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From Pragmatism to Economic Sociology through the Thought of Charles Horton Cooley (1864-1929)

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Summary

Our essay seeks to explore some of Charles Horton Cooley's theoretical insights to socioeconomic theory through the study of the market as a social process. His main contribution to sociological theory is related to his idea about the "Looking Glass Self". Even so, this seminal idea was displaced by George Mead's more sophisticated psychosocial theory of internalization. However, unlike Mead's psychosocial approach, Cooley offers a more sociological flavor. Indeed, he was concerned with the social organization and evolutionary process of the economy and society, relating the idea of the actor and social interaction to the complex institutional environment of modern society. In his essays, in line with evolutionary and pragmatic thought, we discover criticism of the static, formalist and Cartesian approach to neoclassical economy, as well as the essay of a new and tentative conception about the relationship between social action and its context. At first, we analyze the role that, in his opinion, the market and other social institutions carry out to explain innovation as part of an evolutionary and tentative process, secondly we deal with how he presents us to the necessary conditions for the constitution of the market as a social institution, as a place for learning and as a game of cooperation and power. In his different contributions to competition and the market, we are able to find new sociological and psychological vocabulary to analyze the meaning of social action in economic situations.

1. SOME NOTES ABOUT HIS INTELECTUAL BIOGRAPHY

Charles Horton Cooley, is one of the pioneers of the interactionist approach (George Mead, W.I. Thomas, and R. Park). Indeed he is the first sociological version of pragmatist philosophy (William James, John Dewey and Charles Pierce) and could be considered as one of the leading figures that contribute to the development of an evolutionary and process focus¹ and to the sociological and institutional analysis of the economy in the United States. It is of interest to social-economy and to economic

¹ Buckley, W., *La Sociología y la teoría moderna de los sistemas*, Amorrortu Editors, Buenos Aires, 1970, p.36-44.

sociology to rescue the memory and the opportunities that this school of thought contains, just as Michael Piore reminds us².

Charles Horton Cooley was born in Ann Arbor in 1864, a place he was tied to throughout his life working at the University of Michigan and he died in 1929, a few months before the great economic crisis was set off³. After studying engineering, he directs himself towards political economy in the Department of Economy at Ann Arbor, and he ended up becoming interested in the incipient discipline of sociology. In the school year 1894-95 and after his doctoral dissertation about “The theory of transportation,” he takes on the teaching of Sociology⁴.

In this course of Sociology he shows an interest in diverse social institutions, paying special attention to subjects like transportation and communication, and to the psychic dimensions of social life. He gave great importance to transportation, that to him wasn't just any industry, since it contributed, as Durkheim would say, to the development of a material and moral density, and to the organic articulation of society as a whole⁵. Due to transportation, he will also take an interest in themes of communication in its psychic and social dimension, including, just as he recognizes in a brief Autobiography⁶, from the most intimate relations to the most formal relations, and to the creation of public opinion.

This interest in the inter-subjective processes of communication will initially be reflected in diverse essays on the social psychology of the economy, an impulse that will finally be seen culminated in his work, Human Nature and the Social Order, published in 1902⁷. Later, in 1909, he concludes Social Organization, a piece of work in which, among other things, includes the study of primary groups, social classes and poverty. Finally, in 1918, Social Process will be edited where he will go back to the concerns that inspired him in the last decade of 19th century, closely tied to economic sociology and the processes of change.

² Piore, M. J., Review of The Handbook of Economic Sociology, in Journal of Economic Literature, June 1996, Vol. XXXIV, Number 2, p. 749.

³ Cf. Coser, L. A., Masters of Sociological Thought, Harcourt Brace Jovanovich, New York, 1977, p. 305-330.

⁴ It should be kept in mind that one of the dimensions that are impossible to avoid in Economic Sociology is the dimension of space. It is of interest not to overlook the closeness between human ecology and political economy (Cf. Hawley, A.H., Human Ecology: A Theoretical Essay, University of Chicago Press, Chicago, 1986).

