INSTITUTIONS AND INSTITUTIONAL DESIGN

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Part III: The customary foundation of institutions

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Literature:

- Douglas, Mary 1987 "How Institutions Think", London, Routledge and Kegan Paul
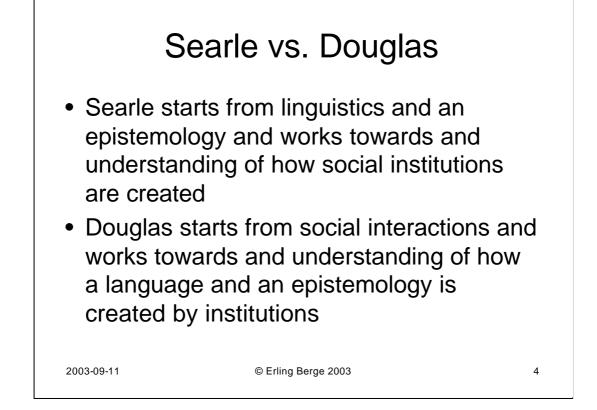
Main points from Searle 1995

- Institutions are social facts
- They exist if and only if the relevant group of people agree that they exist
- Formal institutions are founded on "background capabilities"
- Background capabilities can be seen as a system of informal institutions, or more general, as culture

Searle vs. Douglas

- Searle starts from linguistics and an epistemology and works towards and understanding of how social institutions are created
- Douglas starts from social interactions and works towards and understanding of how a language and an epistemology is created by institutions

Searle (1995:xi) "How can there be an objective world of money, property, marriage, governments, elections, football games, cocktail parties and law courts in a world that consists entirely of physical particles in fields of force, and in which some of these particles are organised into systems that are conscious biological beasts, sucha s ourselves?"

Douglas (1986:ix) "A theory of institutions that will amend the current un-sociological view of human cognition is needed, and a cognitive theory to supplement the weaknesses of institutional analysis is needed as well."

Douglas (1986:8) "The following chapters are intended to clarify the extent to which thinking depends on institutions."

Douglas 1986:
Institutions affect our thinking

Main theme of the book:

- Knowledge and moral are collective (shared) goods and standards of behaviour

- Individuals in crisis do not make life and death decisions on their own. Our institutions decides.

- True solidarity is possible to the extent that individuals share the categories of their thought

Public goods: non-excludable and non-rivalry VS. Private goods: excludable and rivalry VS. common pool goods. Non-excludable and rivalry VS. club goods: non-rivalry and excludable.

Example: The nuclear medicine (use of radioactive isotopes in medicine) have produced exceptionally good results and saved a lot of people. The professionals does not see any possibility for harm by the low levels of radioactivity they use. Studies of background radiation does not reveal any harmful effects of even higher levels of exposure.

But a large section of the political public sees the use of radioactive material in medicine as unsafe and potentially harmful. How is one to weight the potential risk against the lives of people suffering from debilitating defects? And who gets to decide?

Between the professional and political community there seems to be a fundamental lack of confidence and a structural incapacity to hear what the other group says. Both sides put forth good arguments, both sides appeal to a solidarity they thing their adversary breaks.

And this sets the theme of the book: the creation of solidarity and trust. How is it possible?

Smallness of Scale Discounted

- Rational choice models must apply also in small groups and religious organisations

Facts:

- Individuals submit their private interests to the good of others
- Altruistic behaviour can be observed
- Groups affect the thinking of their members

Anthropological studies of small groups supports unproblematic cooperation only in cases of abundant resources relative to population together with a possibility of satisfying wants without engaging anyone in the hard, monotonous, sustained kind of work that tempts some to coerce the service of others. (p27-28)

Anthropological studies supports Mancur Olson's (1965) claim that individuals easily is deterred from contributing to the creation of public goods for their "latent group" (p29)

