51).

Objective thought-forms do not form an ideology by themselves, since they cannot be regulated ‘from above’. It is their representations that are articulated, as ‘an ensemble of institutionally administered norms, values, and ideals’ that must ‘make sense’ for individuals (ibid., 51). However, since, from the outset, people are not homogenous creatures by nature, their reason is conceived of within PIT ‘as an ambivalent and antagonistically structured force-field [...]’. Whoever intervenes into ideological struggles concerning the people’s “common sense” is immediately drawn into a struggle about what is “reasonable” (ibid., 105). The struggle is about subjectification, and, therefore, the constitution of the ideological subject must be explained.

For Althusser (2005 [1965], 233), ideology belongs primarily to the domain of the unconscious: ‘It is [a] profoundly *unconscious* [...] system of representations [that] are usually images and occasionally concepts, but it is above all as *structures* that they impose on the vast majority of men, not via their “consciousness”. They are perceived–accepted–suffered cultural objects and they act functionally on men via a

process that escapes them.’ Here, Althusser brings out an interesting point connected with the relation between agent and structure: the subconscious operates akin to a miniature society, a schema that we internalise in socialisation but of which we are unaware most of the time since it regulates our spontaneous behaviour. Structures, then, being unconscious, are internalised rules, regulations, ideals, attitudes, etc. that represent the social relations where we grow and live. Hence, an ideology, for Althusser, ‘is a matter of the *lived* relation between men and their world’ (ibid.). When acting as individuals in accordance with our subconscious, we act as subjects, so, for ideology to be ‘lived and believed’, concrete individuals must be constituted as subjects within the ideological apparatuses (Rehmann 2013, 155). To understand ideological subjectation, Rehmann highlights how Althusser understood the term ‘subject’ in its double meaning:

On the one hand, it means a subjected being that submits to a higher authority, and on the other hand it seemingly means the opposite of this, namely a self-confident and responsible author of one’s actions, endowed with free subjectivity, an intentional centre of initiatives. According to Althusser, ideology works precisely through the combination of these two opposite meanings. One submits to higher authorities, high moral values, and while doing this, one considers oneself as a free, independent person, guided merely by one’s inner impulses, convictions and beliefs: the subject is subjected in the form of autonomy. (Ibid., 155–156)

As ideological subjects, we respond to calls we recognise. The most powerful call is obviousness, since we cannot fail to recognise it. In other words, people tend to perceive their surroundings as obvious, and usually the common sense responds to things it recognises. For example, it is as obvious that  $2+2=4$  as it is obvious that people must go to work to earn their living, although the latter ‘obviousness’ depends on the social arrangements. What is in question here is the *mechanism* of recognition, and this is what Althusser calls interpellation. According to Althusser (2014 [1995], 264), interpellation ‘recruits’ subjects by calling to them in such a way that they recognise themselves from the general call. He cites as an example a police officer who shouts out: ‘Hey, you there!’, whereupon ‘the hailed individual will turn around’ (ibid.)<sup>106</sup>. The trick with ideological interpellations is that they are not addressed to anyone special, yet people recognise themselves from them and, thereby, ‘recognize and accept their identity in the interpellation, and this is what transforms them into subjects’ (Rehmann 2013, 156). This seems somewhat trivial, and that is exactly the point: ‘It is in this very obviousness, this self-evident reaction of all of us [...] that

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<sup>106</sup> I am not sure this is the best possible example, since I reckon that everyone would turn around in a mundane situation of a police officer shouting.

the ideological subjection has its foundation' (ibid.). We do not actively recognise the reasons for the appeal and familiarity of the ideological call, since the subconsciously constituted subjectivity is what responds to it.

Public debt serves as an example. People use money in day-to-day life and are accustomed to the notion that personal debts are, and must be, repaid. Also, debt has a long history and a central position in the development of civilisation, and it hence stirs strong moral sentiments in people (for example, see Graeber 2011; Shaikh 2016, Ch. 5). Thus, when these (learned) moral sentiments are combined with people's everyday experiences of using money, the 'obviousness' that public debt must be repaid in similar fashion to private debt has a strong sounding board. This has served as a fundament of the political struggle over austerity politics, wherein proponents of austerity have based their political argumentation on this common sense related to debt (Blyth 2015). Said ideological interpellation has strong roots, since the argumentation that supports this common-sense reasoning has been institutionalised by economic theory that provides a basis for legitimisation work carried out in politics directed at public-sector cutbacks (ibid.; see also Herranen 2018). In sum, the common sense of an 'autonomous subject' recognises the 'obviousness' from the ideological interpellation that 'debts must be repaid'. On the other hand, the sentiments of a 'moral subject' who submits to a higher authority insist that debts must be paid even though doing so would mean suffering, since that is 'the right thing to do'.

More generally, it follows that ideology must have some kind of symmetry with people's experiences (here referring to everything from mundane experiences to socialised unconscious representations) or must offer sufficient motives for acceptance. Examples of the latter underpinnings are morals and ethics-related motives, money, what is 'common', and power or other such benefits. In the first case, symmetry means that ideology must explain in sufficient extent why things are as they are, or ought to be. That explaining must begin somewhere; i.e., it must have some point of reference. One might explain how the world works through, for example, money and emphasise its circulation as creating the surrounding phenomena. Once there is a reference point, causes, effects, and connotations of 'freedom', 'property', 'equality', etc. may be attached accordingly. If the structure of the unconscious can find sufficient verification of the explanation from subjects' experiences, the subjects may approve the explanation and possible contradictions may be bypassed as long as they are not overly disturbing. Again, explaining the world through such lenses as money is not necessarily 'false'; after all, it 'makes sense' to most of us as we perceive its movement. Accordingly, the ensuing dominant

discourse about the whole economy may be built around it. The more commonly one discourse becomes socially acceptable – ‘sensible’ – the less active ideological administration is needed. The central point is that the ideas and discourses must have some resonance with prevailing social conditions. Symmetry between them and people’s experiences must prevail.

We have noted that discourse is one element of the ideological interrelated with apparatuses, practices, and rituals, but what is specific to that form? The objective thought-forms are articulated as an effective communicative practice. I consider discourse as such to be a praxis-form consisting of symbols, signs, messages, images, etc. – meaningful, communicative practices. Discourses also live and change historically and locally, where some understandings in one time or place may be wholly different from those in another. However, according to Hall (2006 [1980], 163), mass-communication discourses must be produced, which requires ‘material instruments – its “means” – as well as its own sets of social (production) relations – the organization and combination of practices within media apparatuses’. In the production of ideological messages, discourses, and hence the ideological in general, the whole set of ‘institutional-societal relations of production’ takes part in this process while these still must ‘pass under the discursive rules of language for its product to be “realized”’ (ibid., 164). Discourses must be encoded in such a meaningful form that, once having been put in circulation, they may be translated at the receiving end, back ‘into social practices if the circuit is to be both completed and effective’ (ibid.).

Hall obviously emphasises the production aspect, wherein messages for mass communication are socially and institutionally constructed, but he also stresses that there is no effective message without translation back into social practices. They must go through a circuit of ‘encoding – meaningful discourse – decoding’ in a production–consumption cycle wherein sufficient symmetry between the encoding (source) and decoding (receiver) positions must prevail. Hence, the code is crucial, since ‘[d]iscursive “knowledge” is the product not of the transparent representation of the “real” in language but of the articulation of language on real relations and conditions. Thus there is no intelligible discourse without the operation of a code’ (ibid., 167). Decoding is primarily an unconscious set of operations that, in a sense, explains the messages for us, so the ‘code’ is what we learn in those socialising practices wherein we learn to read messages of whatever kind (ibid.). Therefore, ‘it is at the connotative *level* of the sign that the situational ideologies alter and transform signification’ (ibid., 168). Moreover, since there are so many and so very contradictory messages and interpellations, along with interpretive conditions and

interpreters, there is no guarantee of the message getting decoded in accordance with its encoding (ibid., 170).

In addition to the ideas and discourses having resonance with prevailing conditions and, therefore, with people's experiences, they must be structured in line with particular rules, such as grammar. Only through this structure (shared standards) can they become effective, since the sending and the receiving end must possess a shared understanding of the content. Again, realising the discourses takes place through practices – discourses are communicative practices. That means that there is no separation between the content of the message and the form of practice in which it is realised. Moreover, mass communication especially requires production and distribution instruments such as media apparatuses, although these cannot guarantee success in communicating. Hence, Hall points out that the communication may fail. Also, we may decode the messages in different ways, some of them following the dominant-hegemonic position, some negotiating with the message, but others using an 'oppositional code' – such as understanding 'national interests' as 'class-interests'.

This confrontation with what Rehmann calls positive counter-subjectivity offers an interesting lens for understanding 'different responses to ideologies, [where] we need to presume that the subjects are not mere "effects" of ideological interpellations' (Rehmann 2013, 178). As Rehmann points out, '[l]anguage and discourse are certainly always with us, but they are not the only factors that determine our lives. Experiences such as feeling hungry, sleeping in the cold and becoming ill can hardly be characterised as effects of ideological interpellations or discourses, even if the interpretation of that hunger, cold, and illness are heavily influenced by the predominant ideologies' (ibid.). This is one reason people may resist dominant interpellations: *their lived and/or shared experiences* may not fit the ideological discourses and may actually contradict them. Hence, we must remember that, while autonomous, sovereign agency is a metaphysical abstraction and mere fantasy, there are contradicting and different kinds of subjectification and real, lived, and shared experiences that make us personalities<sup>107</sup>. These real, living people can resist domination and organise in resistance.