⁵ Cooley, C. H., “The Theory of Transportation,” in publications of the American Economic Association, IX, N° 3, (May 1894), work included in Cooley, C. H., Sociological Theory and Research, Augustus M. Kelley Publishers, New York, 1969.

⁶ Cooley, C. H., “The Development of Sociology at Michigan,” in Cooley, C.H., Sociological Theory and Social Research, Augustus M. Kelley Publishers, New York, 1969, p. 7-8.

⁷ One of the most well known contributions of Cooley appears in this piece of work. His idea is developed about the social “self”, that is to say, about the way in which one is reflected in others, or in other words, about the way in which the individual imagines the idea that others have of him. These are his words: “The idea that we have of ourselves, through the way in which we imagine ourselves in the other, has three main elements: the imagination of our appearance to the other person, the way in which we imagine our judgement of this appearance, and some type of self-sentiment like pride or mortification.” (Cooley, C.H., Human Nature and the Social Order, Transaction Books, New Brunswick, 1964, p. 186). In his study of change, he never loses sight of the importance of the social processes founded on a mental construction, that is based on learning and communication with others.

Throughout his life Cooley shows an interest in that which he calls the mental character of social life, paying attention to the processes of social change. Mental life makes up the nucleus of Human Nature and the Social Order and is the reason for his interest in introspection and comprehension of the phenomena of empathy in the diverse forms of “communication” that exist in life. Social life is only achievable and expressed through mental contents. People’s minds are organized and constructed in relation and in reference to the presence of other individuals, groups, social institutions, and public opinion⁸. If the dynamics of social life are understood in experimental terms, this is a reflexive trial in an evolutionary context in which the individuals and groups have to learn to adapt themselves to new and always renewed conditions of existence.

In the first chapters of Social Process he tackles in a fragmentary way the basics of a model of change and social evolution. While in the last chapters, he offers us some ideas about the role of the market in the production of value and about its role as a mechanism of selection.

His ideas about evolution, adaptation, and the market, influenced by Darwin, are interwoven with some of his contributions about the “social subjective processes” that he had developed more precisely in Human Nature and the Social Order. This is the case of his main contribution about “the looking glass self” but also about conformity, learning, routine, ritualism, resistance to change, emulation, sympathy, habits, restrictions to rational choice, or the organization of competition. Ideas, compatible with evolutionism and sociological pragmatism, of great interest to understand the processes that take place in economic institutions and in a particular way social organization, in the structure and processes of the market.

2. INNOVATION AND SELECTION

It is observed in his interest to account for the social conditions that favor the processes of social innovation the way through the borders of social life and knowledge are overcome. In the new social structure of the emerging industrial societies, the most liberated individual from primary groups is more socialized. That is to say, he is, in comparison to less dynamic societies, more influenced by multiple thought currents and by strange groups that he doesn’t directly know. Contact among these social groups in modern societies isn’t limited to its exteriority, it doesn’t respect frontiers and old identities but the relations penetrate in its nucleus, contributing to introduce differences among the members of the most traditional human groupings.

In this society, the individual is situated in a net or web of multiple influences and belongings, he is more exposed to different information and points of view and, in consequence, thanks to his combinatorial capacity, opportunities to innovate appear by a process of cross fertilization.

In these groups, as it happens today with productive organizations directed at innovation, the borders become blurrier and the old social structures become more fragile, they are difficult to sustain. It is of interest to Cooley to take notice of the “non-conformist”. The “non-conformist” is a social figure referring to those individuals that

⁸ Mead elaborates a more complete pragmatic theory of situations of social interaction and individual self-reflection, linking pragmatist philosophy to anti-utilitarian sociology and social psychology (Joas, H., El pragmatismo y la teoría de la sociedad, Centro de Investigaciones Sociológicas, Madrid, 1998, p. 29).

are socially unruly and that guide themselves according to reference groups to which they don't belong or by strange currents of opinion and consist of a source of variation and innovation in the social system. It is the "inner directed man" that Riesman incorporates, through another pragmatist like Thomas, upon showing interest in the study of innovation.

