

What's on the path? Path dependence, organizational diversity and the problem of institutional change in the US economy, 1900–1950

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Institutionalists commonly invoke exogenous shocks or the transposition of logics across national systems to explain institutional change and new path creation. Using organizational data on American infrastructure industries, this paper shows instead how established institutional paths contain within them possibilities and resources for transformation and off-path organization. Even settled paths are typically littered with flotsam and jetsam—with elements of alternative economic orders and abandoned or partly realized institutional projects. These elements of 'paths not taken' are legacies of constitutional struggles and movements for alternative forms of order whose settlement or defeat help fix the path that triumphed. Moreover, they represent resources for endogenous institutional change, including the revival, reassembly, redeployment and subsequent elaboration of alternative logics within national capitalisms. As the analysis of the US case shows, such legacies underwrote the construction of an entirely different, cooperatively organized path alongside the dominant path of impersonal markets and for-profit corporations. Taken together, these findings generate new leverage for explaining institutional change. They also highlight features of the US case that have been ignored by institutionalist and 'varieties of capitalism' research, including internal structural variety, endogenous change processes, and the co-evolution of cooperative or coordinated and liberal market economies within American capitalism.

Keywords: capitalism, institutional change, path dependence, cooperatives, varieties of capitalism

JEL classifications: P1 capitalist systems, P13 cooperative enterprises, L3 non-profit organizations and public enterprise

The analysis of institutional change has been a thorny problem for institutionalists who take institutional analysis seriously: The contextualism and arguments about path dependence that give institutionalism its analytical edge in explaining stability and cross-national variation simultaneously create an impasse for those seeking to explain change or the production of new forms. How can institutionalists explain change, off-path organization or the creation of new paths without abandoning institutional determinism and its core insights about the constraining, enabling or stabilizing power of context?

Commonly, institutionalists look outwards from the path to explain transformation, invoking exogenous shocks or the transposition of logics across paths as key conditions for change (Schneiberg, 2005). In contrast, I join recent efforts to document how established institutional paths contain within them possibilities and resources for transformation, off-path organization and the creation of new organizational forms (Orren and Skowronek, 1994; Scott *et al.*, 2000; Stryker, 2000; Crouch and Farrell, 2004; Thelen, 2004; Berk and Schneiberg, 2005; Streeck and Thelen, 2005). To this end, I reconsider path creation in the US economy during the 'era of corporate consolidation', using organizational data on infrastructure sectors to reexamine the institutional settlements that fixed the 'American path,' the politics and projects that drove those settlements and the character of the paths thus produced.

Based on those analyses, I propose a 'structured alternatives' perspective on institutional change and new path creation. I argue that even the most 'settled' paths are typically, if not inevitably, littered with flotsam and jetsam—with elements or more or less developed systems of alternative industrial orders, abandoned or partially realized institutional projects and 'paths not taken,' including theories of order, community associations, political networks, and organizational templates and forms. These fragments or elements of alternative systems represent legacies of constitutional struggles over order and social movements whose settlements or defeats helped fix the path that triumphed. They are remnants of previous conflicts, failed or partially successful experiments with alternative paths and battles against what became central axes of industrial order. Moreover, where those legacies acquire sufficient weight, they can serve as resources for the subsequent elaboration of alternative forms or logics. They constitute resources or building blocks for institutional assembly, rehabilitation or revival. And they can be redeployed to support new experiments, theorization, mobilization for change and even the consolidation of entirely new paths within existing systems.

Part I sets the theoretical stage for this approach. I describe the impasse institutionalists face in trying to explain change without abandoning

institutional determinism and trace some emerging strategies for resolving this impasse.

Parts II and III look inwards and backwards at the American path, revising standard accounts about the character of this path and the legacies of its creation. In part II, I ask, ‘What’s on the path?’ I outline conventional views of the American path—highlighting the dominance of markets and large-firm corporate capitalism and how they drove alternative forms of order off the economic landscape. I then use new data to document substantial ‘off path’ organization or variety *in* American capitalism, including systems of publicly owned and cooperative alternatives to markets and hierarchies in six infrastructure industries at the core of the economy. As is evident, an entirely different, cooperatively organized and publicly based institutional path co-evolved with the dominant, ‘liberal market’ logic of markets and corporate hierarchies in the US through the mid-twentieth century and beyond. In Part III, I examine the evolution of these organizational systems to reconsider the dynamics and legacies of American path creation. Here I ask, ‘How was it possible for agrarians, independent producers and consumers to craft cooperative and publicly owned systems of enterprise in the US during the era of corporate consolidation?’ Examining path creation historically, I first document cross-form effects and correlations across organizational systems, sectors and time periods. I then locate the genesis of these systems in the same critical junctures, struggles and movements for alternatives whose settlement or defeat conventional accounts identify as closing off alternatives and fixing American capitalism on its distinctive institutional path.

Finally, Part IV uses this revised view of the American path and its creation to revisit the problem of change, shedding new light on how transformation and new paths can emerge *within* extant institutional systems, even in the absence of exogenous shocks. Here, I develop implications of my findings for ‘varieties of capitalism’ and comparative institutional research, challenging the common practices of conceptualizing paths, path creation and national capitalisms broadly, in terms of their central institutional tendency or predominant configuration of elements. These practices, expressed most recently by typologies of ‘liberal market’ and ‘coordinated market economies’ (Hall and Soskice, 2001), effectively assume institutional homogeneity within national economies. But in so doing, they ignore or bracket variety *within* national capitalisms, leading us to misspecify their character, at least in the US case. They ignore, as I show, the development of what amount to ‘coordinated or cooperative market economies’ *within* the American ‘liberal market’ order. And by ignoring structural variety in capitalism, these typologies and practices limit our ability to explain the conditions and processes of change.

1. Explaining institutional change

1.1 *Two common approaches, one common impasse*

Explaining institutional change creates an impasse for institutionalists. It is hard to explain fundamental change and the rise of new paths using arguments about path dependence and the constraining power of context that were originally crafted to explain stability within—variation across—fields, systems or nation states. Indeed, the two most common efforts within institutionalism to explain transformation are only partly satisfactory and ultimately self-negating.

On the one hand, we find *evolutionary approaches*—arguments that changes are not or are only rarely fundamental, that enduring patterns of behaviour remain, and that changes which seem radical or discontinuous are, on closer examination, really just incremental transformations, extensions or elaborations of established logics (Western, 1995; Dobbin, 1994; Campbell, 1997; Pierson, 2000). Working from this point of view, analysts contend that globalization has not produced radical change in national capitalisms, that the nation state persists, and that there are really still on old and familiar, if slightly reconfigured, paths. Such contentions rest on the insight that change occurs within existing institutions, bears the stamp of this embeddedness, and is therefore typically incremental and evolutionary rather than fundamental. Thus, one strategy for explaining change retains arguments about path dependence, preserving the structural determinism that gives institutionalism its analytical edge. But it does so at the risk of overplaying continuities with the past, and downplaying or even denying the existence of fundamental change, off-path behaviour and the creation of new forms.

On the other hand, we find *crisis approaches*—arguments that displacement or qualitative shifts in logics are the central motors of change, that radical change occurs, and that history is marked by critical junctures in which old routines lose their force and possibilities emerge for new paths, revolution and wholesale transformation (e.g., Piore and Sabel, 1984; Tushman and Anderson, 1986; Fligstein, 1990; Thornton and Ocasio, 1999; Dobbin and Dowd, 2000; Schneiberg, 2005). Here, history proceeds as punctuated equilibria, that is, as a discontinuous succession of divides and qualitatively different institutional regimes, rather than an incremental accumulation of evolutionary changes. But to get to these ruptures, scholars typically invoke exogenous shocks to the system. They invoke shocks which so profoundly subvert old routines, vested interests or established ways of thinking—and which so comprehensively call into question the rationality of existing solutions—that it becomes possible to imagine and pursue radically new possibilities and switch paths. Thus, rather than denying the sometimes radical character of change to preserve path dependence and institutional determinism, this strategy takes the converse stance: It denies

institutional effects at critical junctures in order to preserve the recognition of fundamental change, leading to the now famous quip, institutions create stability and have causal efficacy, until they don't.

These two approaches to institutional change create one common impasse. Either we preserve institutional insights about path dependence and the constraining power of context and deny the prospects for fundamental or qualitative transformation. Or we preserve observations about fundamental change and new path creation and deny our insights about path dependence and the explanatory power of the institutional context.

1.2 *Emergent analytical strategies*

Three analytical strategies towards change have emerged for resolving this impasse. One option is to abandon institutionalism and its determinist pretensions for a wholly agency-centred approach based on social-constructionism (Sabel and Zeitlin, 1997; Callon, 1998). But those seeking to retain institutional determinism and its structural insights have pursued two other strategies for explaining change.

