

**Resource Management:
INSTITUTIONS AND
INSTITUTIONAL DESIGN**

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The customary foundation of institutions

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Literature:

- Douglas, Mary 1987 "How Institutions Think", London, Routledge and Kegan Paul

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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

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Searle vs. Douglas

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

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Douglas 1986: Institutions affect our thinking

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

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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

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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

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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

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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

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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

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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 link 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

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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

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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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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

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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.”

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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

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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.
- Yet institutions systematically direct individual memory and channel our perceptions into forms compatible with the relations they authorize

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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.

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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

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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.

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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

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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

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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.

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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, neo-institutionalism, the reproduction of inequality, and other work, by showing how groups put culture to use in everyday life.

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