

DISCUSSION FORUM

On Christopher K. Ansell *Pragmatist Democracy: Evolutionary Learning as Public Philosophy*. Oxford/New York, NY, Oxford University Press, 2011

Keywords: democracy, governance, institutions, institutional change, organizations, evolution

JEL classification: H10 structure and scope of government, D80 information, knowledge, and uncertainty

Towards a pragmatist social science? Accomplishments and analytic challenges in the empirical study of institutions

Marc Schneiberg

Department of Sociology, Reed College, Portland, OR, USA

Correspondence: marc.schneiberg@reed.edu

I confess. I am more than partly converted to what Christopher Ansell and others are pursuing as ‘pragmatist institutionalists’. I am not quite an insider. Yet, in

engaging work by Sabel, Zeitlin, Herrigel, Stark, Whitford, Ansell, Fung and Cohen, and in collaborating with Gerald Berk in studies of manufacturing associations, I have been deeply impressed by the analytical power and insight of this project. Ansell's *Pragmatist Democracy* is a profoundly thoughtful book that develops that project in provocative directions.

Yet I hesitate to commit wholly to the cause and approach *Pragmatist Democracy* instead as a sociologist seeking tools for doing social science. I raid its pages for ideas and methods for addressing concrete problems scholars face in analysing the emergence and effects of institutions, including experimentalist governance forms. And I conduct my review in the spirit of fostering what Ansell terms recursiveness or loops of evolutionary learning between institutions or meta-concepts (this book and the broader project it develops) and concrete, local efforts to solve research problems (particularly in my own work). In that spirit, I look first to *Pragmatist Democracy*'s accomplishments. I then use ongoing research on manufacturing associations to probe how well this book and the broader project can support novel empirical research on institutions.

1. Accomplishments

I commend *Pragmatist Democracy* for its elaboration of an incrementalist theory of institutional change. I praise it especially for a multi-level understanding of large-scale transformations that situates scattered, local problem-solving efforts, experimentation and partial innovations (the standard incremental approach) within broader and multi-vocal projects, institutional formations or meta-concepts that help frame and foster communication between those efforts and their emerging publics. Scholars have addressed this issue, especially in research on transnational governance and the translation of forms across settings. But Ansell develops this work in novel ways, expanding the toolkit for understanding institutional development.

In my research, for example, I have discovered remarkably varied systems of enterprise within American capitalism, organized by different kinds of actors, in different contexts, as local responses to very different problems (Schneiberg, 2007, 2011). Farmers and Grangers organized grain elevator cooperatives to fight railroad monopolies; progressives used local state-owned electrical utilities to power urban growth; moral reformers forged mutual savings associations to foster communities of thrifty and virtuous householders; new dealers solved problems of development via electrical cooperatives. Yet these efforts also drew on meta-concepts—an evolving cluster of loosely coupled visions and templates for cooperativism—to rationalize their efforts, to link local problem-solving strategies across states and sectors, and to crystallize a secondary institutional pathway within American corporate capitalism. With its rich and multi-level

framework, Ansell's work provides new leverage for analysing large-scale developments like these, and how local, incremental changes gain scale, weight, coherence and historical continuity. There are provocative implications here for path creation and dependence.

I also commend this book for how it develops work on experimentalist governance, via its delineation of a 'constitutional model of hierarchy', and its discussions of heterarchy, strange loops and emergent collaborative processes. Here, Ansell develops pragmatist thought regarding problem-solving, reflexivity, face-to-face deliberation and experimentation—arguably that tradition's most significant elements. He then links those micro-foundations with prior work on experimentalist systems and network analyses of distributed organizational adaptation, developing new insights into regulatory design and a novel account of what public administration can, sometimes has done, and should do.

This is organizational analysis at its best. Pragmatist Democracy's design imageries lay foundations not just for proposals for reform, but also for analysing how regulatory systems can go beyond rules, incentives and constraints to serve as platforms for learning, experimentation, reflection and the deliberative reconstruction of identity and interests. How such collaborative systems would fare, say, in the face of the antagonisms, social distance and astonishing power asymmetries among stakeholders in financial regulation is a fair question. That context seems woefully lacking in the shared sense of uncertainty, mutual recognition or willingness among key stakeholders to commit to further interdependence that Ansell sees as vital for collaborative governance. Yet his proposals for how regulation as deliberative experimentalism can foster learning, local experiments, small gains and cumulating commitments and capacities for problem-solving might be one of the few ways out of our current predicament. It directly addresses the problem of designing regulation for situations where the challenge lies less in getting rules right than in figuring out what to do, scaling up local success and revising rules as new products or problems emerge. And with such treatments, Ansell and others expand our inventories of regulatory possibilities beyond the tired options of Weberian bureaucracy and new public management visions of government as incentive provider, producing fresh contributions to debates over regulatory reform.