How latent groups survive

A functional explanation of the form
- Y (function) is an effect of X (structure)
- Y is beneficial for the group Z
- Y is unintended by actions producing X
- The causal relation between X and Y is unrecognised by actors in Z
- Y maintains X by a causal feedback loop through Z
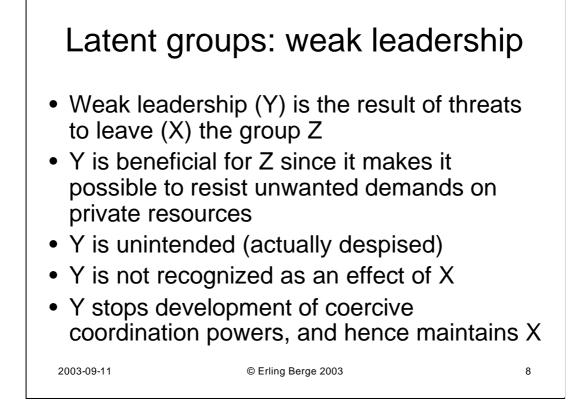
Scale has been discounted.

Psychological explanations have to be put aside (they are unreliable)
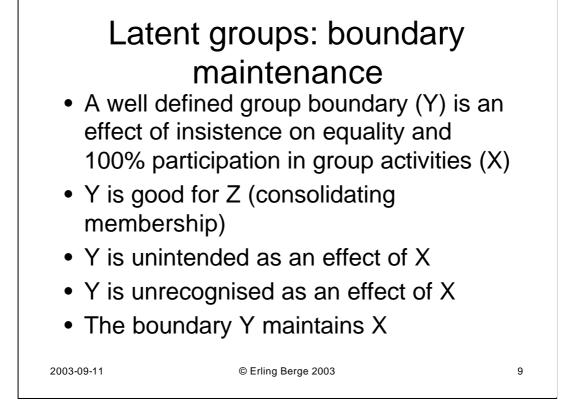
Networks of reciprocal exchange relations ("tit-for-tat" strategy in PD-games?)

-STRONG FORM: the individual will have no choice,

-WEAK FORM: one has to assume a system of sanctioning begging the question of sanctions.

The lack of choice is seen as one of the primary problems of functional explanations.

Latent groups: weak leadership

- Weak leadership (Y) is the result of threats to leave (X) the group Z
- Y is beneficial for Z since it makes it possible to resist unwanted demands on private resources
- Y is unintended (actually despised)
- Y is not recognized as an effect of X
- Y stops development of coercive coordination powers, and hence maintains X

Latent groups: boundary maintenance

- A well defined group boundary (Y) is an effect of insistence on equality and 100% participation in group activities (X)
- Y is good for Z (consolidating membership)
- Y is unintended as an effect of X
- Y is unrecognised as an effect of X
- The boundary Y maintains X

Equality and 100% participation is a self-interested and self-policing rule instituted to avoid not being taken for a sucker and to avoid free riders.

For such a rule to be self-policing the entry requirements have to very stiff, hence the strong boundary will maintain the rule. Conversely it also makes exit costly, and hence weakens the weak leadership cycle.

The two cycles, weak leadership and strong boundary, defines in Olson's terms a latent group

Latent groups: thought style

- Shared belief in an evil conspiracy (Y) is the effect of mutual accusations of betrayal of the founding principles of the society (X)
- Y is beneficial for Z
- Y is unintended
- Y is unrecognised as an effect of X
- The feedback loop can be explained as originating in the need to check exploitative behaviour

Feedback loop:
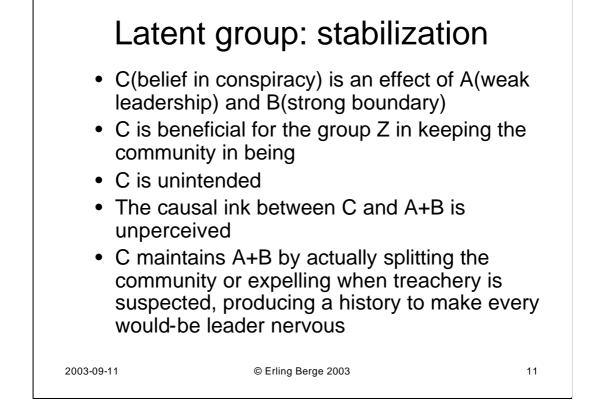
Because of weak leadership, no consensus can be mustered for formulating or applying laws of for punishing deviants (Cycle A). The threat to secede can be indirectly controlled by the strong boundary (Cycle B), which automatically insures that exit will be costly. So only oblique political action is possible; hence, there is a tendency to check exploitative behaviour by accusing insipient faction leaders of principled immorality. There is nothing else that they can be accused of, since there are no other rules. The activity of accusing, X, reinforces the belief, Y, in outside conspiracy, but Y maintains X.