Those pursuing an *external structuralist approach* look outwards from the path, and begin with the recognition that institutional systems or fields coexist, interact or even overlap with other systems organized according to different logics. In this approach, for example, national capitalisms coexist and transact with other national capitalisms—they are embedded within a broader institutional context populated by multiple logics, paths and principles. And by thus shifting the analytical focus, new possibilities for change come into view: Actors can borrow or transpose logics and forms from one system or field to another, fuelling transformation or new path creation through translation, hybridization and bricolage at the margins or interstices between institutional systems (Clemens, 1997; Djelic, 1999; Stryker, 2000; Campbell, 2004; Morrill, 2005; Czarniawska and Sevón, 1996; Streeck and Yamamura, 2003; Edelman *et al.* 1999). Overall, this approach to change has proven quite productive, as it preserves and broadens the contextual insights of institutional analysis by emphasizing how fields coexist with other fields, and how actors embedded in multiple fields or their interstices can draw on multiple logics to produce transformation and new paths.

In contrast, an *internal structuralist approach* looks inwards and backwards at the paths themselves, at what actors can do on or with existing institutional arrangements, and at how the histories of path creation themselves generate resources for transformation or the creation of new forms (Stark 1996; Thelen 2004; Orren and Skorownek 1994; Crouch and Farrell 2004; Streeck and Thelen 2005; Berk and Schneiberg 2005). From this point of view, institutional paths are not as uniform, complementary or pure as some analyses would have

it. To the contrary, they often, if not inevitably, contain within them ambiguities, multiple layers, potentially decomposable components or competing logics which actors can use as vehicles for experimentation, conversion, recombination and transformation. As I show below, even settled paths remain populated, at least in certain places, with social, cultural and organizational fragments of ‘paths not taken,’ more or less developed systems of alternative industrial orders, and institutional possibilities previously assumed to have been abandoned or foreclosed.

The rest of this paper contributes to an internalist approach via a reanalysis of American capitalism during the age of corporate consolidation. In part II, I reconsider the issue of ‘what’s on the path’ by briefly reviewing conventional wisdom about the character and creation of American industrial order, and by documenting ‘off path’ organization at the heart of this system. I find that there was, and remains, far more variety *in* American capitalism—far greater departures from the American model and far more reliance on systems of public and cooperative enterprise at the core of the economy—than conventional accounts commonly allow. I then turn in part III to reconsider path creation in the US, tracing the evolution of these ‘off path’ systems across sectors and over time. Here, I show first that these systems of forms are correlated geographically across industries and periods. This evidence suggests that business groups, agrarians and public officials were able to exploit partial accomplishments or elements of ‘paths not taken’ in one sector or period to support additional accomplishments and new path creation in other industries in subsequent periods. I then show that these cross-form processes and correlated systems of alternatives are themselves correlated historically with the constitutional struggles, settlements and defeats that helped fix American capitalism on its distinctive institutional path. Far from purging alternatives from the path or simply closing off other institutional possibilities, these struggles and settlements left behind organizational, cultural and social legacies—legacies that subsequently served as resources for the elaboration of a cooperatively organized and publicly based path within American corporate capitalism. Based on these findings, I outline in part IV a ‘structured alternatives’ approach that helps explain institutional change and new path creation without abandoning the contextual insights scholars worked so hard to develop.

2. What’s on the path? American industrial order revisited

2.1 *Conventional accounts*

Conventional institutional accounts of the US case converge on two basic claims. First, they cast the American economy, at least until the 1970s, as a large firm,

mass production system of industrial order based on impersonal markets, private for-profit provision and autonomous corporate hierarchies. Second, they view markets and for-profit corporations as having effectively driven alternative forms of industrial order from the economic landscape during the so-called ‘era of corporate consolidation,’ fixing the US economy on its distinctive path in the late nineteenth and early twentieth centuries.

This received view has captured the imagination of institutionally minded scholars across the spectrum. It appears in business history (Chandler 1977, 1990; McCraw 1984; Lamoreaux 1985; Dunlavy 1992) and among revisionists (Kolko 1963; Sklar 1988). It appears among economists and political scientists ranging from Williamson’s (1975, 1986) efforts to make markets and hierarchies master concepts in institutional economics to work by Piore and Sabel (1984), Best (1990), Lazonik (1990) and Berk (1994). It appears among sociologists, ranging from power or elite theorists (Roy 1997; Perrow 2002) to culturally inclined neo-institutionalists (Fligstein 1990; Dobbin 1994). And it appears among comparativists, who have found it theoretically compelling or analytically useful to characterize national economies in terms of their dominant or central organizing tendencies, culminating in characterizations of the US as an institutionally thin system of markets and hierarchies and the ‘varieties of capitalism’ distinction between the ‘liberal market economy’ of the US and the ‘coordinated market economies’ of Europe and East Asia (Streeck, 1991; Djelic, 1999; Whitely, 1999; Hollingsworth and Boyer, 1997; Hicks and Kenworthy, 1998; Crouch and Streeck, 1997; Hall and Soskice, 2001).

Minor variations aside, institutionalists converge on a common view of an American path to capitalism, an economy, which, at least until the 1970s, possessed distinctive features. In particular, this American industrial order:

1. Lacked developed associations and other structures of inter-firm collaboration;
2. Was weak in cooperative and public or state owned enterprise;
3. Drew a sharp line between private and public, market and polity, and corporation and state, naturalizing or essentializing the former;
4. Possessed a ‘weak’ or fragmented state;
5. Relied first and foremost on private, for-profit provision for goods and services; and
6. Was dominated by a large firm, mass production system of publicly enforced competitive markets and autonomous, vertically integrated corporate hierarchies.

Moreover, this vision of an American path dominated by markets and corporate hierarchies derives powerful sustenance from a variety of theoretical programmes within institutional analysis. Such a vision draws on economic

arguments about sunk costs, economies of scale and scope, and the pressures of high fixed costs. It draws on sociological arguments that isomorphism and diffusion can drive fields and nations towards modal forms. It draws, more recently, on institutional complementarity or 'varieties of capitalism' arguments that the various elements of national institutional systems interlock or fit together only in certain ways, producing a small number of stable national configurations. It draws, as well, on arguments about institutional history as marked by divides and branching points, that is, by critical junctures in which institutional settlements, the accumulated weight of partial accomplishments, and the political defeat of alternatives and their champions fix economies on a path, closing off other paths and possibilities. In one way or another, imageries of divides, interlocking, settlements and sunk costs deeply inform our understanding of path creation in the US.

There are debates over which junctures were critical. For some accounts, the key junctures involved the regulatory decisions and struggles over property rights in the railroad industry between the 1870s and 1890s. Decisions and settlements here not only eliminated public enterprise from the table, they also drew a sharp line between public and private in law and policy, constituted the market and corporation as natural entities, and elevated national markets over regional trade (Dunlavy, 1992; Berk, 1994; Dobbin, 1994). For some accounts, it was antitrust laws which took associative and collaborative forms of order off the table (Fligstein, 1990; Schneiberg and Hollingsworth, 1990; Dobbin and Dowd, 2000). For others, it was the defeat of the populists, Knights of Labor and producer-republicans by the late 1890s, which meant the demise of their alternative, producerist visions of a 'cooperative commonwealth'—a more publicly oriented, collectively organized and decentralized economy of farmers, independent producers, regional districts and self-governing market towns (Goodwyn, 1976; Schwartz, 1978; Berk, 1994; Hattam, 1994; Voss, 1996). For yet others, it was the great merger wave, which eliminated small and medium sized firms wholesale, setting giant corporate consolidations in their place (Lamoreaux, 1985; Roy, 1997). And for still others, it was the Federal Trade Commission and Clayton Acts of 1914—acts which ratified those new corporate consolidations by regulating them, which settled sectional conflicts over the shape of American capitalism, and which took the 'trust question' out of national political contention (Sanders, 1986, 1999; Sklar, 1988; Best, 1990; Kolko, 1993).

Yet, in the end, these debates are akin to a family feud. While they argue over the details, they all understand the American economy, at least until 1970, as a large firm, mass production system based on markets and private, for-profit corporations. And they all see this system as having driving alternative forms of ownership and enterprise from the economic landscape at critical junctures during the late nineteenth and early twentieth centuries. This is the conventional

view—an American path, fixed in its basic parameters around the turn of the last century.