However, apart from these characteristics of an individual whose identity is defined in connection to the group, it is of interest to Cooley, as a representative of the evolutionary and institutionalist focus contemporary with Dewey, Veblen and Mead, to analyze the social conditions that favor processes of variation. As well as the kinds of selection that take place in social life and the ways of institutionalization. In this way his theoretical outline adopts an open perspective, interested in recognizing the sources of uncertainty and instability in social systems. In this type of society that comes into being at the end of the 19th century, according to Cooley, innovation isn't only stimulated thanks to communication, education, democracy and the market, but also to the society itself. Which, in a conscious manner, creates specialized spaces in the development of innovation and the production of knowledge.

The university acts as a nucleus of innovation because it is aware of the advances that are produced throughout the world, it retains that knowledge, develops it, and transmits it. They generate knowledge and contribute to creating a reserve of opportunities of change, even when creating a piece of knowledge that initially lacks value in the market but can eventually achieve it. This is what Cooley calls "progress values", that is to say, knowledge that has the opportunity to be considered by wider publics and to occupy a place in the market, becoming a value with a double meaning, social (use) and economic (change). In this way science constitutes an institution that, as such, acquires a growing recognition, legitimizing change up to the point in which societies create a specialized social space in the scope of innovation and endorse non-conformism. However, in addition to science and the market, many political, religious, artistic and other institutions can make easier or more difficult the introduction of novelties into the social system, or its selection and institutionalization through its power or influence on the public.

The market, although it isn't the only institution and is able to adopt many forms, it is an institution of prime importance to stimulate the introduction of variations in the social system⁹, to select them and to finally retain them. It also happens that the market is presented to us as a paradoxical institution, that is to say, as an institution that not only stimulates but also slows down changes as the market reproduces social values, maintaining social inertias and creating paths of progress.

In effect, not only inertia is derived from the habits of consumers but also the status quo and the power of the producers. Once a new technological procedure is introduced and institutionalized, a technological path is created that limits the development of

⁹ See also Merton, R., "Ciencia y Economía en la Inglaterra del siglo XVII," in Merton, R. K., Teoría y estructura sociales, Fondo de Cultura Económica, Mexico, 1964, p596 and following. In connection to the development of science, despite the prestige that scientific knowledge has acquired in the last three centuries, the skeptical and profane attitude of the scientist is met with many limitations. In this sense, Merton points out: "In part, the scientific movement is born of the conflict between the ethos of science and other social institutions.... The conflict is produced when the social effects of the application of scientific knowledge are considered to be undesirable, when man's skepticism of science is directed to fundamental values of other institutions...." (Ibid, 541).

alternative opportunities. In contrast to other authors and even if they haven't been the object of a systematic treatment, Cooley's ideas about innovation and scientific progress are found to be very close to some of the most up to date developments in the terrain of Social-economy of technological change. Therefore, the development of innovations is closely tied to past experiences and paths, creating furrows of development and improvement of the innovation. At the same time, the processes of imitation aren't void of costs since they require an effort, a rough estimate and a trial before being able to dominate a way of acting or before acquiring behavioral competencies in its running.

One discovers in Cooley an interesting contribution to the study of economic sociology. In the processes of social interaction of the economy, routine and scarcely reflexive ways of relation and interaction, elective ways, conscious processes of standardization and regularization that reduce the degree of uncertainty in a structure, and increasingly more complex economic processes are conjugated.

The market that acts as an element of stimulus and incentive in the processes of assignment and innovation, finally, affects the processes and the new ways that the work division adopts and the social structure.

3. THE ACTOR AND INTERACTION, REFLEXIVITY AND SOCIAL ORGANIZATION OF THE MARKET

3.1- It's differences in connection to the conventional focus in Economy

According to Cooley, the market is a type of social institution that translates social values into economic values by establishing a system of equivalencies through prices. It's approximation differs from the conventional approximation of the economy upon distancing itself from a Cartesian perspective, criticizing the separation between the subject and the object, between means and ends, and upon rejecting an individualist and utilitarian orientation.