This analysis shows that the problem is the wavering group commitment, not any external danger which there always will be everywhere and at all time.

Latent group: stabilization

- C(belief in conspiracy) is an effect of A(weak leadership) and B(strong boundary)
- C is beneficial for the group Z in keeping the community in being
- C is unintended
- The causal ink between C and A+B is unperceived
- C maintains A+B by actually splitting the community or expelling when treachery is suspected, producing a history to make every would-be leader nervous

The members of this group did not intend to construct the thought style that sustains the form of organisation: it is a collective product.

(Douglas 1986:41) "…, the jointness in the construction of the thought style disguises from each member of the thought world the consequentiality of his own small action."

Douglas(1986:43) "Without a functionalist form of argument, we cannot begin to explain how a thought world constructs the thought style that controls its experience."
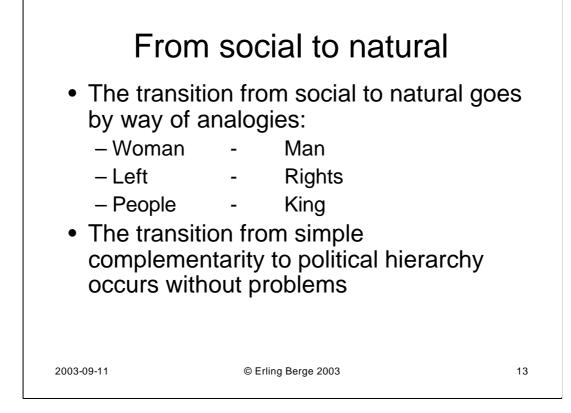
Institutions are founded on analogy

- Conventions are minimal institutions
  - Conventions are self-policing
  - Conventions are fragile,
- Douglas defines institution as a legitimate social grouping. Most established institutions will rest their legitimacy on fit with the nature of the universe

Convention: a common rule coordinating activities without conflicting interests

Institutions carry, sort, and organize information. The problem for the information theory of institutions (Schotter 1981) is the point of departure. How does institutions get off the ground and into self-sustained growth?

Douglas (1986:48) "…, the incipient institution needs some stabilizing principle to stop its premature demise. That stabilizing principle is the naturalization of social classifications."

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Schotter, Andrew 1981 "The economic Theory of Social Institutions" Cambridge, Cambridge University Press

From social to natural

- The transition from social to natural goes by way of analogies:
  - Woman   -   Man
  - Left   -   Rights
  - People   -   King
- The transition from simple complementarity to political hierarchy occurs without problems

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Douglas(1986:49) "For example the following: female – male, left –right, people – king. From simple complementarity a political hierarchy has been derived." … "The shared analogy is a device for legitimizing a set of fragile institutions."

Douglas(1986:52-53) "But the resemblances that provide favourable social analogies are primarily constituted for legitimizing social institutions, and they are not intended for inferences about physical things. Moreover, the effort to build strength for fragile social institutions by grounding them in nature is defeated as soon as it is recognized as such. That is why founding analogies have to be hidden and why the hold of the thought style upon the thought world has to be secret."

These resemblances are not haphazard. But how are they established.

Douglas(1986:53) "Where do sameness reside? The answer has to be that sameness is conferred on the mixed bundle of items that counts as members of a category; their sameness is conferred and fixed by institutions."

Institutions confer identity

- Discourse requires agreement on fundamental categories
- How do we establish "sameness" in science (or elsewhere)?
- Fundamental shift from scientific classification to a socially inspired – no smooth transition
- Sameness is conferred upon elements within a coherent scheme

Douglas(1986:59-60) " … sameness is not a quality which can be recognized in the things themselves – it is conferred upon elements within a coherent scheme. The idea of a quality of similarity keeps resurfacing because sets of similar things are so well established within a particular culture that their sameness has the authority of self-evidence."