2.2 *A second look*

However, taking a second look at this path reveals far more organizational variety *in* American capitalism than conventional views commonly perceive. Probably those most surprising results come from the electrical utility industry—a technologically advanced, capital intensive, large firm industry organized around private, vertically integrated ‘investor owned utility’ corporations. This infrastructure industry is located at the heart of American capitalism. Moreover, it is only a slight exaggeration to take this sector as the railroad industry of the early twentieth century, serving both as an expression of American capitalism’s organizing principles, and as an engine of its development and growth, helping to fix its basic parameters. But closer inspection reveals that this industry was simultaneously a site of two waves of substantial off-path organization during the age of corporate consolidation.

The first wave involved the formation of nearly 2 600 local state owned enterprises—electrical utilities publicly owned and operated by American municipalities. As Figure 1 shows, these municipal utilities emerged after the great merger wave alongside private, investor owned utility corporations, peaking in the early 1920s, and then falling off and levelling in numbers during the late 1920s and early 1930s to the 1 840 municipal utilities that still exist in the current period.¹ For the most part, these municipal utilities were owned and operated by small and medium sized towns to serve local markets, although some important larger cities also pursued public ownership, including Pasadena, Seattle-Tacoma, Cleveland and Toledo.

The second wave involved the formation of nearly 1 000 electrical cooperatives, mostly rural, consumer-organized and -owned utilities which were formed under the auspices of the Rural Electrification Administration. Focusing mainly on distribution, these cooperatives were vehicles for electrifying the countryside, for wiring homes and farms to the developing electrical grid and for selling them power. However, 60 cooperatives were organized as generation and transmission enterprises to help supply the system with power. As Figure 2 shows, electrical cooperatives emerged very rapidly in the mid- to late 1930s and almost

¹ Data for municipal utilities come from the US Bureau of the Census, *Central Electrical Power and Light Stations*, a census compiled every 5 years from 1902 to 1927, and are supplemented with data from the Edison Electrical Institute’s *Historical Statistics of the Electric Utility Industry through 1992*, Schap (1986), and some other secondary sources [see Schneiberg (2006)].

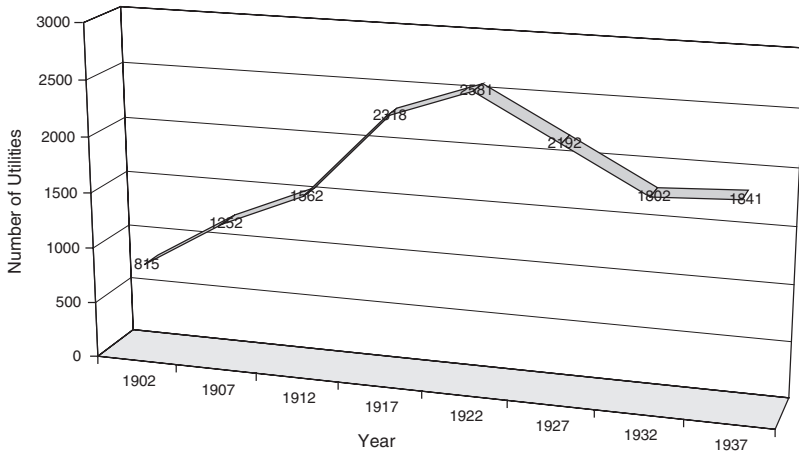


Figure 1 Number of municipal utilities, 1902–1937.

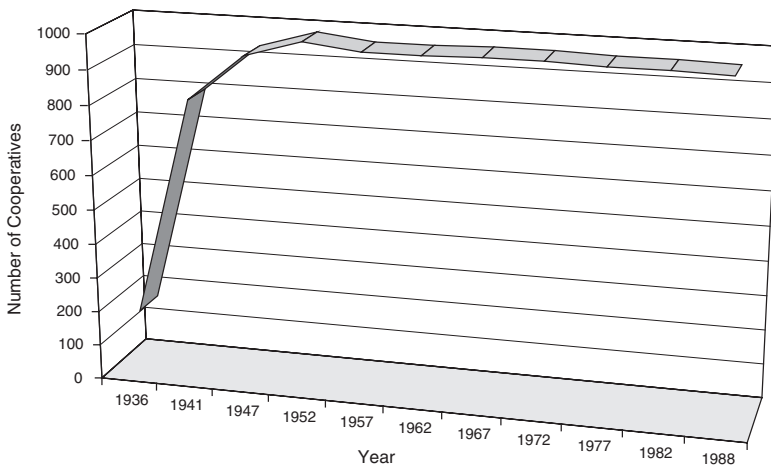


Figure 2 Number of electrical cooperatives, 1936–1988.

immediately stabilized into a cooperative system of provision that persists as indicated to the present day.²

We thus find in this technologically advanced, capital intensive infrastructure industry at the heart of American capitalism not one, but two systems of

² Data for electrical cooperatives come from the Rural Electrification Administration's, *Report of the Administrator*, and *Annual Statistical Reports* from 1936 through 1990.

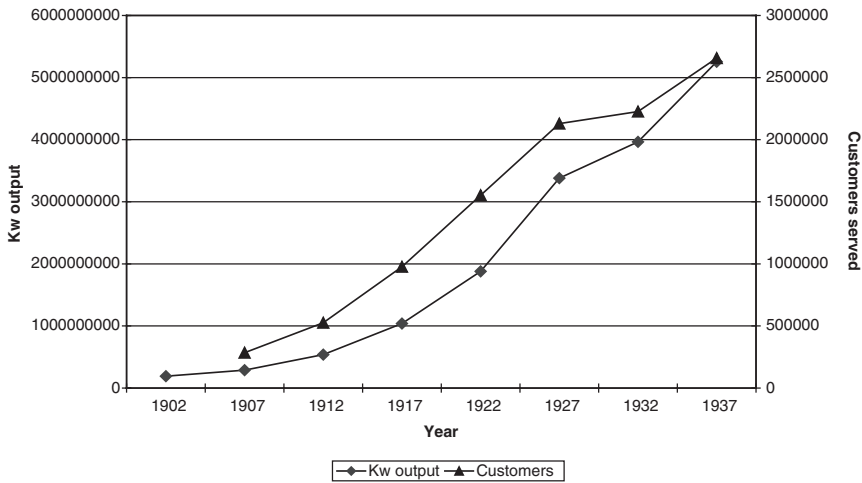


Figure 3 Municipal output and customers served, 1902–1937.

organizational alternatives to markets and for-profit corporations. There was a burst of consumer-owned, cooperative enterprise in the early New Deal era of the mid- to late-1930s, which was preceded during the progressive era by the rise of public, state owned enterprises organized and operated by municipalities.

Admittedly, a skeptical interpretation of these count data might perceive a limiting process at work in the evolution of these enterprises. State owned enterprises declined in numbers significantly after their mid-1920s peak, and the counts of cooperatives, while not falling, hit a ceiling quite rapidly. But Figure 3's plot of the numbers of kilowatt hours sold and customers served by the municipal system from 1902 to 1937 suggests otherwise. Despite a decline and levelling off of the number of municipal utilities in the 1920s, this system of local, state owned enterprise delivered a steadily growing volume of electricity to an increasing number of customers through the entire period, accounting for roughly 5% of the power sold and close to 10% of the customers served nationwide by 1937. Figure 4's plot of kilowatt hours delivered and customers served by cooperative utilities generates the same conclusion. Despite what seems to be an exhaustion of collective self-organization, cooperatives likewise pumped an increasing volume of electricity to a growing number of customers, accounting for an additional 5% or so of power sold in the US, and an additional 10% of customers served.

Moreover, these aggregate figures substantially understate the significance of these public and cooperative alternatives to corporate hierarchy, as there is substantial variation across American states in their extent and development. Figure 5 charts the number or density of municipal utilities per state during the

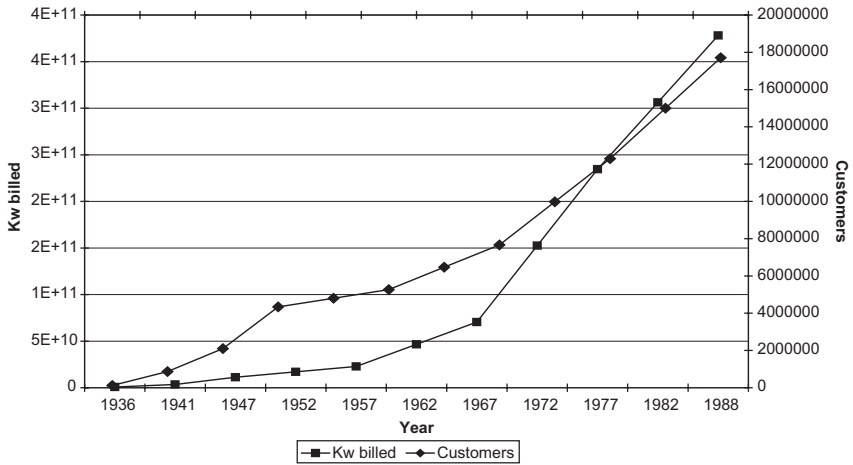


Figure 4 Cooperatives output and customers served, 1936–1988.