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<sup>107</sup> Rehmann (2013, 231–236) uses Bourdieu's concept of habitus to elaborate on the relations between social structures and bodily dispositions. According to Bourdieu (2000, 138–139), social structures 'inscribe' themselves into human bodies as they are 'products[s] of incorporation of the structures and tendencies of the world'. Bourdieu points out, on page 141 of the same work, that our experiences of the social structures are not just 'cognitive' – they are fairly comprehensive and do not leave our bodies intact: 'We learn bodily. The social order inscribes itself in bodies through this permanent confrontation.' This happens not just through Foucauldian 'normalizing discipline' but also through

Subject formation involves two complementary aspects, socialising and people's voluntary acceptance of some values, ideals, norms, and rules as parts of their identity. Therefore, subjectification is a process wherein human beings are seen as a product of social relations and as active individuals making decisions between norms and ideals. In that process, we learn to be parts of interdependent human societies and communities. This observation does not deny our human dignity or worth but underscores the relational nature of humanity. It also highlights why people tend to defend their ideals and understandings so eagerly: one does not just adopt some abstract ideals or ideas – those ideals and ideas are lived as real practices. Furthermore, one does not merely act in accordance with the ideals – one *is* those ideals *as* one's lived practices and ensuing experiences. As we live the practices, we also constitute them in social relations that we encounter as real when we engage with the human world. To become subjects of change, then, we must undertake to change the social relations and the corresponding thought-forms.

#### 4.2.3 Contradiction and Resistance

PIT considers itself critical ideology theory, because it 'deals with the functioning of ideological powers, practices, and discourses from the perspective of their "withering away" in a society without class-, state- and patriarchal domination' (ibid., 241). However, it does not suggest a utopian vision without power relations; to the contrary, the ideological powers are understood through the term 'domination', which especially denotes institutionalised, structural, and asymmetric power relations referring to superiority and subordination (ibid., 242). In short, it takes dominating asymmetrical power relations as its very starting point, with the idea that ideological powers are needed for upholding them. For considering the problem of order, it paints the problem as bound up with unequal social relations. To disassemble this 'ensemble of apparatuses, intellectuals, rituals and forms of praxis' (ibid., 5), critical interventions are needed in theory and in practice.

As noted above, a counter-concept to the ideological is found in horizontal socialisation as 'self-socialization' (ibid., 248). This does more than refer to some concrete goal. It also takes people's ever-present realities and experiences into account. The process occurs whenever people regulate their own social lives and develop their competencies without or against the subordinate apparatuses and strive

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what Bourdieu describes as 'economic and social structures and the mechanisms through which they are reproduced'.

to assert democratic control of planning their lives. But why would people go against the grain?

Firstly, people have lived and shared experiences that rise above any ideological messages and form a basis for resistance to dominant interpellations. Physical needs of real bodies or interpretations based on lived life may be in conflict with the explanation offered for the prevailing conditions. Opposing 'decodings' may arise from conditions wherein people rely on their personal and shared interpretations. Rehmann goes on to suggest three respects in which Hall's oppositional code may go beyond the interpellation: 1) People may refuse to identify themselves in the dominant interpellations' 'big subject'. 2) Instead of identifying themselves thus, people may identify each other as equal 'little subjects', all with the same cause. 3) People do not just reject the interpellation but 'confront it with positive counter-subjectivity' (*ibid.*, 177–178). For example, instead of simply refusing to study under a given curriculum at university, people may establish study groups and trust in their own understanding of what constitutes useful knowledge.

Secondly, domination may be approached in terms of the top 1% having to convince the other 99% of having earned the 'riches by their own efforts and achievements', in Rehmann's words (*ibid.*, 286–287). This points up that, when discussing horizontal socialisation and positive counter-movement, we too readily see ourselves as subordinated and downtrodden. While asymmetry does exist, describing the dominant ideological forces in terms of it ignores somewhat that the people in charge are fellow people and that they must actively defend their position in contradictory conditions. When it comes, then, to the overall distribution of wealth and to the 1:99 discourse underscoring the inequality, it is quite easy to see why the 1% hold a defence position. It does not require a PhD to understand the absurd nature of the situation. According to Rehmann (*ibid.*, 287), '[w]e are dealing here with an incoherence that is symptomatic for the functioning of the ideological in general'. Such incoherence offers a basis for the counter-movement.

My more general conclusion about change and stability is as follows: not only the discursive, logical, or otherwise experienced incoherencies but also contradictions between individuals' experiences and social structures in general are the engine of change. This somewhat abstract suggestion is consistent with multiple social-theoretical approaches to the matter presented in this dissertation, all the way back to Durkheim's discussion of how individuals perform 'intellectual operations' between adopting social representations and their actions that lead them to either approve or rise up against the authority.

In my interpretation, in Durkheim's theory the root of contradiction lies in the breaking of collective representations – shared rules and values – that work as a regulating standard for people's collective operations. When social crisis emerges that upsets the 'scale', people face difficulties in adjusting their conduct and views with each other since they cannot reconcile their experiences of the world with the now-upset standards. The contradiction between people's experiences, interpretations of them, and prevailing rules and norms may arise when people perform 'intellectual operations' connected with conforming to 'social authority' (Durkheim 2005 [1897], 76). Thomas (2009, 163–165) echoed this point with regard to Gramsci's characterisation of delicate balance between consent and coercion, a balance that Durkheim himself emphasised in connection with discipline. Thus we come full circle. In sum, if social and individual-level representations are in mutual contradiction, sometimes because of the use of (state) force, people may try to find new solutions to the unresolved situation.

A parallel is evident in Parsons' processual explaining, wherein contradicting rules, role-expectations, and contradiction between normative expectations and actors' motivations are the key causes of deviations. People's motivations stabilise through shared values directed to arbitrating differences between people that stem from prevailing conditions of scarcity in the society. These values inform expectations as to roles in accordance with which people perform their functions in society. Thus, because of the complex and multi-layered nature of social institutions, contradictions may arise between different sets of rules that determine these role-expectations, as readily as they arise between actors' motivations and roles (Parsons 1991 [1951], 25–26; 269–272). Actors may also suffer from incapability in not being able to live up to the expectations or face the problem of not knowing what is expected, and this too shows a contradiction between expectations and actors' experiences. Deviant behaviour more generally is mainly a result of imperfect integration (i.e., contradictory standards) that may even be realised in organised radical groups group seeking to break away from mainstream society by challenging the dominant values and ideology (*ibid.*, 355).

Correspondingly, historical institutionalists regard contradictions as a change mechanism when describing, for example, gradual change: as people operate constantly on foundations of contradicting sets of rules, institutions tend to change gradually. In one such account, Mahoney and Thelen's work on historical institutions, contradictions are portrayed as constantly present for the same reason Parsons posited: institutions distribute scarce resources. Even Schmidt, whose discursive institutionalism represents the 'idea' approach to social change (with its

unconscious undertone), finds that people become aware of the rules when – and perhaps only when – contradictions appear between them (Schmidt 2008, 315).

This very general finding suggests that people as subjects are practical beings whose lives are in many ways determined by a set of social relations, which, while (in Marx's words) mostly imperceptible by the senses, still have concrete effects. However, as Hall (1986, 43) stresses, this determination is to be understood not as 'absolute predictability [but] in terms of setting of limits, the establishment of parameters, the defining of the space of operations, the concrete conditions of existence, [and] the "givenness" of social practices'. Accordingly, we usually operate as fish in water and become aware of this only when bumping into limits that are usually beyond our control as individuals. Contradictions open opportunities for change, but, since we live in a fundamentally indeterminate world without an end to history in sight, these opportunities come with no guarantees.

### 4.3 Ideological Institutions of a Capitalist Society

In this chapter, I have suggested that, rather than understand ideology in terms of ideas of which ideology is composed, it would be more fruitful to observe those social relations and practices wherein ideological powers operate. My purpose here, then, was to challenge and supplement neo-institutionalist theory, especially those parts of it addressing ideas as the primary (explanatory) objects of enquiry. Both it and classic social theory were challenged and supplemented, especially in relational terms, with regard to how to understand the structural 'remainder' representing how institutions and institutional arrangements may be outside the control of the individuals involved. In the process, I have suggested that any theory deriving its premises from micro-foundations of whatever sort cannot explain such effects. If the macro-level effects are seen only as residue-free aggregates of those micro effects, the surplus by which the structures get 'out of hand' cannot be explained. This is because in aggregate models, only those properties and features that are given to micro-agents may be found in the respective macro-structure. Again, we need a theory that explains the kinds of emergent phenomena and dynamics that are produced by human beings as a collective yet are simultaneously beyond the control of any given individual.

A useful lens is provided by capitalism in that, in simple terms, individuals may end up in nearly any position within the system but the ownership relations with the authority that arises go a long way toward determining what kinds of realities the

individuals are exposed to when making their life choices. The relations that divide people up by their legally codified and other starting positions within this system of production distribute them into classes. Because of this functional division, the classes that follow said distribution of wealth usually become statistically observable for the same reason.

While there is a division between a small privileged group (who benefit in multiple respects from the nature of this system) and the rest (who depend on the opportunities it offers), we all are subordinate to some of its principles. Thus, this is a system of social relations beyond the control of any given individual. Grasping these dynamics requires understanding capitalist competition. Most theorists examining capitalism see it as a social system of production and profit-making with deep or even inherent inequalities. Beyond that, scholars are divided on the nature and the role of capitalist competition. Many institutionalists and sociologists associate its principles of operation with human greed and/or desires or see it as equivalent to equilibrium-seeking systems governed by institutionalised rules, such as those of a market economy (e.g., Hall & Soskice 2001; Nee & Swedberg 2005; Boltanski & Chiapello 2005; Hodgson 2015; Streeck 2016). Marxist historians (Brenner 1976, 1977; Wood 2017 [1999]), critical political economists (Shaikh 2016), and scholars of critical ideology theory (Therborn 1980; Rehmann 2013), on the other hand, see capitalism as a dynamic system with inherent contradictions born of its own regulative laws, competition chief among them.