Douglas(1986:63) "Social interaction supplies the element missing in the natural history account of the beginnings of classifications." …. "The intellectual requirements that must be met for social institutions to be stable are matched by social requirements for classification. Both are necessary for the foundation of a sociological epistemology; neither one is sufficient. The institution works as such when it acquires a third support from harnessed moral energy of its members."

Eks.: spiritual   - material

    poetry and religion   - economics

    speculative philosophy   - applied science

    vague metaphor   - rigorous theory

    intangibles   - measurable

                    economists

Douglas(1986:65) "Analogies can be seen anywhere and everywhere. But when an analogy matches a structure of authority or precedence, then the social pattern reinforces the logical pattern and gives it prominence."

Institutions remember and forget

- Structural amnesia:
  - Evans-Pritchard: Nuer. The number of generations remembered are linked to the system of debts incurred at marriage, (and the number of lineages founded originally).
  - Merton: Multiple discoveries in science. "a distinctive social order generates a pattern of values, commits the hearts of its members, and creates a myopia which certainly seems inevitable."

Douglas(1986:71) "Some basic techniques of discrimination, calculation, and holding in memory may be a prerequisite for any particular form of knowledge."

Douglas(1986:74) "A community works because the transactions balance out. The Risk of free riding is controlled by the accounting system. The accounts are audited, and debts are collected by the way God or nature punishes defaulters with disease and death. The thought style keeps the thought world in shape by directing its memory."

Douglas(1986:76) "The thinkability of the social order is beset with infinite regress. Institutional influences become apparent through a focus on unthinkables and unmemorables, events that we can note at the same time as we observe them slipping beyond recall."

Arrow and Black publish in 1948,49,51 the voting paradox (Condorcet's paradox) which Condorcet (1785) and de Borda (1781) had published earlier. Before a fully developed democracy with problems of majority parliaments there were no demand for that kind of knowledge. Hence Condorcet and Borda was forgotten.

Douglas(1986:80) "…, competitive social structures are weaker on memory than ascriptive ones." … "The more the social organisation is a latent group, conscious of the organisational problems detailed in chapter 3, the more its members will invoke a history of persecution and resistance. The competitive society celebrates its heroes, the hierarchical society celebrates its patriarchs, and the sect its martyrs."

A case of institutional forgetting

- Frederick Bartlett wanted to study how institutions affect our cognition. His career is a self-referencing instance of the claim that psychologists are institutionally incapable of remembering that humans are social beings.
- The principle of coherence enables a speculation to become established and then escape oblivion
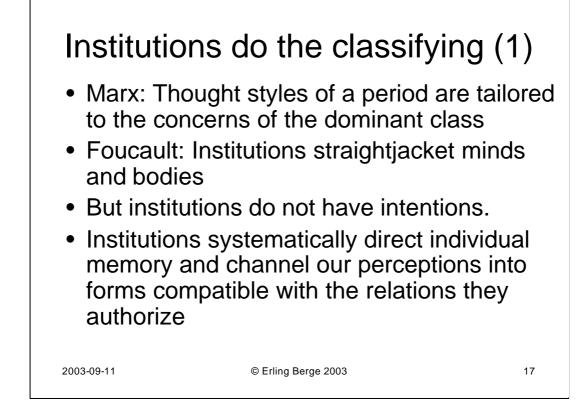
Festinger (1948) wrote about spread of information and degree of integration in a group. Nothing further was done. Coleman (1957) wrote about networks of doctors and spread of innovations. Network analysis did not pursue his approach.

Jaspers (1981) discovers that the social nature of attitudes have been completely overlooked.

Campbell (1975) said that psychologists are so committed to the assumption that individual psychic development is restricted by social conventions that they see all conventional and institutional constraints as wrongful.

Douglas(1986:83) "Campbell says in so many words that it is professionally impossible in psychology to establish the notion that institutional constraints can be beneficial to the individual. … To counteract this bias he strongly recommended that institutional sources of stability be given priority in research (Campbell 1975). But then he proved his point by instantly forgetting his good advice. Now he is seeking stabilizing factors in our biological makeup."

Douglas(1986:90) "Only one term sums up all the qualities that enable a speculation to become established and then escape oblivion; that is the principle of coherence." … "The principle of coherence is not satisfied by purely cognitive and technological fit. It must also be founded on acceptable analogies with nature. This means it needs to be compatible with the prevailing political values, which are themselves naturalized."