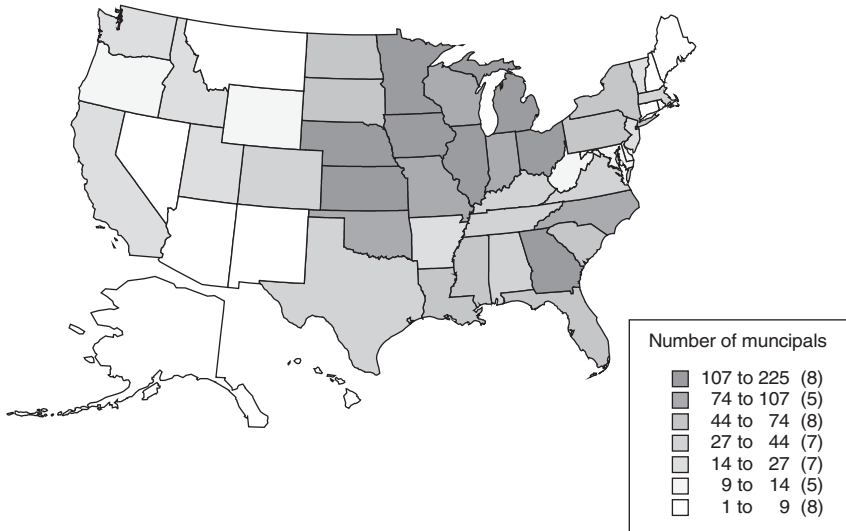


Figure 5 Municipal Utilities by State, 1922.

peak year of 1922, and shows dramatic cross-state differences, with Nebraska and Kansas leading the way with over 200 municipal utilities each, followed by Minnesota, Iowa, Ohio and Georgia with 130–155 municipal utilities each. Strikingly uneven, this geographical distribution of municipals made for heavy concentrations of public ownership in certain places and significant market

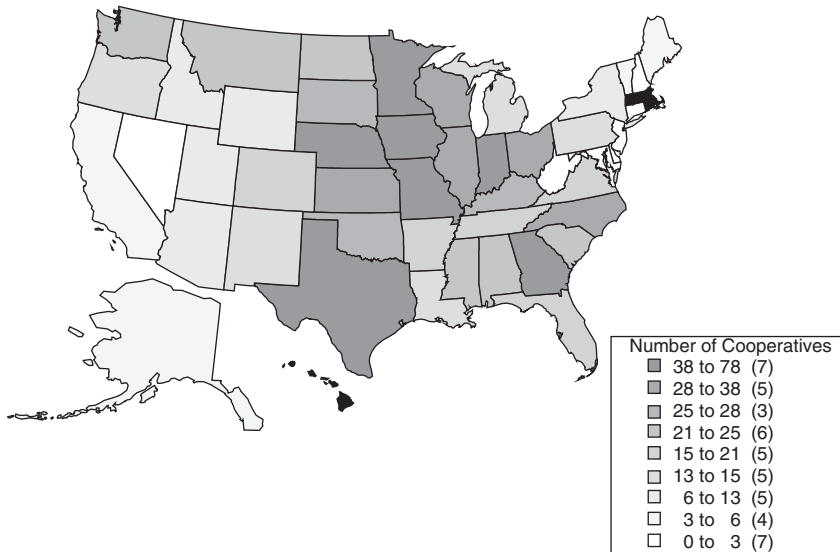


Figure 6 Electrical Coops by State, 1947.

shares, even after the municipal peak. In 1937, for example, municipal utilities accounted for 15% of the kilowatt hours sold and 32% of the customers served in Nebraska, 22% of the output and 31% of the customers in Kansas, 22 and 29% in Washington, 22 and 26% in Florida and 25% of the customers in California. In the disaggregate, the incursion of state owned enterprises are rather weightier than the 5 and 10% figures would imply.

Figure 6's map of cooperatives per state in 1947 generates a broadly similar profile, with Texas leading the way, followed by Minnesota, Iowa, Indiana, Missouri, Georgia, Nebraska and Kansas. Here, too, alternatives captured substantial market share, at least in some places. In 1967, electrical cooperatives served 15% of the customers in Texas, between 24 and 36% of customers in Iowa, Nebraska, Minnesota, Missouri and Georgia, 42% in Kentucky and 59% in Arkansas. Again, the disaggregated figures are hardly trivial: There was rather more 'off path' organization and variety in this core industrial sector at the heart of American capitalism—and rather less elimination of alternatives from the institutional landscape—than conventional wisdom would lead one to expect. There were, in effect, well-developed bits and pieces of alternative industrial order scattered about the path, at least in certain places, in this industry and time period.

Nor was electricity the only sector about which this could be said. To the contrary, the period in which public ownership surged in the electrical utility industry also witnessed waves of cooperative organization in dairy, grain and

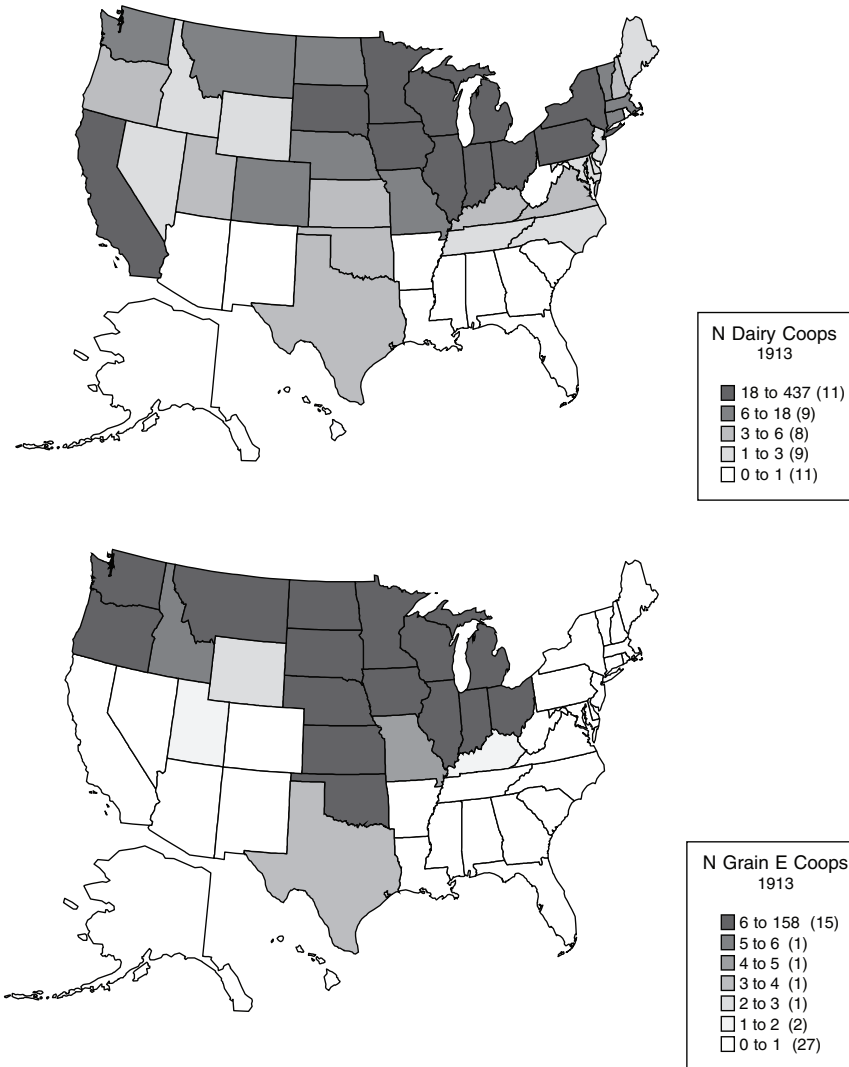


Figure 7 Dairy and Grain Elevator Cooperatives, 1913.

other agricultural sectors. By 1913, American farmers had organized over 1 180 dairy cooperatives and 960 grain elevator cooperatives, and continued to pursue collective self-organization over the next decade or so, organizing a total of 2 487 dairy cooperatives and over 3 330 grain elevator cooperatives by the late 1920s. Here, too, there are elements of alternative forms of order scattered about the path. And here, too, as Figure 7's 1913 map of dairy and grain cooperatives