I have characterised capitalist competition as producing emergent, structural effects on social reality while creating its regulating dynamics. One empirically observable structural effect is the tendency toward equalised profit rates, an emergent property that comes about because the requisite investments for the functioning of capitalism tend to be directed to the most profitable areas of production. This movement of capitals creates a tendency toward crisis in the system, since it sets its own laws against itself: its immanent needs for earning profit and the competition wherein invested capitals clash forces with individual capitalists to cut costs at the expense of purchasing power (unless the markets cannot expand). With workers unable to buy the products, they are not sold, and investments dry up. A negative cycle forms.

In my interpretation, this immanent mechanism of capitalism is a result of social relations that drive its dynamics. From my perspective, social relations are dependencies, with any given phenomenon composed of relations being dependent on the participation of all the parties to constitute the phenomenon. Social relations are historically changing interrelations that usually are connected to definitions of

social phenomena, such as family, firm, or nation-state. For example, family exists when a defined set of members place themselves in specifically defined relations and act accordingly. A set of rules, some formal and the rest informal, govern these relations. The same is true for phenomena that are more difficult to define, such as nation-state or capitalism, which have developed historically through people's creation of interdependencies that get institutionalised as rules, regulations, norms, and attitudes in which people are socialised. In the wake of historical creation and institutionalisation of these interdependencies, succeeding generations are socialised in this ready-made world, rendering them dependent on the existing institutional arrangements from the outset. These thus become naturalised: the individuals cannot perceive the workings of the structure of relations wherein they live like fish in water.

In capitalism's relation between workers and capitalists, characterised by Marx (2010 [1867], 613) as one wherein labour power is bought for making profits through production of commodities, workers must have nominal contractual freedom to sell that labour power. The paid work on which they hence largely rely determines the type of this social relation. Thus, in capitalist societies, social relations gain a double meaning: Firstly, they point to human societies generally organising as sets of historically developing interdependencies that congeal as institutions. As these ways of organising collective life and production develop, they further the division of labour and accelerate the metabolism with nature. In this first sense, social relations refer to dependencies historically institutionalised such that these arrangements, especially production in this context, may be beyond the control of any given individual. Secondly, as life-production in general is organised in a capitalist manner, they refer to how asymmetries in amounts of dependency between two people arise and how all of us are in some ways dependent on the capricious nature of these out-of-control relations. The contradictory nature of these relations results from interdependencies between ownership and the concomitant production relations that meet the competitive relations. As people collectively set themselves in these relations and act per their social positions, the above-mentioned effects follow.

The trickiness of social relations is similar to that of gravitational theory: the outcomes from the operation of these relations are observable, but the logic of the operation itself must be deduced indirectly. It is just as pointless to stare at a coin in your hand in an attempt to comprehend the mystical nature of the economy as it is to drop that coin on the floor 100 times in hopes of understanding the nature of gravity. However, this kind of reasoning does take place, as people try to get beneath the laws of capitalism by following the fetishised appearance forms of economic relations, such as money, in Marx's portrayal of commodity fetishism.

Money is a real-abstraction that people use in day-to-day life as a means of exchange. Through this, it begins to appear that money itself causes the effects that its use seem to produce. In other words, the relations in the background start appearing to be properties of the money itself. Because everything in a nominally free capitalist market is bought and sold as privately produced commodities, the relations between people gain the guise of relations between commodities, and the commodities' movement begins to mediate or control the movement of people. From this arises the inversion Rehmann described (2013, 39), which hides from view the phenomenon of the products of our own labour being turned against us. Within this inversion, laws of capitalism that we face daily get explained via practical categories that, while they may be useful for us as individuals, do not reveal those laws. Thereby, they form an anchor for the ideological.

This is where PIT critical ideology theory enters in. It considers ideology a relational-practical and hence 'material' phenomenon, with this kind of materiality also constituting people's consciousness. This understanding, whereby the focus is on the adjective form and attention is paid to sensuous human activity (and, accordingly, practice), extends to our metabolism with nature and to all social relations. All human (inter)action is material from the beginning, since it is fundamentally grounded in our relations with the world (Wood 2016 [1995], Ch. 3). One way to understand this would be to try thinking of something 'immaterial'. One soon comes to recognise that all 'immateriality' ('immateriality' being, of course, a matter of extensive debate across all sectors of society) is very much dependent on our material environment. It does not exist as such. No 'immaterial' mobile-phone game works without a phone.

The ideological refers to hegemonic class-rule that takes place in diverse kinds of institutional arrangements aimed at upholding the prevailing order – 'the stability of bourgeois society and its state' (Rehmann 2013, 4) – which has been historically shocked by recurring crises and which continues to distribute wealth and opportunities unequally, unless counter-forces intervene. Those in power protect their and their groups' interests by manufacturing seeming consensus from above. In PIT, the objective is to explain people's voluntary subjection to this prevailing order: how they give their consent to power structures that benefit some small group of people disproportionately more than the rest of us, produce constant uncertainty, and are even vulnerable to recurring crisis. My handling in this chapter has focused mostly on capitalist structures, with PIT adding to the picture the modern state's complementary role in modern capitalism, including its capacity for direct domination. People cannot be dominated by direct means alone, though. The

hegemonic mechanisms of control and gaining people's active or passive approval require more subtle actions via various kinds of socialising and discourse-distributing apparatuses.

As PIT considers the ideological to be alienated socialisation, or *Vergesellschaftung* from above, it is worth recapping the three interconnected dimensions of the problem of order encompassed by this. Firstly, alienation refers to the inverted quality of the appearance forms encountered in capitalist societies. For instance, understanding money as a neutral carrier of economic actions hides from view the constitutive production-organising social relations in the background that group people into classes by distribution of ownership, opportunities, and authority. However, it is not the money *per se* that matters but the kinds of relations and practice-forms that coalesce around its various uses.

In speaking of socialisation, PIT refers to upbringing, to institutions in which we learn how societies work, how to be good people and citizens, and how to act accordingly. While school may be the primary ideological apparatus, all kinds of state, civil, and private organisations are considered socialising (and societalising) ones, since the struggle for hearts and minds is constant. The socialisation process continues throughout life as we constantly learn new norms, values, rules, and ways to think and act. These institutions create the basis for our common sense – the (alienated) categories for our spontaneous way to perceive the world. Socialisation also reproduces the predominant relations as it naturalises them for members of society. In this connection, PIT addresses, in addition, the hegemony 'from above' aimed at voluntary subjection of people. People are subjects of dominating powers even though they might submit to them voluntarily or even demand their actions. It underscores the asymmetries in people's capabilities to exert influence on the public atmosphere and on apparatuses that are needed to produce and circulate the messages capable of having mass effects. These hegemonic forces encourage subjects perceiving these predominant soci(et)al relations as inevitable and fair (Rehmann 2013, 106).

Finally, people as subjects are interpellated to approve this order through messages that appeal to their internalised soci(et)al structures – subconscious structures that are inscribed in us in the process of socialisation and that respond to these messages as they recognise familiarity, in Althusser's account (2014 [1995], 261–266). Via internalised values, attitudes, and ways of reasoning, the subconscious yields our spontaneous reactions, which might be normative, prejudiced, sympathetic, negative, positive, etc., as we recognise, for example, the 'good' and 'bad' in the world. Importantly, there is no determinism here. As real beings with

real lives, people have lived and shared experiences that may contradict these interpellations. People may stand against the modes of vertical socialisation through horizontal, common socialising practices. As they spontaneously sense or consciously recognise the contradictions between their conditions and the interpellations, avenues open for counter-action and movement.

The process, in general, creates ideological *social phenomena*. There is no sovereign and autonomous agent against evil structures, but there are subject positions and socialised, real, living people, capable of acting and deciding even though still fundamentally products of social relations. Since people encounter everyday society as real, natural, inevitable, and fair (enough), they tend to surrender their direct authority in democratic planning of their life voluntarily. Still, there are several groups, fields, messages, discourses, and interpellations vying over consensus as to how things in society should be organised. The ideology theory of PIT, then, suggests a constant power struggle among groups that strive for positions of dominance, meaning control over the means of all kinds of social production: material, political, and symbolic. The ideological struggle is fought over what apparently makes sense and soon overtakes anyone who comes up against Rehmann's 'force-fields' and thereby ventures onto the battlefield of people's varying reasons.

As the aim with my ideology-theoretical investigation has been to supplement and complement the theories presented earlier in the dissertation rather than cast them aside, I should stress that PIT still takes the ideological and the ensuing ideologies to be structural phenomena. In awareness of its unique approach to the shared starting point, three questions can be posed for ideational scholarship, which grounds itself in social constructionism. Presenting them below should crystallise the issues well.

The first pertains to the material existence of the ideological and, hence, ideas. How can one explain the existence of ideas without addressing these conditions? According to PIT, the entire complex of material arrangements – ideological apparatuses with their praxis-forms – determines the ideas' production and their acceptability in society. Cleaving to individual ideas leads easily to fetishism, wherein we attach the effects the ideas seem to cause to them as such. Early neo-institutionalism asked a good question in musing on whether ideas or ideologies possess significant political life of their own, even in the relative absence of the institutions or practices that once gave them support. Orren (1995, 100) partly replied to her own question in this regard by speaking of 'parallel devolution of institutions and ideas, of encompassing institutions of control and of meaning, over

time'. This question has not lost its traction and deserves institutionalist research wherein the *relation* between the ideas and institutions is taken seriously.