Institutions do the classifying (1)

- Marx: Thought styles of a period are tailored to the concerns of the dominant class
- Foucault: Institutions straightjacket minds and bodies
- But institutions do not have intentions.
- Institutions systematically direct individual memory and channel our perceptions into forms compatible with the relations they authorize
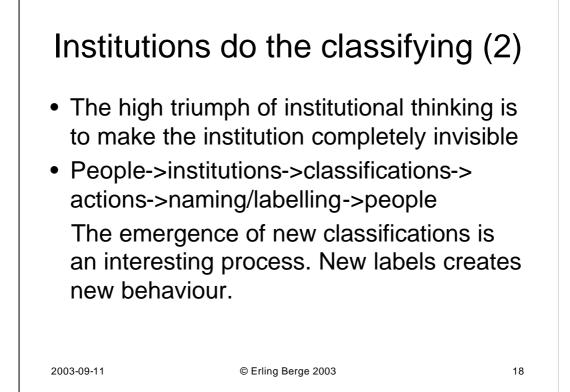
Douglas(1986:92) "Institutions systematically direct individual memory and channel our perceptions into forms compatible with the relations they authorize. They fix processes that are essentially dynamic, they hide their influence, and they rouse our emotions to a standardized pitch on standardized issues. Add to all this that they endow themselves withy rightness and send their mutual corroboration cascading through all levels of our information system."

All problems will be transformed into one similar to the institution's organisational problem: if it is participation the answer is more participation, if it is authority, the answer is more authority. Institutions perceive the world like a computer program, in predefined categories.

Weber leaves the institutions to do their own classifying. In his theories he uses the classifications made available by his own contemporary institutions as a standard to judge other civilizations.

Durkheim ran into strong difficulties in his effort to find out how institutions do their classifying (starting with the loss of classificatory solidarity and the advent of market solidarity).

Institutions do the classifying (2)

- The high triumph of institutional thinking is to make the institution completely invisible
- People->institutions->classifications-> actions->naming/labelling->people

  The emergence of new classifications is an interesting process. New labels creates new behaviour.

Douglas(1986:100) "At the same time as institutions produce labels, there is a feedback of Robert Merton's self-fulfilling kind. The labels stabilize the flux of social life and even create to some extent the realities to which they apply." Hacking studying 19th century statistics called this process "making up people" by labelling them and in various ways ensuring that hey will conform to the labels. He compares this to labelling elements of nature.

Douglas(1986:101) "The real difference may be that life outside of human society transform itself away from the labels in self-defence, while that within human society transforms itself towards them in hope of relief or expecting advantage."

Douglas(1986:101-2) "The interaction that Hacking describes goes round, from people making institutions to institutions making classifications, to classifications entailing actions, to actions calling for names, and to people and other living creatures responding to naming, positively and negatively."

Ex: Comparing dictionaries of commerce in 1730 and 1837. Rewriting the classifications of Californian wines. Public statistical classifications (birthplace, occupation, …). What has happened when occupation becomes much more prominent than birthplace?

Douglas(1986:108) "What classifications are devised for and what they can and cannot do are different in each case. A classification of classificatory styles would be a good first step towards thinking systematically about distinctive styles of reasoning. It would e a challenge to the sovereignty of our own institutionalised thought style."

Institutions make life and death decisions (1)