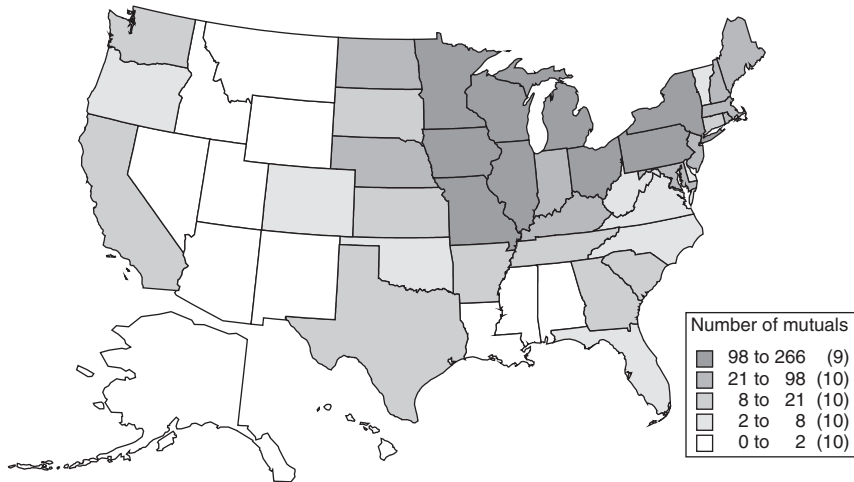


Figure 8 Insurance Mutuals, 1903.

shows, there was substantial variation across states, with far heavier concentrations of cooperative enterprises in certain places than aggregate figures suggest.³

Looking backwards a bit further reveals additional elements of alternative economic order, here in the form of roughly 3 500 property insurance mutuals. Emerging in force beginning in the populist era of the late nineteenth century, these consumer-owned and organized alternatives to for-profit stock insurance corporations captured 11 to 12% of the insurance market during the first decades of the new century. Moreover, as Figure 8's 1903 snapshot shows, aggregate features again underestimate the prevalence of these forms in places like Wisconsin, Minnesota, Iowa, Illinois, Missouri and Ohio where mutuals issued up to 35% of all insurance in force.⁴

Taken individually, but particularly when taken together, these brief snapshots provide the first finding of this study and a strikingly different image of the American path than is commonly presented. Overall, the American path is neither as pure, as dominated by large-firm corporate capitalism, nor as purged of alternative institutional forms as conventional wisdom would have it. Instead, there are elements and more or less developed systems of alternative industrial

³ Data on the number of dairy and grain elevator cooperatives came from the US Department of Agriculture's 1928 report, *Agricultural Cooperative Associations, Marketing and Purchasing*.

⁴ Data on the number of insurance mutuals come from Best's *Insurance Report* and Spectator's *Insurance Year Book* from 1903 to 1929, the industry's annual censuses of insurance companies. See also Schneiberg and Bartley (2001) and Schneiberg (2002).

orders strewn about the path. Despite tendencies of institution builders in the United States to favour national markets and corporate hierarchies, infrastructure sectors around which much of the American economy was built were themselves less inclined towards the ‘American model’ that we might expect. Instead, they proved remarkably susceptible to different forms of enterprise and institutional governance. In fact, the evidence suggests that an alternative or second institutional path emerged and coexisted at the core of the US economy alongside corporate capitalism through the mid-twentieth century and beyond, at least in certain regions of the country—a cooperatively organized and publicly based path that we commonly assume had been abandoned or closed off by the turn of the last century.

3. Path creation in the US economy revisited

How then was it possible for consumer groups, farmers, business interests and public officials to pursue public and cooperative pathways in infrastructure industries at the heart of the American economy? That such alternatives survived and even flourished, at least in certain places, was hardly a *fait accompli* as for-profit corporations and their allies fought tooth and nail against alternative forms in the marketplace. For example, in the electrical utility industry, private investor owned utilities did everything they could to drive municipals and cooperatives from the market and keep the path pure. Among other things, they spent millions of dollars on publicity campaigns, slander and outright lies, intervened on city councils, tried to alter city charters to undermine bond issues, planted spies on cooperative boards, pursued partial electrification and rate changes to reduce enthusiasm for alternatives, and used the regulatory powers of the states to saddle municipals and cooperatives with crippling limits and competitive handicaps (Schneiberg 2006). Competition against ‘trusts,’ and efforts to forge new pathways in insurance, dairy and grain, likewise evoked political struggles over markets and efforts by stock corporations to drive alternatives from the path.

Part of the answer to the question of possibilities can be gleaned from two additional findings about the systems of alternative organizational forms just considered.

3.1 Cross-form effects and correlated systems of organization

First, as might already be apparent, there is a marked geography to these public and cooperative alternatives to private, for-profit provision. They are heavily concentrated in certain regions and certain states, and there are notable trends, sequences and temporal inter-correlations in these geographies of form across industries and time periods. Such patterns are particularly striking given their

presence across industries that use very different technologies, serve different markets, emerged in different period, and were themselves characterized by very different geographical distributions.

These inter-correlations across industries can be observed by taking a second look at the organizational maps presented above, beginning with the earliest snapshots and running forwards in time. Examining the 1903 snapshot of insurance mutuals reveals that these forms were most heavily concentrated in upper Midwestern states—Wisconsin, Minnesota, Iowa, Illinois, Ohio, Missouri—and in western Pennsylvania and upstate New York. It also reveals additional, albeit fewer numbers the Dakotas and plains states.

A broadly similar view appears from the 1913 maps of agricultural cooperatives. Looking first at dairy, the heaviest concentrations of cooperatives again appear in the upper Midwest, Ohio, Pennsylvania and New York. There are important differences from the insurance case reflecting the unique geography of the industry—California was a leading dairy state, and it stands out on the dairy cooperative map. Yet there are striking parallels between the maps of dairy cooperatives and the insurance industry—a sector that serves industrial, commercial and residential as well as agricultural consumers. Moreover, these parallels persist for grain and the farmer elevator cooperatives. There are some differences clearly attributable to the geography of this industry—Montana, Idaho and Oregon for example are important states here—but the heaviest concentrations again appear in the upper Midwestern and plains states leading south through Texas.

The same is true for the electrical utility industry. Looking first at the geography of local public ownership during the progressive era, we find the heaviest concentrations once again in the upper Midwestern and plains states heading south towards Texas, plus some additional numbers in Georgia and North Carolina. Looking finally at the geography of electrical cooperatives in the later period reveals the now familiar distribution, with the heaviest concentrations in the Midwestern and upper plains states, plus a clear deepening of this geography in both the South (Texas, Georgia, North Carolina) and the Pacific Northwest.

A second way to observe these patterns is in Table 1. This table presents simple correlations among the counts per state of alternatives to the corporation for seven different forms and six industries during the first four decades of the twentieth century. Included here are the five forms considered above—insurance mutuals, dairy cooperatives, grain elevator cooperatives, municipal electrical utilities and electrical cooperatives—plus two other forms for which data were readily available—telephone mutuals and state chartered credit unions. And as the table shows, there are moderate to strong positive correlations in every case. The number of insurance and telephone mutuals per state at the end of the

Table 1 Correlated systems of alternative organizational forms

	Insurance	Telephones	Dairy	Grain	Municipals	E Coops	
Number insurance mutuals 1903	1.0000						
Number telephone mutuals 1902	0.7067	1.0000					
Number dairy cooperatives 1913	0.5571	0.3218	1.0000				
Number grain elevator coops 1913	0.4439	0.5176	0.5409	1.0000			
Number of municipal utilities 1922	0.4818	0.4776	0.3900	0.5896	1.0000		
Number electrical coops 1941	0.3342	0.4780	0.4290	0.3723	0.5875	1.0000	
Number of state credit unions 1940	0.7603	0.6199	0.4831	0.3534	0.4335	0.4756	1.0000

populist era correlates positively with the number of agricultural cooperatives per state in dairy and grain in the 1910s. The number of agricultural cooperatives and mutuals per state in the 1900s and 1910s correlates positively with public ownership in electricity or the number of municipal utilities per state in the 1920s. Finally, the number of municipals, agricultural cooperatives and mutuals in the first two decades of the twentieth century correlates positively with the number of electrical cooperatives and state chartered credit unions in the 1930s and 1940s.

These results are striking and suggest that something is being passed on or down over time and across sectors. Those seeking to organize alternatives to for-profit corporations in the 1930s and 1940s were somehow able to piggyback on the legacies, bits and pieces of alternatives, and partial accomplishments produced during the progressive era decades of the 1910s and 1920s. Similarly, those seeking to organize alternative forms in the progressive era were able to capitalize on similar kinds of efforts and organizational alternatives produced during the populist era of the late nineteenth century. There is, in effect, evidence that elements of alternative industrial order in one sector and time period can become resources or platforms for organizing alternatives, reviving experiments and forging new paths in other sectors in subsequent periods. This is the first finding emerging from a second look at path creation in the US economy: There are cross-form effects (Minkhoff 1994) that help create and sustain possibilities for alternative organizational forms over time.