For example, according to Rehmann (2013, 296), the neo-liberal consensus has become more passive and aggressive since 'the ruling class "has lost consensus", it is no more "leading", but only "ruling"'. Streeck's (2016, Ch. 4) idea of 'consolidation state' and William Davies' (2016) analysis of 'punitive neoliberalism' seem to support this finding, with the mechanisms of more direct state domination being traced to public debt, which turns governments against their own citizens just to make sure that they would never default on their debt obligations. These scholars' analyses address austerity policies as their general framework. Looking at the same context, Blyth (2015) found that, as the ideas that support austerity develop, one may find their institutional trace and pay attention to the historically changing and evolving situations with their operative interconnections with general social conditions (see also Helgadóttir 2016). In addition, extensive machinery gets harnessed to distribute these ideas<sup>108</sup>. However, the queer nature of austerity ideas reveals itself in how they are supported *because* of their punitive nature. This is telling of the appeal of ideas, in that, again, it is the moral sentiments that may strongly support even punitive actions if they feel justified.

In my interpretation, the contradiction between economic interests and values may result from the fact that, while no-one has to be fully aware of 'how things really are', the movement of commodities still determines some objective preconditions for the society. These conditions present themselves as objective through such mechanisms as competition mobilising the respective ideas. That said, this movement of commodities and its effects is a process open for all kinds of interpretations, even within the capitalist class, and leaves potential for contention. Also, in addition to interpretations, people may possess values and attitudes that have nothing to do with economic interests, even though these are unlikely to call their positions into question, especially if they are privileged.

The second question deals with ideational scholarship's preoccupation with phenomena of consciousness, as pointed out by Rehmann. Here, PIT suggests that we should take the *unconscious* side of human action into account, including how it is socially constituted. This connects with how people's 'common sense' operates and what kinds of ideological calls have appeal for them, which ties in also with the third

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<sup>108</sup> Building the European Union and its fiscal rules is an interesting example of this kind of interconnected development. For an in-depth account, see Mitchell (2015), while a shorter one, wherein Streeck's notion of consolidation state is utilised in assessing this general development in the framework of economic ideas, is provided elsewhere (Herranen 2018).

question for idea scholars. As ideational scholarship gives too much credit to conscious decision-making and agency, it also disregards how, in addition to reason, people's fears, hopes, dreams, and doubts operate unconsciously. A classic example of manipulating people's fears and spontaneous doubts is presented in Naomi Oreskes and Erik M. Conway's *Merchants of Doubt* (2010), describing how 'doubt' was introduced in the United States during the Cold War as a public-opinion formation strategy. Later, big private tobacco companies utilised it in the courtroom and created an 'industry' around it. The tobacco industry's innovation was not to deny the unhealthy effects of tobacco but to create doubt around contemporary scientific findings that only 'suggested' a causal link between cigarettes and cancer. By casting any strict causal link into doubt, the industry was able to remain unscathed against claims and accusations for decades. In addition, they financed their own scientific projects for many years to produce supportive information that they could use for manipulating the same causal link. In addition, anti-Communist and anti-government sentiments of some prominent patriotic scholars were utilised to gain credibility for their case. At the same time, constant advertising – mass-communication machinery – was used to maintain tobacco's popularity.

Another strategy that the tobacco industry employed drew on the idea of fairness, of presenting 'both sides of the story'. According to Oreskes and Conway (2010, 16), '[r]epresentatives of the Tobacco Industry Research Committee met staff at *Time*, *Newsweek*, *U.S. News and World Report*, *Business Week*, *Life*, and *Reader's Digest*, including men and women at the very top of the American media industry'. What they gained from this was 'fair' treatment presenting both sides: the side that the whole scientific community represented, asserting that tobacco causes cancer, and the side of the research the tobacco companies financed, which said that we just cannot know. At this very moment, many big players in fossil-energy industries produce systematic doubt over a causal link between human action and climate change. A small group of conservative scientists with a strategy, sufficient resources, and machinery at their disposal spread doubt over human-made climate change and thus protects the interests of the private fossil-fuel industry. Quite understandably, people would not like to believe we are facing catastrophe, so it is no wonder that this interpellation appeals to their deepest fears and doubts. As social media develop further, these strategies grow more sophisticated and fewer resources are needed for producing 'reasonable doubt'.

Why do ideologies, and therefore ideas, appeal to people? Because ideological apparatuses have leverage – resources and mass – to produce and circulate them. In simple terms, these are the ideas that we encounter the most. Moreover, dominating

socialising mechanisms operate to produce subjects capable of operating in this kind of society. We have been told so many stories about the prevailing order and how it is the best, the fairest, and the inevitable one that we take it for granted. This story is the one our common sense recognises also from our mundane experiences. The older we grow, the more we are appealed to as the ‘reasonable people’ who understand how the world works. Ideologies do not just *contain* common sense; they *produce* common sense as they produce our active, spontaneous relationship with the world. This production is a highly practical exercise, wherein the daily routines play a much greater role than usually recognised.

There is room for further work within PIT, also. As it critically complements classic social and neo-institutional theory, it still speaks mostly of subjects rather than human agents in the sense in which neo-institutionalists address them. The PIT discussion of real, living people is apparently based on Klaus Holzkamp’s work in critical psychology, though this angle remains somewhat unexplored in PIT’s main works of social theory. From the literature that I have presented, it is unclear where human reflexivity as a capacity to judge, act, and identify oneself as a unique and individual person stems from in this approach. However, one could ask whether this is a matter for social theory in the first place. Secondly, PIT provides few tools for understanding or utilising the mechanism called horizontal socialisation. I see the presentation of this, with its anarchistic tone, as somewhat poorly suited to theory that is structural in other respects. Therefore, I suggest considering Parsons’ theory of complementary role-expectations for understanding the very concrete interaction mechanisms that constitute horizontal socialisation. It explains the astonishing regularity and predictability of human conduct – the order – that usually remains relatively unseen while we direct our attention to deviance and differences. This tool would shed light on those most practical of daily routines that are the concrete, material practices reproducing the functional and dominant social institutions referred to so many times in this dissertation. This way forward will be elaborated upon further in the concluding chapter.

At the beginning of the chapter, I referred to the agenda Paul Pierson set for historical institutionalism to address ideology theory. Pierson supported this target by citing the Marxist idea of false consciousness and its potential merits. Indeed, this notion related to Marxist conceptions of ideology prevails among neo-institutionalists (for example, see Hay 2002; Blyth 2008; Streeck 2016; Carstensen & Schmidt 2016). As I have pointed out, however, the critical ideology theory of PIT has duly considered the notion of false consciousness, rising past it and indicating its shortcomings. While not denying the possibility of false consciousness existing, I

hope that my presentation of PIT lays out a plausible approach to this issue, as well as value for pursuing the wider agenda of getting past the seemingly eternal disagreement between system and lifeworld thinking (Ethington & McDonagh 1995, 85; 87). When we place human beings in their concrete conditions consisting of social relations, there is no more need for such divisions.

## 5 CONCLUSION

This dissertation has examined the problem of order and the social institutions that follow in the context of theories addressing the system and lifeworld dimensions of society. The problem of order is expressed in the question of how complex societies can stay ‘up and running’ while the people who inhabit them might be deeply divided in their needs, interests, and desires. I find this problem far from trivial. It should concern us all: to what extent is our being determined by social conditions, and how profoundly does our social being determine our being in general? These questions are intimately connected with the problem of order and the kind of order we live in. Theories of institutions form the foundation for tackling these issues, so they served as the starting point for my study. Moreover, as I wanted to participate in developing an effective, comprehensive theory of institutions, the pinnacle of current research – neo-institutionalism – provided a good vantage point since the changes in understanding within that particular tradition trickle all the way down to empirical efforts undertaken in its name. Via the underpinnings I articulate for a relational-structural approach to institutions, I strive to contribute to institutional theories and theories of social relations both, thereby informing general understanding of the nature of our social being.

In other words, as a social scientist, I find utilitarianism-based responses to the problem of order insufficient, so I have focused on the approaches that begin with the *social institutions*: societies consist of institutions that, while integrated, may be, and indeed are, simultaneously beset by internal contradictions. The problem of order provides a background condition for social institutions, since it suggests a concrete issue that institutions (must) address.

A set of integrated institutions could be generally characterised as social structures that consist of multi-layered and multi-dimensional social relations, the ‘stuff’ behind collective order. I regard relations as dependencies (per MacBride 2016) and see institutions as special cases of more general social structures (for example, see Parsons 1991 [1951]; Hodgson 2006; Lawson 2015). With relations defined as dependencies, the social institutions based on certain kinds of social relations are dependent on the parties involved, and those parties may be dependent on the institution as well. Marriage as an institution exists only insofar as the constituent

individuals arrange their living in accordance with the relations that organise this particular institution that is manifested as rules and norms. These rules and norms may be constitutive in nature, beyond the reach of the parties involved. Moreover, when creating organisation based on the marital institution, the constituent individuals may – however (un)consciously and (un)willingly – do additional things, such as uphold asymmetrical gender relations that have subordinating effects on people.

One dimension of social relations consists of immediate integrative and co-ordinative practices and the other of a more constitutive layer of relations that uphold, for example, cross-generational stability but also create contradictions. I will return to these dimensions when rounding out the chapter, but I mention them here because one of the main arguments I have defended – which helped to motivate my theoretical-premise-clarifying reconstruction endeavour and the social-relational approach I built along the way – is that institutional theory needs a relational backrest, to enable addressing the system and lifeworld dimensions of social life simultaneously and thereby overcoming the problems that have historically divided the corresponding perspectives. As I tackled this project, I found support for my main hypothesis: when neo-institutionalists aimed at overcoming the system–lifeworld division, they forgot the ‘social’ denominator of their theoretical equation. It is just such a common social denominator behind the institutions that could aid in reviving the reconciliation agenda and bridging the gap between distinct institutionalist approaches. Thus, I have found the answer to my primary research question – ‘what is the “social” that unites different institutions?’ – in social relations. However, the reader will recall that I asked further questions: What common denominators or shared divisions can be found in neo-institutionalism’s institutions? What are the institutions under neo-institutionalism, and what kinds of social institutions are they? I also posed secondary research questions for the other traditions of institutional theory addressed: how do they answer the above questions and relate to neo-institutionalism in that sense, and how do they complement and relate to each other? A run-through of my most central findings provides answers to these questions.