2. Analytic challenges

Less fully realized were my hopes for extracting from Pragmatist Democracy tools for doing a social science of institutional emergence and effects—and solving specific problems in ongoing research. Perhaps my expectations were not just high, but also misplaced for a work subtitled 'public philosophy'. Yet, the opening chapter tantalizingly invokes 'pragmatist social science'. Moreover, pragmatism

is making claims as a meta-concept in organizational analysis and seems to be providing leverage for problem-solving in some lines of research. Pragmatism's merits, and those of this book, can thus fairly be considered in terms of how generative they are—or could be—in supporting advances in empirical social science.

Pragmatist institutionalism deserves kudos for fostering novel research, at least in certain forms. It has produced new analytical lenses, permitting serious rethinking of how institutions work and are transformed. And in so doing, it has supported a growing body of case study research that has proved far more sensitive than before, first, to the ways actors work in and with institutions, including their capability to redeploy and modify them, and second, to what states, organizations and transnational governance systems do, including their role in fostering learning, reflexivity and improvement. Via both paths, pragmatism has fostered discoveries and fundamental redescrptions of institutional phenomena social scientists thought they understood.

These advances bear directly on my research with Gerry Berk on manufacturing associations in the early-twentieth-century USA (Berk and Schneiberg, 2005; Schneiberg and Berk, 2010). Pragmatist lenses let us see two new things that previous work missed or misconstrued. They let us see how manufacturers responded to background conditions that scholars had taken as intractably hostile to associations by reviving, recrafting and redeploying associational forms, creating new organizational varieties within American capitalism. They also let us see how manufacturers created new varieties of associations, shifting their form and function from cartels and price controls to collaborative learning systems based on discovery, deliberation and experimentation through the routine production and revision of cost classifications. Rational choice and institutionalist accounts cast associations in this period as information cartels and price fixing in disguise. But with new pragmatist meta-concepts, we could discover and document the reinvention of associations as a form of experimentalist governance in the USA—as developmental associations with positive effects on firm and industry performance—that standard accounts had missed. Nor were these phenomena trivial. Nearly 30% of American manufacturing industries participated in this project in some form, and over 13% of those industries institutionalized developmental associations in whole or in substantial part.

Yet, we are wrestling with a further analysis, which uses pragmatist insights and variation in developmental associations across industries to craft testable, middle-range hypotheses about their emergence and effects. Here, we face problems that test pragmatist institutionalism's utility as a meta-concept for empirical research.

Pragmatist work stands on strong ground conceptually regarding the performance consequences of institutions. Its critiques of hierarchy and insights about

design provide rich foundations for hypotheses about organizational or regulatory form, on the one hand, and performance consequences, on the other, be they productivity gains, innovation and improvement among firms, reduced pollution or reductions in neighbourhood crime. The data intensive nature of experimentalist forms like developmental associations may even provide unique possibilities for tracking performance outcomes.

Yet, the presence of other determinants of performance makes empirically detecting the effects of these forms difficult. This is true for crime rates, whose decline Ansell attributes to Compstat and its experimentalist features. The age distribution of the population is an overwhelming determinant of committing crimes, and we are getting older. It is also true for our manufacturing associations. We have clean competing predictions. Where information cartels according to rational choice theory would produce higher profits but slower growth and productivity gains (inflated profits but poorer sector performance), pragmatist arguments about associations as collaborative learning systems would predict improved profits and employment gains, productivity growth, innovation and improvement. However, there is so much else on which performance depends that isolating an organizational effect has been hard. The best we can show is that sectors with developmental associations perform no worse than those without them, a disappointingly weak test. Pragmatist institutionalism thus seems conceptually strong regarding the performance side, but might face intractable problems in making that case empirically.