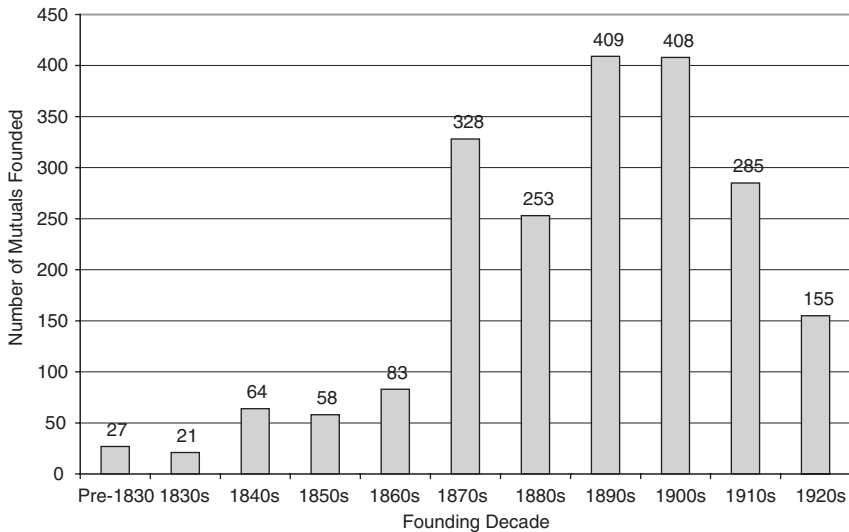


Figure 9 Founding Dates of Class Mutuals in Operation in 1903–1929.

3.2 Historical roots and critical junctures

Second, these correlated geographies of alternative organizational forms are themselves anchored or correlated both temporally and geographically with the constitutional political battles fought over the emerging corporate order in the late nineteenth century. In other words, the alternative organizational forms are correlated historically and geographically with precisely those movements and struggles whose defeats or settlements helped consolidate corporate capitalism and fix the American economy on its distinctive path.

Temporally, the whole sequence or series of forms just examined is correlated with these epochal struggles, defeats and path defining settlements. This can be seen by looking at founding data for the first forms in the series—insurance mutuals. These data are summarized in Figure 9, which charts of the founding dates of all mutuals ever reported in operation between 1903 and 1929. As the figure shows, the organization of mutuals took off in the 1870s, continued in the 1880s and peaked in the 1890s and 1900s. That is, insurance mutuals emerged in their greatest numbers during precisely those periods and critical junctures when, according to conventional wisdom, key battles were fought, critical institutional choices were made, and the parameters of an American path to corporate capitalism were fixed.

These connections between politics and form also appear geographically. The idea here is to focus again on the earliest forms in the sequence—insurance mutuals, but also dairy and grain cooperatives—and to map geographies of these

Table 2 Correlations between anti-corporate politics, movements and organizational forms

	Insurance mutuals 1903	Dairy cooperatives, 1913	Grain elevator cooperatives, 1913
National Grange Membership, 1875	0.3628	0.1084	0.1714
Pass Granger Railroad Law, mid-1870s	0.6935	0.6935	0.5788
Democratic Populist Vote, 1896	0.6670	0.1308	0.1325
Anti-Trust Law by 1896	0.1585	0.1842	0.4775

forms against the geographies of constitutional struggles over economic order in the late nineteenth century. These battles and their protagonists also operated at the state level and included: 1) struggles over the railroad corporation and the enactment of the ‘Granger’ regulation laws of the 1870s; 2) efforts in the 1880s and 1890s to contain and dismantle ‘trusts’ and ‘combines’ via general and industry specific anti-trust measures; as well as 3) mobilization by the Populist Party and anti-corporate social movements including the Grange or Patrons of Husbandry (Buck, 1913; Goodwyn, 1976; Schwartz, 1978; Sanders, 1999). Like organizational forms, these struggles and forces also varied across states.

This exercise generates another finding about path creation in the US. As Table 2 shows, alternative organizational forms are correlated geographically at the state level with the late nineteenth century movements and constitutional political struggles over the emerging corporate order. In particular, the bits and pieces of alternative industrial orders appeared in greatest numbers in many of the same states where the Grangers took their stand against the railroad corporations, where the trust-busters pushed for de-concentration, and where the anti-corporate political parties and agrarian movements pushing for alternatives economic orders realized their greatest strength in numbers, votes and local organization. Overall, it appears that the systems of organizational forms were rooted historically and geographically in those times and places where the fights against the corporations were most intense, where movements advocating producer-republican visions of a cooperative commonwealth realized their great numbers and strength only to be defeated by the turn of the 20th century, and where the struggles for alternative paths were fought—and lost.

Such a finding again runs counter to conventional accounts of American capitalism. The struggles over economic order, settlements and defeats that previous work identifies as closing off alternatives and fixing the American economy on its distinctive institutional path did not undo learning or memory or simply delete what had been experimented with and even partly accomplished. To the contrary, even when defeated, movements and institutional projects devoted to ‘paths not taken’ left behind organizational legacies.

They left the institutional landscape that was taking shape littered with elements or bits and pieces of institutional paths not taken—theories of economic order, community associations and nascent political networks, regulatory fragments, organizational templates and even systems of alternative enterprise forms—that subsequently became resources for challenges to existing arrangements, the elaboration of new forms, and the construction of an entirely new path alongside the ‘dominant’ path of markets and corporate hierarchies within American capitalism.

Admittedly, the possibility exists that the associations across systems of forms, or between the earliest forms and struggles over economic order, are spurious. Among other things, these correlations might reflect enduring common economic conditions in those noteworthy states, their similar position in a regional division of labor, or the distribution of grain, dairy, or other industries across states. They might also reflect commonalities in the character of communities in those states, including the relative ease of organizing cooperatives and political opposition in relatively small and homogenous Midwestern places, or the extent to which large corporate combinations, located mainly in the northeast, simply found those sparsely populated places unprofitable to serve or easy to exploit. Yet in previous and ongoing analyses, I have subjected both sets of relations to multivariate assessments that control for these and other factors. Two findings emerge.

First, the positive cross-form effects across periods and sectors persist when controlling for a range of economic, community and political factors (Schneiberg 2006). For example: 1) increasing the number of insurance mutuals organized in the late nineteenth century had positive effects on the number of municipal utilities organized after the turn of the century; and 2) increasing reliance on agricultural cooperatives and growing numbers of municipal utilities both had positive effects on the number of electrical cooperatives organized in the early New Deal. The effects appear even when controlling for population or number of farms, manufacturing value added, population density, the level of electrification, electricity rates, the heterogeneity of farms and manufacturing establishments, regulation, and voting strength of anti-utility forces.

Second, as the regression results summarized in Table 3 show, anti-corporate politics and the strength of agrarian protest movements have positive effects on the earliest forms in the sequence—insurance mutuals, dairy and grain elevator cooperatives—net of economic and community characteristics. These results come from count regressions estimated on the cross-sections of organizational form mapped above. All three models control for population, population density, population change, migration, the heterogeneity of farm and manufacturing establishments, and the percentage of foreign-born whites. The models for dairy and grain cooperatives also control, respectively, for the price and volume of

Table 3 Effects of anti-corporate politics and movements on organizing forms

	Insurance mutuals, 1903		Dairy cooperatives 1913		Grain elevator cooperatives, 1913	
Populist vote	0.00176 (0.00557)	-0.00205 (0.00591)	-0.00174 (0.00664)	-0.00400 (0.0070)	-0.00157 (0.00653)	0.0104 (0.00844)
Granger railroad regulation	1.3016*** (.40086)	.8999** (0.4400)	1.302*** (.40086)	.6924 (.6191)	1.191* (.6596)	0.9962 (0.6769)
Anti-compact insurance law	1.0024*** (0.29262)	0.9366*** (0.2916)	0.9166*** (.2956)			
General antitrust law 1896	-0.38106 (.3087)	-0.6796* (.3700)	-0.9587 (0.5706)	-0.3487 (0.4299)	-0.0617 (0.3848)	1.149** (0.5868)
Grange nat'l members 1875		0.0523* (0.0274)		0.0409 (.0345)		-0.0467 (0.0792)
Grange state members 1875						1.459** (0.7388)
N	48	39	42	39	39	39
Log likelihood	-168.100	-157.347	-128.667	-121.08	-121.45	-87.636
Pseudo R2	0.1559	0.1619	0.1960	0.2002	0.1977	0.2702
						2.254*** (0.6539)
						-0.0948*** (0.026)
						39
						-80.188
						0.2567
						0.3113

* $P < .10$; ** $P < .05$; *** $P < 0.01$.