I created a base for my reconstructions by bringing out some aspects of Durkheim’s classic presentations of social scientific theory, method, and investigation. Durkheim usefully emphasised the ‘externality’ of the social phenomena – they must be studied as ‘things’ because they must exist outside the individual consciousness. Otherwise, only individual mental states could exist and be the stuff of scientific investigation. Comparing societies to natural phenomena,

Durkheim saw them as emergent entities with properties that transcend the individual, making sociology a science of institutions. In his main theoretical-methodological works, he suggested that these institutions consist of ‘associations’ between people, social relations. These social institutions are encountered as ‘external’ even though they are products of the people’s own conduct.

With these foundations laid, I reconstructed neo-institutionalist approaches that represent the system–lifeworld division: historical institutionalism; ideational scholarship; and discursive institutionalism, which is a descendent of IS but has introduced itself as an independent approach with a somewhat more systemic nature (e.g., Schmidt 2008, 2010a). I chose neo-institutionalism as the object for study because it represents the spearhead of contemporary institutional social science in taking the structural issues seriously and more generally striving for comprehensive understanding of societies. From the beginning, it also has had an ambitious theoretical agenda of building an umbrella for all social scientists interested in institutional phenomena, and it even originally aimed at getting past the system–lifeworld dichotomy (Ethington & McDonagh 1995).

The primary aim with the dissertation has been to revitalise and pursue this project, which I have termed the reconciliation agenda. My reconstruction work for thus supplementing, complementing, and challenging neo-institutionalism began with showing how neo-institutionalism has evolved mainly in its own terms, reiterating perennial social-theory dichotomies such as material–ideal and structure–agent. The system–lifeworld division manifests itself in neo-institutionalism as the division between ‘material-structural’ historical institutionalists and ‘ideational-agential’ ideational scholars. I found that special emphasis has been given to understanding of structures, with lifeworld theorists holding the view that ‘structural sociology’ represents static thinking wherein individuals are considered dopes. They attempted to bring in a viable agential approach that appreciates social change, uncertainties, and irregularities, one that accounts for people’s ideas about the world in particular (e.g., Blyth 1997, 2002b).

Accordingly, Ethington and McDonagh (1995, 86–87) suggested that new institutionalists should concentrate on institutions’ regularised principles of conduct rather than only their immediately perceivable features. The ‘idea’ was put forth initially as the ‘intangible’ factor for enquiry. While the dominant branch of the new institutionalist movement, HI, continued to concentrate on historical continuity, it added ideas as a supplement to the otherwise structural theory. In line with the neo-institutionalist agenda, these scholars wanted to bring historical-institutional contingencies into the picture in addressing issues such as power, interests, classes,

and political struggles, largely by dealing with historical-social macro-issues and phenomena such as path dependencies and gradual change that provide conditions for more unique events. There was an attempt to prove that 'history' as a major operator behind social institutions possesses causal powers that may operate without individuals capable of controlling or even being aware of them (Pierson 2004; Mahoney et al. 2016; Steinmo 2016).

This represented an attempt to tackle the social 'remainder'. After all, if a society is more than the sum of its parts, the structural social theory should be capable of explaining this 'out of hand' and 'beyond the reach of the naked eye' nature of social institutions. Since structures cannot, however, be metaphysical entities such as nebulous aspects of history, the intangible residual of collective action by the real, living people who compose them (and that they encounter in social life) is plausibly explained only through social relations. Deeper investigation of contemporary HI's theoretical premises revealed that it did adopt a sort of relational approach in its structural premises (Hall 2016) but maintained somewhat ambiguous theoretical foundations composed of several, partly contradicting fragments. There are some commonalities, though. The key social relation in HI, according to such writers as Streeck and Thelen (2005) and Hall (2016), is 'mutual, collectively enforced expectations' that constitute stability within institutions. When people aim at fulfilling each other's expectations in their conduct, they act in a complementary manner. This point was emphasised by Parsons so strongly that he termed it the first law of social process. Reconstruction of HI's theory in tandem with Parsons' social system theory revealed several other key similarities also.

The most important points of convergence between the two theory bases are found in the structural conditions and functional necessities. Interestingly, the main difference is that HI has applied mainly empirical investigation to arrive at the point Parsons reached mostly through theoretical reasoning. Probably because of his background in institutional economics, Parsons took 'scarcity' as the prevailing social condition for his theory, a condition that all societies aiming to maintain functional institutional integration and division of labour must face. Thus, the problem of order was connected with the background condition of scarcity. Theoretically important implications follow: order is a general problem and condition for the theory no more; it is now related to scarcity. Therefore, the above-mentioned functional necessities are not logical tautologies that just explain themselves from the outcomes of social institutions. They are necessities because of the scarcity that prevails. In relation to that condition, social functions are the *sine qua non* for maintaining the order. Streeck (2016, 201) has suggested that Parsons 'negotiated' the division of labour between

sociology and economics. In my interpretation, he did so when formulating this condition in his earlier masterwork *The Structure of Social Action* in Hobbesian terms as a motivation for social enquiry in contrast against economic ones. There, he introduced the ‘social’ solution to the fundamental problem, reframing an answer that was originally a utilitarian one.

HI’s idea of historical causality also suggests that particular institutional conditions must prevail for certain outcomes to occur (Mahoney et al. 2016, 72). In other words, certain functional necessities must be met if institutions are to thrive, since societies must be able to organise their divisions of labour and similar arrangements beyond the individual’s control. Moreover, according to Streeck and Thelen (2005, 12), these functions work also as an identifying tool, so institutions such as central banks can be defined through their functions and identification becomes less dependent on properties assigned to them by individual agents. While Parsons had already brought this ‘structural’ aspect together with the ‘functional’ in his *The Social System*, Thelen and Mahoney (2010) presented the notion of scarce resources as a novel innovation for HI’s theory base. While this came relatively late in HI’s development, that theory does now address concrete conditions of scarcity wherein some functional necessities must be met for the sake of institutional stability. However, HI still lacks a plausible general explanation as to the concrete mechanisms that maintain this stability – i.e., an accounting for how the above-mentioned ‘mutual, collectively enforced expectations’ actually work. Moreover, it remains ambiguous in that a relational approach is suggested on one hand while dichotomies such as agent–structure are maintained on the other.

Parsons’ reign in American academia was winding down in the mid-1960s, and he had to face the dissatisfaction of his students, such as Harold Garfinkel (1984 [1967]), with his treatment of the subjective factor in systemic social analysis (see also Heritage 1984, Ch. 1). Novel theoretical approaches that brought social phenomenology into consideration of institutional development also challenged his system theory (Berger & Luckmann 1991 [1966]). While the 1960s produced anti-Parsonian theories with a social constructionist bent, HI would, in turn, have to face corresponding charges from the dissatisfied constructionist generation of the 1990s, who did not settle for adoption of ‘ideas’ as a mere supplement to historical institutions. As early new institutionalists such as Ethington and McDonagh called for reconciliation between the traditions in institutionalism, so did neo-institutionalists such as Blyth (1997, 246) push for a theory of ideas ‘in its own right’. Once again, the subjectively experienced lifeworld of an agent was brought to centre stage to challenge systemic thinking. My reconstruction of this position in neo-

institutionalism, a tradition I term ideational scholarship, followed this thread to its natural conclusions.

My aim was to identify the nature of ideas as a theoretical and/or methodological explanatory category in their own right and to position those ideas for further enquiry in relation to critical ideology theory. Contemporary IS's critique of HI boils down to Blyth's question about where the change agents get their desire to change the institutions. This phrasing of the question is tightly bound up with perennial dualisms that even some IS scholars themselves identified. According to Blyth, (2016, 466), since these desires are left unexplained by the material structures that make up historical institutions, an ideational explanation is required. This, of course, begs one to ask what exactly ideas are and how they gain their power to perform all the tricks they are claimed to be capable of. However justified Blyth's questions for HI and other structural theories are, he places a heavy burden on the shoulders of ideas.

As a theoretical category, they should be able to explain the outcomes they are associated with in empirical analysis. Therefore, they should maintain an ontological status of their own; i.e., something argued to cause something must possess properties that can generate those effects. Otherwise, one is left with just a heuristic category that can be placed in any context. According to my investigation, ideas, ultimately, as basic units of the world are conceived of as meaningful content of cognitive processes (see, for example, Blyth 2002b; Béland 2003, 2005; Béland & Cox 2011b; Hay 2006, 2011). I see this as resulting from a premise that somewhat linear causal reasoning is required: all things that exist must have a locatable starting point at the end of a causal chain. This demand is derived at least partly from American academia, where causal reasoning is seen as equivalent to science (see Schmidt 2010b, 189). Whereas some IS scholars are finding ways of adding the idea of 'constitutive causality' to their toolbox (e.g., Gofas & Hay 2010c; Tønder 2010; Blyth 2010), my deeper observation pertains to how more fundamental conclusions about the social world are drawn. We need causal reasoning, but its application in social reasoning reveals an insistence on finding the ultimate operator in any social event at the end of a linear causal chain, which in the case of ideas would be the 'idea' between an agent's ears. Even more problematically, this insistence ends up upholding the perennial dualisms just for demarcation purposes, since agents need a theoretical placeholder.