In order to interpret adequately his idea of social conduct in the market, it is necessary to tackle some basic concepts that have to do with the notion of the social actor¹⁰, and mainly his idea about the role of rationality plays, as well as the habits and routines of socioeconomic life.

In addition, he considers that economic science hasn't shown an interest in the presence of groups of power in the organization and administration of the markets and has resigned to explaining preferences. Upon simply considering that individuals have desires and the laws of supply and demand do the rest, that is to say that one supposes

¹⁰ He defines the idea of social actor in a evolutionary perspective: "If we accept the evolutionary point of view we are led to see the relation between society and the individual as a organic relation. That is, we see that the individual is not separable from the human whole, but a living member of it, deriving his life from the whole through social and hereditary transmission as truly as if the men were literally one body (...). A separate individual is a abstraction unknown to experience, and so likewise is society when regarded as something apart from individual (...). The evolutionary point of view encourage us to believe that life is a creative process, that we are really building up something new and worth while, and that the human will is a part of the creative energy that does this (...). Although his life flows into him from the hereditary and social past, his being as a whole is new, a fresh organization of life. Never any one before had the same powers and opportunities that you have, and you are free to use them in your own way" (Cooley, Ch. H., Human Nature and the Social Order, o.c., pp. 35, 36, 50).

that they reach a balance. One must add to these critical considerations that the game of supply and demand that economic science is interested in doesn't behave according to its presumptions that: "We all know that the process of competition and exchange do not correspond to the economic ideal; that they are impaired by immobility, ignorance, monopoly, lack of intelligent organization, and other wellknown defects"¹¹ In addition, as we will see the same information is socially constructed thanks to the presence of behavioral standards.

In Cooley's opinion, our economic behaviors are inseparable and are closely tied as much to our "cognitive limitations", as to the degree of complexity of the social structure, culture and power relations.

3.2 Reflexive and non-reflexive behavior. Mechanical and organic elements.

In Human Nature and the Social Order, Cooley clearly distinguishes the ways of reflexive behavior and those ways that he denominates suggestions, habits or ways of doing things that are taken for granted and are considered natural¹².

In the scope of reflection, that is to say, the area of rationality, Cooley pointed out that it attracts our attention so much because we live in a society that proclaims the value of the individual and choice. Even more so in practice, the conduct of rational choice is founded on determined social premises that are taken for granted, that aren't put into question, and in consequence all the possible alternative aren't taken into consideration. This process, when allowing to focus attention through a selective process, reduces the trouble that reflection causes us¹³. In reality it is an outline of the late idea of H. Simon's bounded rationality that Cooley includes –inspired by W. James- in the context of a yet vague notion of the groups or frameworks of reference.

In addition, we think and reflect in communication with others, and thanks to the resources and knowledge that this offers us, they have been synthesized and constructed by society through communication, debate and the creative resolution of problems. For example, by means of using the tools in which we trust and are socially considered as the best way to do things.

In this way Cooley conceives the difference between a behavior that is directed according to a reflexive conscience that is obligated to interpret the environment that it faces and to decide among alternatives, and the behavior that is guided according to suggestions or barely conscious ways. Under determined conditions scarcely conscious habits and routines are no longer valid and are called into question¹⁴. It is when subjects confront a simple and stable social environment that solutions may become routines. However it doesn't occur this way when the environment becomes complex so that the individual's intelligence puts to test his ability to respond in a tentative way and by means of trials, exploring the possibilities of action. Precisely, as Cooley has already

¹¹ Cooley, Ch. H., Social Process, o.c., p. 334.

¹² Cooley, C.H., Human Nature and the Social Order, o.c., pp. 51-53.

¹³ Ibid., pp. 70-76.