Note: All models include controls for population, population density, population change, migration, the heterogeneity of farm and manufacturing establishments, and foreign-born whites. The models for dairy and grain cooperatives also control, respectively, for the price and volume of milk and wheat.

milk, and the price and volume produce of wheat. And while controlling for these economic and community factors accounts for the correlations between populist vote and forms in Table 2 above, the effects of anti-corporate politics and movements persist. All three forms appeared in greater numbers in states where the Grangers took their stand against the railroad cooperation. Insurance mutuals and grain elevator cooperatives proliferated most extensively in states that passed, respectively, industry specific laws against insurance compacts or general anti-trust measures. Insurance mutuals emerged most extensively in states where the grangers realized their greatest strength in numbers. In short, the evidence indicates that the whole sequence of forms building on forms was ultimately rooted in the constitutional struggles over economic order whose resolution, settlement or defeat helped set the American economy on its distinctive corporate-based path.⁵

4. Discussion and conclusion

A central challenge for institutionalists is to craft explanations of change and new path creation that acknowledge possibilities for fundamental transformation without abandoning core insights about path dependence and the causal efficacy of the institutional context. Recently, institutionalists have pursued analytical strategies that reject invoking external shocks and displacement as motors of change, and that consider instead how established institutional paths contain within them possibilities or resources for transformation. The foregoing analysis provides an empirical foundation for three elements of a ‘structured alternatives’ approach to change that joins these recent efforts.

⁵ Unfortunately, beyond insurance mutual funding dates, I lack systematic data for the 1890s, a period in which key industries consolidated, populists made their most important stands, different forms of order were theorized and debated, and innovations in the internal structure of cooperatives and mutuals occurred. Such a gap poses limits for my analysis. I could neither directly model organizational forms before 1900, nor show that alternatives organized during the 1890s carried through to the distribution of forms I observe in the early twentieth century. I was also unable to determine whether associations between politics, movements and forms were spurious due to late nineteenth century institutional changes in markets such as the consolidation of a line elevator “grain trust” affiliated with the railroads. Yet, I did find robust “legacy effects” of late nineteenth century politics and movements on early twentieth century organizations. In addition, nothing in the historical materials suggests a qualitative break in the character or geography of mutuals or cooperatives from the 1890s to the early 1900s. Indeed, continuity is apparent as where names of twentieth century cooperatives and mutuals proclaim nineteenth roots—the Grange, Alliance, and the Farmers Union (Schneiberg, 2002). Moreover, any finding that anti-corporate politics (e.g., anti-trust), agrarian movements, and organizational alternatives were all responses to corporate combination would bolster my claim that alternatives were legacies of struggles—in markets or politics—over the emerging corporate order.

First, even the most settled paths are typically, if not inevitably, littered with flotsam and jetsam—with bits and pieces of alternative economic orders and abandoned or partly realized institutional projects. These can include regulatory fragments, theories or visions of different kinds of economic order, rationalized elements of social order and lessons or experiences from experiments with alternatives. They can also include dormant political networks, local parties and community associations. And they can include organizational templates and collections of forms like insurance mutuals, agricultural cooperatives and social movement chapters-turned-community centres or social clubs. There are, in other words, substantial social, organizational and cultural materials—elements or fragments of alternative, abandoned or foreclosed paths—scattered about the landscape, on but really not of the path that most visibly prevailed.

Second, these fragments or more or less developed architectures of ‘paths not taken’ are themselves legacies of constitutional struggles and movements for alternative economic orders whose settlements or defeats help fix the path that triumphed. They represent remnants of failed or partially successful experiments with alternative paths—of movements and lost battles against what became the central axes of industrial order.

Finally, these elements or remnants are potential vehicles for the subsequent elaboration of alternative logics within the broader institutional system. They constitute resources for institutional assembly, revival, recombination or redeployment, and can be used to support further experiments, political mobilization for alternatives, and even the creation over time of wholly new pathways within the womb of the old order. Indeed, the presence of these legacies suggest that change can emerge within existing pathways from a number of endogenous institutional processes, ranging from bricolage, recombination or the assembly of fragments of alternative industrial orders, to the borrowing, transposition and elaboration of more or less coherent and established secondary paths.

We all ‘know’ that populism failed in the US, that agrarian protest was decisively defeated, and that struggles against ‘trusts’ and corporate combination only hastened their coming. We all ‘know’ that movements for alternatives—public ownership, producer- or regional-republicanism, a cooperative commonwealth—met their demise over a century ago, falling decisively before the modernizing visions of system building, corporate liberalism and progressive era regulation. We all ‘know’ that all of these matters were settled long ago, whether with the collapse of Populism and the Farmers Alliance in the mid-1890s, the great merger wave of 1898–1904, or the FTC and Clayton Acts of 1914. But even in their failures and defeats, these struggles, experiments with other possibilities and movements for alternatives left elements of those abandoned orders strewn about that path, here in the form of 3 500 insurance

mutuals, there in the form of agricultural cooperatives or municipal utility companies. And in the end, those elements of organizational and social life—those cooperatives, networks, cooled-out holdovers of hotter times, and legacies of previous struggles lost or partly won—constituted platforms and building blocks for subsequent struggles against the corporation, for renewed efforts to organize alternatives, and for the construction of an increasingly well-developed, cooperative and publicly based pathway within American ‘liberal market’ capitalism.

To be sure, fully documenting these relationships awaits specifying in detail the mechanisms by which legacies are translated or assembled into new systems and paths. Yet there is every indication that the mechanisms underlying cross-form effects were quite varied. These mechanisms can be material insofar as legacies or already established systems of alternatives supply organizers of subsequent systems with economic resources in the form of cross-subsidies, favoured trading relations, technical support or key inputs. For example, grain elevator cooperatives sometimes operated milk or cream collection stations for dairy cooperatives, and the municipal and federal public power systems supplied the emerging system of electrical cooperatives with power when private providers balked. In addition, these mechanisms can be organizational, political and cultural, insofar as already existing alternatives provide subsequent organizing efforts with already formed communities, with networks of political support, with living embodiments of visions of alternative orders, or simply with experiences or templates for new forms. For example, JR Commons and other economist-reformers theorized municipal utilities as a form of community self-government, linking them to republican political ideologies, drawing direct analogies with cooperatives, and creating institutional conditions for diffusion. And for their part, organizers of electrical cooperatives not only drew political support from a network of public-power advocates in the Senate that had emerged in the 1920s. They also found that organizing rural communities were far easier when farmers were already assembled in agricultural cooperatives and could draw on experiences and principles gleaned from those endeavours.

Again, there are a variety of possible mechanisms for these cross-form effects which subsequent research can fruitfully address. But whatever the mechanisms, the organizational legacies and cross-form effects documented here provide important support for an internalist view of institutional change. Such an approach does point to the activities and ingenuity of key actors—consumers, business groups, agrarians, expert-reformers and public officials. Yet I neither propose nor support a free-floating agency-centred approach. Electrical cooperatives, mutuals and public ownership did not appear randomly, or in each and every community that was poorly served or overcharged by private corporations. To the contrary, the evolution of alternatives was clearly determined by history,

by prior organization and by the distribution of existing forms of enterprise. There is clearly path dependence here. But it is a path littered with elements or fragments and more or less developed systems of alternatives—a path ripe for exploitation, institutional revitalization and assembly, and containing *within* it *structural* possibilities for *alternatives*.

My findings have three implications for institutional research. They highlight problems with how ‘varieties of capitalism’ approaches characterize the institutional structure of national economies. They help identify some endogenous institutional processes of change. And they suggest potentially important relationships between internal structures and processes and exogenous pressures for change.

First, my findings challenge the common practice of characterizing national capitalisms in terms of their central institutional tendency, dominant logic or basic configuration of complementary elements (e.g. Fligstein, 1990, Dobbin, 1994; Whitely, 1999; Hollingsworth and Boyer, 1997; Hicks and Kenworthy, 1999). This practice has reached new levels of sophistication with the varieties of capitalism approach, its typologies of ‘liberal’ and ‘coordinated market economies,’ and its treatment of complementarities among elements of economic systems (Soskice 1999; Hall and Soskice 2001). Such an approach has provided comparativists with new analytical leverage for explaining variation in skill formation, innovation and firm strategy. Yet, characterizing national capitalisms as liberal or coordinated market economies assumes more institutional homogeneity than is often the case, while systematically bracketing the investigation of heterogeneity within national economies. In fact, scholars working from this approach have almost universally overlooked a striking feature of the late nineteenth and twentieth century US economy: A publicly rooted and cooperatively organized pathway emerged alongside the ‘dominant’ path of markets and corporate hierarchies, at least in certain regions of the country, constituting American capitalism around not one, but at least two qualitatively different systems of industrial order. In effect, scholars have effectively ignored the incursion and elaboration of ‘coordinated or cooperative market economies’ *within* the American ‘liberal market’ order.