Schmidt's discursive institutionalism has been an attempt to provide a more contextual umbrella for idea scholars. In spite of her attempt to bring discourses back into institutional explaining, she mainly recapitulates IS's theoretical problems.

Because of an insistence that only ‘real’ things can have causal effects, Schmidt objectifies ideas, and she too derives social explaining from individuals’ consciousness, exactly where Durkheim saw a dead end for social explaining. On the other hand, in accounts where she develops her theory of ideal power, she places idea ‘in between’ agents, without further elaboration on what this should mean (see Carstensen & Schmidt 2016). My criticism of Schmidt and of IS theory more generally is that ideas cannot explain social institutions, because of their individualistic premise. Institutions would be reduced to phenomena of consciousness, unable to explain the social remainder (unintended consequences etc.).

In addition, ideas form a category that is unfalsifiable in its generality. As Finlayson (2004, 531) brought out in his critique, ‘ideas are not a uniform class of things’. Through this observation, IS faces a twofold problem: On one hand, ideas are so general a category that isolating their explanatory power from any event is a leap of faith since the idea should be the *causal-object* main operator in any case in question. The usual response to this issue is to separate between *kinds* of ideas. Then, on the other hand, if IS claims causal powers for a general category of ideas, it must maintain a common denominator, some property that explains ideas’ causal powers, whether the idea is ‘of God, an idea of good, an idea of right [or] an idea of what to have for lunch’ (ibid.). This is, apparently, too wide a bridge. Eventually, ideas are defended for the sake of agency, but IS risks imagining autonomous, sovereign individuals with equal starting positions in a world where all differences between people are produced through solely cognitive operations.

The main problem of neo-institutionalism can be summarised as lying in dualisms such as agent–structure and material–ideal. As critics have stated, scholars of the IS tradition tend to draw a picture of social structures that automatically over-socialises people and renders them dopes who are passive ‘bearers’ of classes and values. This limits people’s agency too much, since the institutional change should always come from the ‘outside’, and I see the problem as stemming precisely from the dualistic theoretical underpinnings. This fact need not be seen as discrediting IS scholars’ empirical findings and their questions for structural theorists. However, and quite paradoxically, while IS justifies its position among the institutionalists by appealing to agency, it does not offer any particular theory of agency itself but associates ideas with people’s reflexive and communicative capabilities. These capabilities go unexplained. They are just assumed.

Structures, of course, deserve equal handling to ideas. They obviously beg for the same question as to what they are. It goes without saying that this question has been

posed several times, and some of the recent criticism actually comes from contemporary relational theorists, such as Latour. In recent relational theorising, relations are seen as an element of micro-modelling or social networks rather more than, or even as opposed to, ‘structural’ explanations (Emirbayer 1997; Haslanger 2016; Dépelteau 2018b). Some accounts even associate structures with ‘individual psychological states’, claiming that structural explaining is a ‘trick’ (Watts 2014, 324). The central criticism against looking at structures is that they are regarded as ‘things’ that just get to work, while their essence remains a mystery, a problem that Sewell identified already in his influential *American Journal of Sociology* piece (1992).

Sewell quite rightly identifies the patterns of relations as the building blocks of structures, but he still ends up objectifying the power resources as things, thereby separating between ‘virtual’ and ‘actual’ components of structures: ‘Structure, then, should be defined as composed simultaneously of schemas, which are virtual, and of resources, which are actual. If structures are dual in this sense, then it must be true that schemas are the effects of resources, just as resources are the effects of schemas’ (ibid., 13). Then he suggests ‘many distinct structures [divided] between different institutional spheres’ (ibid., 16). Thus, he muddies what ought to be explained via the description. According to Sewell (ibid., 27), structures are ‘constituted by mutually sustaining cultural schemas and sets of resources that empower and constrain social action and tend to be reproduced by that action’. While I have nothing against this definition – in that it addresses the social conditions in relation to resource distribution and most definitely could be useful in empirical investigation – it objectifies the thing it should explain and uses the oldest trick in the book by identifying ‘many distinct structures’. In my interpretation, this happens when we confuse relations with things – in other words, fetishise the explanatory categories, just as was done with ‘ideas’. Even Haslanger’s (2016, 126) recent progressive account of structures as relations constituted through practices does not get past this objectifying tendency. This is because she finds that resources with ‘material’ properties have the capability to ‘mediate our relations to each other within a structure’ (ibid., 128), and she hence operates with common-sense materialism.

Another angle of attack was provided by my reconstruction of Parsons’ social system theory and Berger and Luckmann’s social constructionism, which addresses HI’s lack of a general description of the mechanisms that maintain the institutional stability through the ‘expectations’ that were identified as the relational-theory category. Parsons built his structural-functional theory on the premise that actors form their relations to institutions through their historical experiences, developing a system of expectations. These expectations are based on relations with the various

objects of which the environment is composed – be they social, cultural, or physical – but the primary relation is the social one that operates through the relatively stable communicative structure that obtains between individuals and must stretch over time. The ‘proof’ of this kind of structure is the possibility for communication, meaning more generally that some *shared organising standards* must prevail for collective human action to maintain the order, standards that for Parsons are wholly and fundamentally relational.

Parsons’ elaboration on his social system theory brings out the constituent ‘values’, which act as a standard for selection among the alternatives of orientation in the given situation. This formulation of values is of considerable weight: it transcends the individualistic account of (political) values we ‘possess’ and refers to collective normative standards that operate as a yardstick for evaluation of acceptable and appropriate behaviour. The normative value-standards constitute the element of relation between people’s motivations and modes of behaviour that are collectively expected from each one of us. I see values accordingly, as shared, relatively stable criteria for social practice and, thus, not depending on individuals from the start. Here, we have a viable alternative for the contemporary individualistically toned political debate about values.

Moreover, Parsons sees these values as specialised sets of norms with an order of precedence whereby actors are informed of which values are more important – more institutionalised – than others, or in other words, which values are more institutionalised than others (Parsons 1991a [1951], 271–272). As values reflect the prevailing scarcity, Parsons saw institutional integration and the co-ordination of mechanisms such as division of labour and allocation of resources as halves of the same equation. Thus, stability and change too are inherently linked. The stabilising mechanism behind the institutional integration and allocation – processes that fulfil the functional necessities of complex societies with highly developed division of labour – culminates in the complementary role-expectations in accordance with which members of society perform. In a world of (produced) differences where not everyone can have everything all the time, norms and values provide instruction for day-to-day life and justify the differences between people in a socially constructed manner, always in relation to prevailing social conditions. One may interpret this finding also as indicating that there is nothing ‘natural’ in a general system that shares scarcity; rather, the issue is of reorganising the social standards.

The social constructionism of Berger and Luckmann, in turn, situates itself in a twofold relationship with the problem of order. On one hand, in asking about the origin of the empirically existing stability of human order, it acknowledges the

relatively stable nature of societies, but it also considers the Parsonian functionalist solution to be theoretical legerdemain and provides its own explanation for institutionalisation of society. My central finding with regard to Berger and Luckmann was that they reiterated the Robinson Crusoe story from classical political economics, which Marx had already criticised in his *Capital* for anachronistic naturalisation of prevailing social relations. Nonetheless, Berger and Luckmann proceeded with their model of reciprocal typification of two sovereign, autonomous, and asocial(ised) individuals, to whose mutual conduct the whole social world with its institutions can be traced back. While I found their theoretical framework to resemble that of Parsons to an astonishing extent, they engaged in problematic linear causal reasoning just as their IS successors would. They sought the origin of societies so had to find it somewhere. At the end of their causal chain was individual consciousness, and, in comparison to Parsons', their story is told from the experience point of view.

While they may have fallen short of providing a plausible explanation for the institutionalisation of society, Berger and Luckmann provide interesting insights into the formation of actors' historical experiences. For Berger and Luckmann, history operates through experiences. The *ad hoc* typifications of actions are transferred forward to one's children and thereby appear objective to a third party, thus becoming historical. Third party C experiences A's and B's 'parenthood' as an objective institution since C encounters this interaction as 'natural', objectified (Berger & Luckmann 1991 [1966], 75–76). Though this theoretical formula leads to several interesting findings, I suggest that it addresses the construction of actors' historical experiences more than society, since people face several social structures even in mundane life that cannot be derived from their individual-level experiences alone. My example of the historical institution of money embodies this nicely. It is highly problematic to derive the historical and structural properties of money from individual cognitive processes or ideas, since individuals cannot possess and handle all the information related to money and consequences of its use. It operates merely as an arbitrator of the social relations that possess the properties in question.

As for social relations in general, I offered an idea inspired by frustration with the realist–relativist /constructionist debate: whatever properties any objects in the world (or in outer space) may possess, they become treatable only after a *relationship is established* with them. I suggested treating the properties of stars and moon and the like as *non-contingent*. Thus, one need not consider the realist account and debate with its insistence on an ontological status of 'realness' for objects independent of the relation that human beings establish with them. As a social scientist, I see no use for

such carryings-on. I find that the category of non-contingent properties, based on the general emphasis on contingency of social phenomena, retains the possibility of objects having properties while ensuring that they are treatable only in meaningful relation with human beings. Things may be real or not, and they may possess properties in themselves or not, but they become significant for us only after the relationship has been established. The question of 'realness' gains immense significance only from insistence on 'real' things at the end of a causal chain, precisely the sort of account that tends to uphold the perennial dualisms. In this regard, I also recommended serious consideration of Marx's concept of materialism as presented in his *Theses on Feuerbach*: it is the sensuous human activity that should be considered material, since that activity, with the ensuing practices and relations with nature and other people, is what transforms the world. Said activity is objective since it constitutes all the relations between any objects that might be significant for us, leaving them transformed via our material activity (see also Suchting 1982).