¹⁴ About the omission of the concept habit in Sociology after Cooley and Ross generation, see Camic ,C., "The Matter of Habit" in American Journal of Sociology, vol. 91, n° 5, Marzo, 1986, pp. 1039-1087.

pointed out, as formalization can be adequate to face stable situations, it constitutes a serious boundary when blocking the necessary adaptation to changing situations¹⁵.

Durkheim also, against many stereotypes and in a way similar to pragmatism and evolutionism, indicates “that conscience and reflection arise when habit becomes disorganized, when a process of inability to adapt takes place”. Reflection occurs when an individual is at a crossroads, but when this situation is overcome, habits settle in once again.

More recently in the field of Sociology of organizations and technological innovation, from a what can be classified as an evolutionary and pragmatic perspective, Burns and Stalker¹⁶ suggest the necessity to provide a context for answers. In routine contexts answers are mechanical, while in changing circumstances excessive formalization is inadequate and it is necessary to adapt to the new circumstances by a learning process.

3.3. The Market

Cooley considers that the market is a social institution. Which means that it needs an organized social opinion about some legitimized values¹⁷, rules and norms (standards), a social group in charge of applying them, as well some habits and routines that are taken for granted. Finally, it needs a rational control by means of the reflexive exercise of the intelligence.

In the following sections we proceed to comment on each of the dimensions that are contemplated in this definition: the administration of the market, values, preferences, organization and social control of the market.

3.3.1 The administration of the market as a social institution

As in all institutions, whether they are religious, political or scientific, in the market a management system of its values it developed. The market, like other institutions as Cooley notes, disposes of very precise methods, procedures, and instruments for evaluations, that is to say, for the definition and management of values according to its necessities¹⁸. In addition, all institutions dispose of personnel or some kind of experts that play specialized roles in the management of the said values, as much as in their

¹⁵ Cooley, Social Organization, The Free Press, Glencoe, Illinois, 1908, pp. 345-347.

¹⁶ Burns, T. and Stalker, G. M., The Management of Innovation, Oxford University Press, 1961, p. 96.

¹⁷ From a perspective that is similar to Durkheim, and applicable to this particular subject, Moscovici considers the role of the social representations as cognitive systems based on values that allow establishing order in a complex social and material world. They make communication easier among the members of the group when proposing a code for exchange and an instrument of classification and categorization that avoids ambiguities.

¹⁸ In similar terms, although not identical, Friedland and Alford propose the idea of “institutional logic” as sets of material practices and symbolic constructions that make up the principles and the organizational bases in an institutional order. To Friedland and Alford each of the institutions, that is to say, enterprise, democracy, religion, family and science would dispose of its own routines and rituals (Friedland, R. And Alford, R., “Bringing Society back in: Symbols, Practices and Institutional Contradictions,” in Powell, W. and DiMaggio, P. (coord.), The New Institutionalism in Organizational Analysis, Chicago University Press, Chicago, 1991, p. 223-262).

definition as in their application¹⁹. Just as it happens in other institutions, it also occurs in the complex world of the economy²⁰.

The market requires an expert class: The pecuniary market as a whole, with its elaborate system of money, credit, bargaining, accounting, forecasting of demand, business administration, and so on, involving numerous recondite functions, requires the existence of a technical class, which stands in the same relation to the pecuniary institution as the clergy, politicians, lawyers, doctors do to other institution²¹. It's development, expansion, and complexity accompanies and demands an increasing rationalization and specialization. The experts that manage this institution, the public that participates in it, and the whole of society through political institutions, is contributed to by means of intense public debates, and according to power relations, the development of a set of rules by which the market is socially organized.

Indeed, in modern markets, which continuously become more complex, many social roles in charge of managing them are developed and many functions are delegated within them. We understand today that the rationality of the majority of the socioeconomic actors is a rationality that is more and more influenced by other specialized actors or other institutions that act as agents or elaborate and construct socioeconomic information (risk rating agencies, auditors, accountants, consultants, etc.). They are part of the "social roles" that are developed with the growing complexity of the social structure of the markets, and that as Cooley anticipated, they serve to manage this social institution and acquire power due to it. The economically powerful groups get to have a very direct influence and maintain under close dependency legal experts, experts of all kinds, the media, etc²². This is what later will be called techno-structure.