At a minimum, this sustained failure to recognize enduring alternatives suggests that varieties of capitalism and related schemes make for rather insensitive measurement devices. Such schemes may even be empirically misleading. Even more importantly, by ignoring structural variety within capitalisms, these analytical schemes leave us without theoretical resources for understanding *internal structural* bases for change, ranging from bits and pieces of alternative industrial orders scattered about the landscape to the presence of more or less coherent secondary paths. They leave us as well without resources for analysing the different *endogenous processes* of change that these internal

structural varieties can support. And in so doing, they force us to look outwards from the path, to exogenous shocks or diffusion across capitalisms to explain institutional transformation.

This is not to suggest that arguments about isomorphism, complementarities, divides or settlements necessarily preclude analyses of variety within national institutional systems. Some among the institutionally minded have analysed national capitalisms as organized around multiple, competing industrial orders or unanticipated, hybrid combinations of institutional elements (Herrigel, 1996; Stark, 1996; Heimer, 1999; Stryker, 2000; Scott *et al.*, 2000; Campbell and Pederson, 2007; see also Orren and Skowronek, 1994; Schneiberg and Soule, 2005; Streeck and Thelen, 2005). Moreover, as I discuss below, my own analyses suggest that transformation and new path creation in American capitalism involved some standard institutional processes. Yet understanding how these processes endogenously produce change forces us beyond the structural images offered by institutionalist and varieties of capitalism arguments, at least as currently formulated, to consider instead how capitalisms are constituted by multiple orders, how diverse and even incompatible logics, forms and structural elements persist on even settled paths, and how these become bases for transformation and even new complementarities. It will force us as well to consider how alternatives are segregated from one another, and can persist for some time, without isomorphism or complementarities, as redundant, disarticulated or undigested elements of order.

Second, my findings also suggest these internal structural varieties can underwrite a variety of endogenous institutional processes of change, extending recent analyses of mechanisms of transformation (e.g., Thelen, 2004; Campbell, 2005; Schneiberg, 2005; Crouch and Farrell, 2004; Streeck and Thelen, 2005).⁶ At one end of the spectrum lie processes of bricolage or assembly in which institution builders, challengers or groups facing immediate economic problems forge new paths by combining bits and pieces of alternative systems scattered about the existing path—including theories or critiques of order, laws and regulatory fragments, organizational templates, local movement chapters and political networks. Theorization—involving processes of establishing analogies or connections between concrete elements, and defining them as instances of general categories or causal relations—may also fall towards this end of things. At the other end of the spectrum lie processes of isomorphism, revival, translation and conversion in which actors ‘copy’ or transpose more or less fully developed models from one sector or region to another within a national economy. Unfortunately, my research to date cannot conclusively

⁶ I thank an anonymous reviewer for pointing out these implications.

distinguish which of these institutional mechanisms is at work in any particular instance. Nor are such conclusive distinctions necessary for the current analysis, which rests more simply on finding internal structural variety and showing that it supports endogenous processes of any sort. Nevertheless, I can make a few points about these processes based on my research.

To begin with, which mechanisms prevailed was likely historically contingent, with endogenous processes of transposition, mimesis or isomorphism appearing in later periods, only after scattered elements of alternative orders were theorized, assembled or combined into more or less coherent secondary paths. Populists promoting insurance mutuals during the last decades of the nineteenth century simply had less to draw on from within the American economy than organizers of electrical cooperatives during the early New Deal, who could transpose into that sector well-established models, decades of experience and the accumulated weight of mutual and cooperative systems in multiple industries.

In addition, all of these endogenous institutional processes were profoundly political in character. To be sure, the cross-form effects I observed rested to some degree on taken-for granted understandings that cooperatives or public enterprises were reasonable, plausible and efficient ways to organize. Further, as those understandings thickened over time, they became increasingly available as rhetorical resources (Dobbin, 1994) for revival, transposition and assembly. Yet none of the cross-form path building effects that I observed can be reduced to cognitive mechanisms alone, blind mimesis or the unreflexive transposition of taken-for granted models from one sector or state to the next. Instead, alternatives to corporations and their associated theories of order were fiercely debated and hotly contested in each and every industry considered here, in no small part because for-profit corporations fought alternatives in markets, politics, the academy and the press. Thus, from the populist era struggles that laid some early foundations, through the New Deal efforts to electrify the nation through cooperatives, the production and diffusion of alternatives to corporations in American capitalism were fundamentally political processes, resting at each point on contestation and collective action, institutional projects and social movement mobilization against corporate dominance (see also Fligstein, 1990; Roy, 1998; Campbell, 2004; Davis *et al.*, 2005; Schneiberg and Soule, 2005).

Moreover, as they mobilized to establish alternatives, advocates were able to forge and exploit unanticipated complementarities, not just among cooperative and public systems on an emerging secondary path, but also between systems of alternatives and primary path, for-profit institutions. For example, the emergence of mutuals in property insurance introduced new forms of competition based on loss cost reduction into the sector, creating positive externalities for insurance markets and for-profit firms, and political support for regulatory interventions to protect mutual enterprise (Heimer 1985; Schneiberg 2002;

Schneiberg and Soule 2005). And for their part, dairy cooperatives used their federations to develop favourable trading relations with new chain stores like A&P, providing the former with assured outlets, the latter with assured supplies, and both with stable economic foundations. Here, too, reconsidering standard institutional mechanisms in light of internal structural variety can add to our understanding of endogenous processes and new path creation.

Finally, I present these arguments to supplement and complement, rather than displace, alternative approaches to institutional change. My objective is modest—to highlight how structural elements internal to existing institutional systems or paths create possibilities for transformation and new path creation. And to isolate these phenomena, I focus exclusively on what occurs on and in the path. Yet, there is nothing presented here that precludes the possibility that exogenous shocks precipitate change or that change occurs as actors translate elements from ‘foreign’ fields into domestic soil. To the contrary, transformation and new path creation can flow from multiple dynamics and sources, with endogenous processes of revival and recombination occurring simultaneously, in combination or in sequence with exogenous shocks or the transposition of elements across institutional systems. For example, there is evidence that Scandinavian and German immigrants to the American Midwest carried their ideas and experiences with consumer and banking cooperatives with them from their home countries, suggesting that the transposition of organizing templates from northern Europe to the US in the nineteenth century helped fuel the evolution of alternative organizational systems described above (Rodgers 1998; Schneiberg 2002).

Indeed, far from denying external pressures or transposition, internal structural arguments can provide a foundation for understanding their efficacy and impact, creating new leverage for analysing how national capitalisms respond to globalization, international competition or the continuing force of neo-liberalism. At a minimum, fragments of alternative orders within any given variety of national capitalism can serve as critical resources—or even as institutional reservoirs—for pursuing new experiments and institutional solutions, and otherwise meeting challenges posed by globalization, shaping whether and how actors forge new paths in response to exogenous shocks or pressures. Overall, the depth and diversity of these reservoirs may prove decisive for the adaptive and innovative capacities of extant national capitalisms. Similarly, elements of alternatives strewn about a path may serve as local sites of receptivity, political levers, analogues, precedents or rhetorical resources for transposing—or even resisting the translation of—forms and logics from foreign fields to domestic soil. In the end, what remains on the path from past experiments and struggles can determine which foreign elements or logics might translate, resonate, fit or take root, creating susceptibilities—or immunities—to neo-liberalism, other

external influences and transformation through cross-national diffusion (Djelic 1998; Campbell and Pederson 2001). Again, what's on the path may prove decisive for institutional change, not to the exclusion, but in combination with external dynamics and pressures.

Acknowledgements

I thank John Campbell, Lis Clemens, Bill Roy, Marc Ventresca, Stefan Jonsson and Ove Pederson, participants in my American Capitalism seminar at Reed College, members of the International Center for Business and Politics and the SER reviewers for helpful comments on this paper. The usual caveats apply. Versions of this paper were presented at the 2004 annual meetings of the Social Science History Association, the 2005 meetings of the Society of the Advancement of Socio-economics and the International Center for Business and Politics of the Copenhagen School of Business. This research was supported, in part, by the National Science Foundation (grant # 0318466), and the Levine and Corbett-Goldhammer Funds at Reed College.

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