Institutions stabilizing needs explanation

To stabilize an institution needs

1. Legitimacy by distinctive grounding in nature and in reason

2. To give its members a set of analogies with which to explore the world and with which to justify the naturalness and reasonableness of the institutional rules
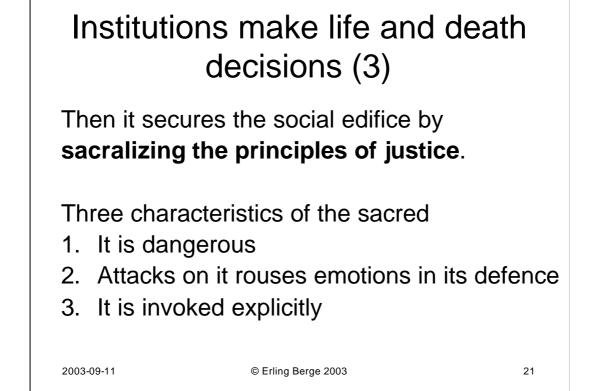
Institutions make life and death decisions (2)
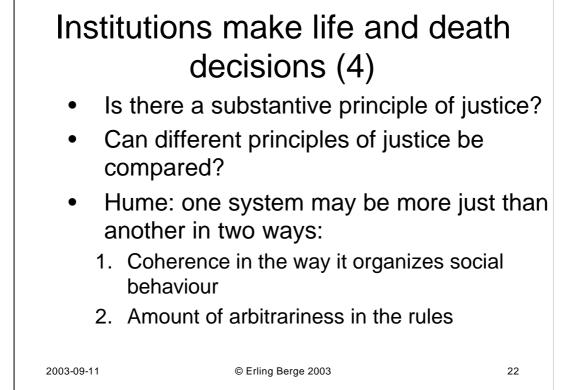
3. Then it starts to control the memory of its members
4. It causes them to forget experiences incompatible with its righteous image
5. It brings to their minds events which sustain the view of nature that is complementary to itself.
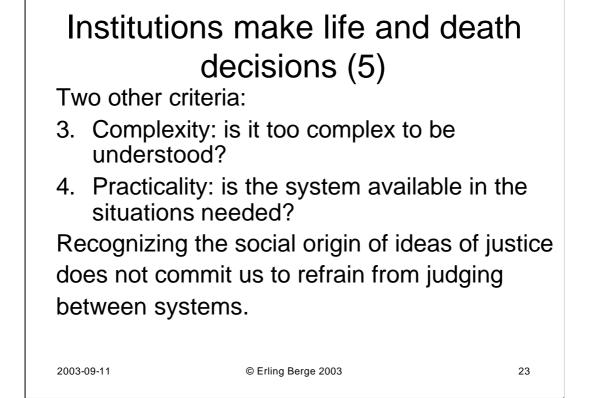6. It provides the categories of their thought, sets the terms of self-knowledge, and fixes identities.

Institutions make life and death decisions (3)

Then it secures the social edifice by **sacralizing the principles of justice**.

Three characteristics of the sacred
1. It is dangerous
2. Attacks on it rouses emotions in its defence
3. It is invoked explicitly

Douglas(1986:113) "No one has much trouble with this idea of the sacred. … But, inconsistently, David Hume's teaching that justice is an artific ial virtue gives a lot of trouble. …   Or defensive reaction against Hume is exactly what Durkheim would predict. We cannot allow our precepts of justice to depend on artifice. Such teaching is immoral, a threat to our social system with all its values and classifications. Justice is the point that seals legitimacy."

Institutions make life and death decisions (4)

- Is there a substantive principle of justice?
- Can different principles of justice be compared?
- Hume: one system may be more just than another in two ways:
  1. Coherence in the way it organizes social behaviour
  2. Amount of arbitrariness in the rules

Institutions make life and death decisions (5)

Two other criteria:

3. Complexity: is it too complex to be understood?

4. Practicality: is the system available in the situations needed?

Recognizing the social origin of ideas of justice does not commit us to refrain from judging between systems.

Douglas(1996:121) (systems of ideas of justice) "They can be judged better or worse according to the good sense we can make of their assumptions."

Douglas(1996:124) "The most profound decisions about justice are not made by individuals as such, but by individuals thinking within and on behalf of institutions. The only way that a system of justice exists is by its everyday fulfilment of institutional needs."

Culture in Interaction

- Nina Eliasoph and Paul Lichterman 2003 Culture in Interaction
- AJS Volume 108 Number 4 (January 2003): 735–94

Abstract

- How does culture work in everyday settings? Current social research often theorizes culture as "collective representations" - vocabularies, symbols, or codes - that structure people's abilities to think and act. Missing is an account of how groups use collective representations in everyday interaction. The authors use two ethnographic cases to develop a concept of "group style," showing how implicit, culturally patterned styles of membership filter collective representations. The result is "culture in interaction," which complements research in the sociology of emotion, neoinstitutionalism, the reproduction of inequality, and other work, by showing how groups put culture to use in everyday life.

The article includes advice on how to observe "group style".