We face the converse problem regarding institutional genesis or development, as I discovered when trying to derive testable hypotheses from pragmatism about where or in which industries developmental associations took root. Conceptually, the issue seemed clear, at least for standard rational choice and institutional accounts of associations in the USA. Associations died stillborn because of the combination of hostile state policy, notably anti-trust measures and internal collective action problems fuelled by large numbers, geographical dispersion and heterogeneity among firms. Moreover, we have data and unambiguous multivariate results regarding the effects of these factors on the appearance of developmental associations across industries.

Less clear, however, is the pragmatist alternative to the standard account of associational emergence. One possibility is an indeterminacy hypothesis: focusing on creative, reflexive action and actors' capacity for recombination and redeployment, pragmatism might argue for the possibilities of experimentalist forms quite broadly across contexts and predict weaker effects of background economic and institutional constraints than generally assumed. Yet it is hard to say what constitutes weak effects, or to what extent a failure to support accounts is positive support for a pragmatist alternative. Besides, if I read Ansell right, pragmatist

institutionalism is not a theory of indeterminacy or free-floating agency, but implies deeply structured paths.

A second possibility is to use pragmatism's arguments about the circumstances fostering reflexivity to craft a disruption/problem-solving hypothesis. Insofar as developmental associationalism is a creative response to background conditions that undermined prior associational forms, developmental association might be more likely where economic and institutional conditions were least hospitable to cartels and prior strategies failed. This seems like a clean conceptual competitor to standard accounts. Moreover, multivariate analysis yields robust empirical results along precisely these lines. Developmental associations appear and evolve furthest in industries with large numbers of firms, wide geographical dispersion, inter-firm heterogeneity and histories of anti-trust prosecution. But these results prompt the response from rational choice scholars that one would expect shifts from price fixing to information cartels when direct price controls fail, that is, under just those conditions, displaying a plasticity—and a capacity to absorb contrary findings—that leaves us with clean empirical findings but blurred conceptual lines.

A third possibility might combine disruption arguments with a symbolic interactionist hypothesis regarding the emergent group processes through which actors facing problems come to commit (or recommit) themselves to collaborative governance. With Ansell, we might propose that developmental associations are likely in sectors where face-to-face communication occurs, and where preliminary demonstrations prompt cognitive shifts in which manufacturers mutually re-cognize interdependence and start to 'redefine the situation' from one of enforcing agreements or defending themselves against 'chisellers' to one of jointly pursuing inquiries into problems of costs. They might also be likely where hard-fought 'small wins' from early collaboration foster confidence and ownership in the process, increasing firms' willingness to deepen interdependence and pursue more ambitious problem-solving. Small wins might involve a new theory of the cost problem, a cost classification scheme or a successful experiment in using classifications to improve a process or product.

This approach also appears promising. Yet, it is so process oriented that it risks blurring the conceptual lines between causes and governance outcomes—between conditions for the emergence of associations, on the one hand, and the processes of their construction, emergence and operation, on the other. It might only lend itself to case study methods. And testing middle-range hypotheses from this approach may call for new variables, measures and data entirely different from those available in existing historical sources.

Again, it may be unfair to ask this wonderful book to solve the concrete problems we face in analysing collaborative learning associations in American manufacturing. But the promise—and claims—of pragmatism to open new avenues of

empirical inquiry into economic organization beg questions about the extent to which the book and the broader project can support the kinds of social science research contemplated here. Until now, there seem to have been elective affinities between pragmatist institutionalism, case study research and demonstration by example. Is it reasonable to bring to this project expectations that it supports the production of testable, middle-range hypotheses for those who would be fellow travellers? Or is that beside the point? I hope not.

References

- Berk, G. and Schneiberg, M. (2005) 'Varieties in Capitalism, Varieties of Association: Collaborative Learning in American Industry, 1900 to 1925', *Politics and Society*, 1, 46–87.
- Schneiberg, M. (2007) 'What's on the path? Path dependence, organizational diversity and the problem of institutional change in the US economy, 1900–1950', *Socio-Economic Review*, 5, 47–80.
- Schneiberg, M. (2011) 'Toward an Organizationally Diverse American Capitalism? Cooperative, Mutual, and Local, State-Owned Enterprise', *Seattle University Law Review*, 34, 1409–1434.
- Schneiberg, M. and Berk, G. (2010) 'From Categorical Imperative to Learning by Categories: Cost Accounting and New Categorical Practices in American Manufacturing, 1900–1930', *Research in the Sociology of Organizations*, 31, 255–292.