This materialist understanding is the foundation for the critical ideology theory of *Projekt Ideologietheorie*, for which ideology is an institutional practice-form, the ideological rather than a worldview or set of ideas. This takes us nearer the end of our journey. With the noteworthy exception of some IS accounts (e.g., Blyth 2011), all the traditions examined view collective human behaviour as having a tendency to seek equilibrium spontaneously, unless interfered with. Approaching the problem of order from a different angle, PIT questions such an automatic tendency. It sees capitalist societies as possessing strong disordering tendencies caused by factors similar to what Parsons and others described in terms of scarcity but such that the entire social production base is plagued by forces that are out of control.

I follow, for example, Marx and Shaikh in suggesting that the capitalist competition as a social force of both control and the out-of-control has its roots in the social relations that are beyond individual control, imposing 'invisible' force upon us just as gravity does. These competitive capitalist relations create emergent phenomena as a side-effect of collective profit-making conduct that sets all market actors in such relations with each other that, despite their individual desires, they must earn profits as capitalist producers and earn a living as labourers. In a tricky balance, the same people whose pay gets cut because of this vile competition should be able to purchase the products from the market for which they have produced them.

If relations, again, are composed of concrete, material practices, how, then, can they be a force that we encounter as seemingly external in relation to ourselves? After all, they are a result of our own conduct. Consider heading to work or visiting a local

shop. If the production and exchange of the commodities connected with our labour or interest are organised on the basis of a private mode, the individual producers and labourers act as private, individual units. As such, they obtain their earnings and their consumer goods from the market. When entering a shop and purchasing a product, you actually satisfy your needs through a rather different set of arrangements, involving corporate entities and actual, working units, such as the shop, but also the whole production chain. All of the various parties involved must follow some shared rules, laws, and regulations. At the same time, they also obey some rules and laws that are tailored just for them. The same applies for heading to work. When you work as an employee, you share a set of rules and regulations with your employer, but, because the company you work for is a different kind of legal entity from you, not all are shared. Also, neither managers nor shareholders own the corporation – the corporation itself is an owning agent, with shareholders owning shares in the corporation, not the corporation itself.

A company as a legal entity is a kind of ‘super-entity’ for which no-one is actually responsible in the last instance. This example illustrates how private events and different sets of rules and practices overlap, entwine, and interleave at so many levels and in so many layers that their conscious governing is next to impossible, and unintended effects invisible to the naked eye spill forth. The production chain is capable of producing climate change even though no-one would desire or be aware of it; it just emerges as an undesired side-effect of integrated, co-ordinated, constituted, and contradictory collective human conduct. This makes structures second-order relations, in which we in our private activities set ourselves and, thus, participate in bringing about their accumulated effects as emergent results.

Another curious consequence then arises, the inversion wherein the movement of commodities begins to control the movement of people. This movement yields even stranger objective thought-forms, which operate as an anchor for the ideological. Involving forces such as socialising institutions (apparatuses) and ideologists aimed at translating what is observed about this movement into what is ‘inevitable’ and ‘fair’, these sustain profit-making. Alongside the alienated socialisation that Rehmann (2013, 11) describes, a further queer aspect of the fetishised nature of the appearance forms we encounter in day-to-day life is evident: the whole world gets refracted through commodities such as money and is interpreted thus. When we focus on the appearance form of the commodities themselves, the social relations behind them, which actually cause the movement, start seeming self-evident and help to uphold an order that is based on socially produced divisions between people. No-one has to be fully aware of ‘how things

really are', since the social relations that control the production are beyond any conscious planning. In a sense, how individuals perceive the world does not matter; ideologists need not always be aware of the nature of the social forces they promote.

The essential point is that the world people encounter is real. People see the world as it appears to them and internalise the relations through their very concrete practices producing real experiences. For example, most of us must make a living from the market, so the movement of commodities is very real for us, especially since we cannot control it. We can only set ourselves in these relations. When entering a shop or applying for a job, we perform as nominally free individuals whose transactions are arbitrated by money, not via direct domination, unless we break the law or otherwise threaten the order. On the other hand, we live amid inverted reality, where the prevailing relations that organise the commodity production and the division of labour that follows are not apparent as such. These relations are hidden behind our money-arbitrated practical everyday operations. Hence, the primary ideological struggle is fought over the 'best explanation' for the prevailing order.

A critical perspective that PIT suggests in connection with this is that, to some extent, ideas and values are produced in order to uphold the *status quo*. Where the cognitive theories discussed above have failed to explain where their 'ideas' come from (and the origin of Parsons' 'values' also remains a mystery), PIT connects them with the prevailing conditions and interest-based explanations of the prevailing order. Different groups, with separate sets of interests, form different interpretations of this movement of commodities and its relation to social and political systems, and they offer these to us. If, as Parsons suggests, the prevailing values that operate as a yardstick for collective behaviour are a social product connected with the prevailing order, it is perfectly logical to assume that ideological forces vie to control the definition of this yardstick to legitimise their interests as 'normal' functioning of society. Thus, ideological ideas do not appear out of nothing. They are produced as those forces present their interests as the common interest of all members of society. By this expression in ideal form, people are made into subjects for ideological calls – Althusser's interpellations – in the struggle for hearts and minds. Throughout, coercion must be in counter-balanced relation with voluntary consent (see Gramsci 1971, 12; Thomas 2009, 163–165), so people must give voluntary consent to the dominating class, and this is what hegemony is about.

As subjects, people must be regarded as socialised beings whose personality can only be understood as a product of the multiple social relations and practices that have moulded us as humans (in relation to some genetic disposition). People are not born and raised in a vacuum but become acting units of the social world through a

constant process of socialising practices. We are in definite relations with each other, even when those relations do not leave a conscious trace in us (again, ‘natural’ and ‘self-evident’ facts may act upon us without our conscious awareness). When using PITT’s three objections to the false consciousness thesis for posing my three questions for idea-based explaining, I suggested that the common sense people use for evaluating the world is socially constituted and responds spontaneously to ideological calls. In this sense, all that ideology has to do is make good sense, as Hall put it. Therefore, the question becomes one of *what kind of* common sense people use. If the common sense is ‘manufactured’ in socialising practices, the ideological messages must correspond to the relevant experiences. The first factor in this is a code that makes the messages translatable – a standard that enables communication. Then, since the communication takes place in a context, the messages (ideas, if you will) must have some resonance with people’s experiences, so they must be sufficiently related to the prevailing conditions. Also, in the case of mass communication, messages are produced and circulated through material instruments. What is important in all this is that they must be encoded in such form that they get translated back into suitable social practices when they reach the receiving end, completing the circuit. The ideas themselves cannot do all this heavy lifting as isolated units: all ideas, their production and encoding, the circulation, and the decoding into social practices hinge on social relations and practices, as much as on the ‘code’ of shared organising standards.

Communication *is* a material social practice, one that in mass measure needs machinery to work. We live in a comprehensively material world composed of social relations that are constituted by (communicative) practices. The confusion between practices and (ideological) ideas usually is that the ideas are deemed to be what matters while the practice is just the means. However, Althusser’s formula is of value here for interpreting the ideological nature of society, because of its practical nature – ‘Kneel down, move your lips in prayer, *and you will believe.*’ It is not just the idea that is conveyed from the head of a priest to the head of a subject; it is the whole arrangement of practices, rituals, *and* ideas that matters.

If we live in a capitalist society dominated by ideological powers, one could ask whether it is thoroughly dominated, leaving us just observing the show. One might recall Blyth’s reasonable question about whether the hegemonic projects leave any ‘outside’ in which we can operate. To answer this, I would go back to Parsons, who follows Freud in seeing that non-rational and irrational aspects of motivation should not be forgotten when one is assessing human behaviour. In this regard, I find Parsons’ actors very humane: their motivations need only be *sufficiently* integrated for

the sake of an order. As I have already hinted, structures do not over-socialise people; socialising structures are needed because of the variety of people. Only a narrow, utilitarian, rational agent would be the kind of dope who would act in the manner of an over-socialised machine. Correspondingly, the ‘subjectifying’ theory of PIT refused to say anything about ‘the entirety of the subjects’ social practices, thought-forms, and feelings’ and pointed instead to the specific dimension of a socialisation from above’ (Rehmann 2013, 11).

PIT supplies a framework for thinking about the paradox that most people might wish to live in a better world yet, as Parsons’ theory suggests, are somewhat opposed to change. In Subsection 4.2.3, I sketched some outlines that PIT provides for a theory of contradictions and resistance. There, I suggested that contradictions often ignite change, since they interrupt people’s routines and/or comfort. When considering why people are not more active in changing their environment in terms of the horizontal socialisation described by PIT, even in conditions of highly unequal distribution of wealth, glaring injustice, or direct domination, one should turn to Parsons’ conceptualisation of normative behaviour.

Parsons’ claims about the complementary nature of human conduct that enables institutional integration might stem from Durkheim’s notion that we, as human beings, avoid hurting our fellows’ feelings and also respect collective ways of acting and thinking. Accordingly, the horizontal socialisation described by PIT not only should operate through the process that Parsons posits but also faces the same normative behaviour that takes place through complementary role-expectations. Should people rebel via identifying their ‘personal’ or ‘common’ experiences of disparity or something similar, Parsons would suggest that this identification is social conduct in the first place, since people constantly control each other and use the shared values as the yardstick for acceptable and appropriate behaviour, against which the experiences are reflected upon.

In this connection, it may aid our understanding to consider the findings on climate denialism and that phenomenon’s links with conservative white males, as discussed in Subsection 3.1.6. Recall that, from a Parsonian point of view, the lived experiences of the latter group are most in line with the institutionalised order and, hence, with standards for appropriate conduct, so their worldview is most ‘naturalised’ in that this group’s common sense is the closest match for the prevailing order. Disturbances to the apparent order therefore produce the harshest contradictions for them. Hence, anger and similar reactions arise. If we understand norms as the yardsticks for conduct and view people as getting treated differentially under these norms when conditions of scarcity prevail, considering conservative

white males to be ‘norm conglomerations’ is quite fitting. Clearly, they are the people with grave interests tied in with the prevailing social order. These yardsticks, which, again, the ideological powers actively strive to influence, operate through mechanisms that Parsons described as a sort of mutual recognition by which the acceptable behaviour gets identified in any ‘other’. In this sense, the most institutionalised norms are accumulated and internalised to conduct among those people whose values correspond with the most central and/or average norms of the given social context – a middle class, for example.

When positioning this in a wider, social context within the institutional theory laid out here, we may understand more fully how the ideological powers operate so as to promote their interests. One might once again consider climate-change denialism as a case in point. It is a phenomenon orchestrated from above wherein the doubt, once manufactured, trickles down through media and political apparatuses, eventually finding its own life that sustains it in the hearts and minds of people who then take on the reproduction of the denialism phenomenon themselves (Oreskes & Conway 2010). Fossil-fuel corporations seek to provide justification for people to stick with comfortable habits with regard to consumption etc. and for them to avoid thinking about the inconvenient reality of climate change. The mechanism lies in producing what is considered a pillar of the American justice system: reasonable doubt.

In this sense, people seeking change should be able to produce and realise their own, alternative values when encountering the dominant values as something opposite. The problem is that people tend to conform to the prevailing values since deviance invites negative sanctions. For counter-action, people should sense that doing or feeling things differently is not wrong; instead, they should have experiences of numerous alternatives for normative conduct. Example is a powerful force. This should be taken into account in assembling forces for change and against the prevailing hegemony, a hegemony that benefits from the *status quo* (consisting of people continuing to do exactly the same thing they were doing yesterday). This struggle is not won through reasoning alone, however much many of us wish it were so, because the powers that be dictate the rationale used (austerity, for example).

I now summarise the results of my efforts to present a relational-structural approach that could benefit neo-institutionalism and revitalise the reconciliation agenda. Having considered all the traditions in light of social relations and thereby fulfilled the secondary aim of this work, I conclude that social relations provide a framework within which multiple institutional approaches may operate consistently, as long as they are considered distinct yet complementary *dimensions* of social

relations. In this respect, agents with ideas are considered not free-floating individuals but always dependent on their institutional environments, changing and/or stabilising these in relation to their share in integration or co-ordinating actions and to their positions of power or dominance from which their resources are derived. In this sense, institutions are a result of constituting but also contradictory practices, whose organising is based on shared standards that are the subjects of usually interest-based struggles between groups and individuals. Moreover, they are also (partly) unintended side-products of uncontrolled social relations, such as capitalist competition.

This relational-structural approach to social institutions emphasises the regularity that operates as a basis and a reference point for change, along with the unequal distribution of resources among people's various starting positions, which affect their desires and abilities to change or maintain the existing institutions. Lastly, my approach emphasises the 'out-of-control' nature of the 'structural' social relations, referring to the social remainder and/or dominator discussed throughout this work. Yet this approach does not deny actors' agential capabilities. Nor does it try to explain them as such. Be they as they may, people are socialised products of their environments; i.e., they are not born and raised in isolation. My research has led me to consider the idea of the fully self-conscious, sovereign, and/or autonomous individual an ideological product representing contemporary individualistic hubris. Accordingly, social analysis may operate from the perspective of agents only as long as they are situated in their concrete social relations, from which the conditions for their operation are derived. In these conditions, there is no point in denying people's potential to bring change if that should occur, but it surely is a capability *in relation to something*.

In the table below, I present a summarising typology that differentiates between the complementary dimensions of social relations as examined in this project within the framework of order. However, because the problem of order is the unifying condition across *all* the dimensions, I suggest that, from the start, instead of speaking about equilibrium, social scientists should replace this word with 'order'. An order denotes no implicit assumption of spontaneous collective behaviour, and order can be maintained through force. Also, one could thus easily consider hierarchical order too – as with 'order in the court'.

**Table 3.** A typology of the complementary dimensions of social relations within the framework of order

<b>DIMENSIONS OF SOCIAL RELATIONS WITHIN THE FRAMEWORK OF ORDER</b>	<i>Stability</i>	<i>Change</i>
<i>Processes</i>  ( <i>'action'</i> )	INTEGRATION <ul style="list-style-type: none"> <li>• complementary role-expectations</li> <li>• social control</li> <li>• socialisation</li> </ul>	CO-ORDINATION <ul style="list-style-type: none"> <li>• division of labour</li> <li>• markets</li> <li>• networks</li> </ul>
<i>Conditions</i>  ( <i>'structure' or 'institution'</i> )	CONSTITUTION <ul style="list-style-type: none"> <li>• constitution/law</li> <li>• grammar, systems of measurement, etc.</li> <li>• positions/statuses</li> </ul>	CONTRADICTION <ul style="list-style-type: none"> <li>• class</li> <li>• gender</li> <li>• market competition</li> <li>• race</li> </ul>

The purpose of this typology is to draw together everything stated above about relations and thereby provide a framework in which to position social theories for evaluation of their explanatory range. It represents a heuristic tool for considering the diverse relations encapsulated in any theory situated in social context. Accordingly, it clarifies the relations present in classic dichotomies such as agent–structure and stability–change, through conceptualisation as, by default, relational phenomena. This framing suggests, for example, that any change witnessed is always observed in relation to some kind of stability, analogously to how movement is always observed in relation to some reference point.

One may think of these dimensions as interdependent and interrelated aspects of social life present in most situations, hence the word ‘complementary’. They begin from the view that our existence as human beings is comprehensively bound to others’. This does not mean that there is no degree of freedom in an individual’s life. What it implies is that we are in comprehensive social relations with each other. The upper row presents Parsons’ parallel functional necessities that a society must fulfil. In keeping with Parsons’ own theoretical formula for the ‘action frame of reference’, I prefer to associate these *processes* with ‘*action*’ rather than with individualistic ‘agents’. The lower row refers to social *conditions*, which I regard as equivalent to ‘*structures*’

and ‘*institutions*’ but only in the sense presented in this dissertation: as a set of relatively stable, shared organising standards that depend primarily on social relations but may include some physical objects and the like with non-contingent properties, just as any other dimension of relation may. Institutions are the empirically perceived manifestations of structures that people find external in relation to them. The left-hand column covers *stability*, addressed as the main concern in neo-institutionalism, and, correspondingly, the right-hand column presents *change*, the parallel aspect in neo-institutionalism’s consideration of the general problem of order.

If we begin breaking down the table from the upper left, we find the ‘integration’ cell, derived from Parsons’ central concern – the institutional integration that is realised in complementary role-expectations and operates through processes of socialisation and social control. These factors maintain stability via immediate social relations, whereas all kinds of apparently co-ordinative processes are the flipside of the integrative function. These processes allocate people and resources on the basis of the prevailing division of labour, but the various co-ordinative networks addressed in the dissertation also can be seen to belong to the ‘co-ordination’ cell. This is because these processes all reveal only the immediate connections between people, without positioning on the structural dimension (i.e., with regard to the second-order relations). One may also consider network theories in general within the context of social theory: they are processual theories of immediate co-ordination and encountering of people but lack structural variables. When approached from the processual point of view, markets too belong here, along with market theories. Integration and co-ordination characterise the processual dimensions of the peaceful reproduction of our everyday social conditions, as suggested in the third chapter.

In the lower left is ‘constitution’, which relational vocabulary usually associates with constitutive causality (for example, see Díaz-León 2013; MacBride 2016). Here, the word denotes the more general phenomena associated also with social emergence, since theoretically we cannot derive emergent phenomena from processes. Juridical constitution is one of its main empirical manifestations, since it represents the kind of intangible rules and regulations that develop historically to the point where we usually encounter them ‘as soon as [we] try to resist’ (Durkheim (1982 [1895], 51). They are usually followed spontaneously, in the spirit of PIT’s notion of unconscious conduct. I consider this category to extend to various relatively stable positions also – such as company CEO, public servant, or citizen of a given country – since people occupy these without full power to determine their content. Elaborated upon in terms of status, it could be characterised as a structurally ‘located’ position, meaning that an actor is an object of others’ orientation (and of

one's own) (Parsons 1991 [1951], 39). I also find grammar, systems of measurement, and the like to represent constitutive relations, structures of the social world.

Only the lower right cell, of 'contradiction', is left. It denotes the prevailing contradictory relations in society, such as class, gender, and race, that divide people in accordance with some principles that maintain the sorts of differences in society that oppress or subordinate some people. Contradictory relations also turn around the equilibrium-based formula that is present – at least implicitly – on other dimensions. I consider competitive market relations to represent such a phenomenon, in light of my study but also because it is presented in public discourse as almost a personified force, something that itself forces entire nation-states to their knees. It also exemplifies nicely how the social relations may be 'out of hand' and beyond direct observation.

One way to interpret this basic setting is to conclude that were it not for fundamental stability of people's everyday operations, the more nuanced actions would not be possible, no more than a system tending toward crisis could work without a significant amount of system-level predictability. Thus, the functioning of capitalist competition requires people's normative behaviour. These facets may be seen as constituent elements for further analysis, on which case studies can be built. Still, the general difficulty brought in by structures and structural thinking is that we take this world of social relations for granted, because we are so accustomed to it. Social structures and, with them, institutions are constantly present in everyday encounters working just as gravity does, stealthily moving behind our backs in a society where we are fish in water. To overcome this as social scientists and citizens alike, we must rise above immediate perception and be prepared to challenge our common sense, for the necessary social change requires change in the structural social relations.

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