3.3.2. The social and cultural nature of preferences and its endogenous configuration

Cooley is interested in the social nature of the consumer's preferences, underlining the social significance of the products that they consume.

The market can't be interpreted as a place of communication between some desires of a merely individualistic and physiological nature and an offer aimed at satisfying them. Cooley highlights that if we ask ourselves: Why the people want it, or just who the people are that want it, or why they can make their wants effective, we discover that we have everything to learn²³. Indeed, in the area of the consumer's preferences, beyond a few fundamental necessities to satisfy the human body, such as food, water, and shelter, the demand responds to some social values and is the result of a complex institutional history. "Such are the values of the ornamental or ceremonial dress, of many of our foods, of our more elaborate houses and furniture, our amusements and

¹⁹ Institutions express values, maintain them, and manage them naming and labeling individuals according to them. They make up an important instrument of social control. Indeed, the medical doctor establishes a health standard; the church defines what is good and bad; the judge calls an individual innocent or guilty; the teacher passes or fails, etc. The same thing occurs in the economic field with price structures, salaries, and with rating systems of workers in the enterprises, etc.

²⁰ Cooley, C.H., Social Process, o.c., p. 289-291.

²¹ Ibid, p. 334.

²² Cooley, C. H., Social Organization, o.c., p. 266-269

²³ Cooley, C. H., Social Process, o.c., p. 298.

dissipations, our books; and those connected with our systems of education, our churches, political institutions and son on”²⁴.

Without taking importance away from the role of tastes or the possibility of personalizing our choices, Cooley wants to make the social character of our preferences clear. Cooley says, “Custom is and has been the main source of the social habits of thought that control supply and demand”²⁵. The custom can be so solid that new financial institutions, in their innovating eagerness, are willing to sustain it, “An obvious case is the funeral: it is so important to the poor that an important branch of insurance has directed itself towards this affair”²⁶.

All these factors can only be understood through “mental processes”, those which we define the reality, we attribute a significance to things and we value them²⁷. Through the market, customs and currents of opinion are expressed that have historically been being conceived and formed in a long evolutionary process and, in consequence, the market can’t be interpreted as a procedure of the addition of preferences and individual and idiosyncratic decisions. Dependency in respect to historical paths constitutes, just as we are observing in diverse contexts, a characteristic of evolutionary thought.

The market reflects these social trends, but must also be understood as a social institution that influences the formation of preferences and the behavior of individuals when establishing regularities²⁸. Through the market, standardized products appear, systems of equivalencies are established by price structures, transactions and obligations are standardized, social groups with determined habits and life styles, as well as ways and regular means of developing the transactions, are developed. On the stage of the market, acquisitive power groups come into play that are adopted as reference groups and influence the canons of consumption. In turn emulation processes, pressures to conform to a group, or rather non-conformist orientations, and in addition to all of that, new concepts and ways to interpret this space of social interaction appear.

Escaping a radical individualist methodology, and conceiving the market as interactionist and as a space of communication, he points out: “The influence of the market isn’t secondary in time or importance in connection to the person; it is an institution in which the individual lives and is always shaping his ideas”²⁹.

This is due because “the actual transactions are potent suggestions for new ones and the actual transactions are the latest expressions of an institutional development in which class rule and a confused and one-sided commercialism have been chief factors. He

²⁴ Ibid, p. 295.

²⁵ Ibid, p. 294.

²⁶ Ibid. About this subject, and in a broader way, centered on the change of values in relation to commerce that is derived from death, the following essay is of interest: Zelizer, V.A., “Human Values and the Market: The Case of Life insurance and Death in the 19th Century America,” in the American Journal of Sociology, 84, 1988, pp. 591-610.

²⁷ Thomas’s concept about “the social definition of reality” seems to have been influenced directly by Cooley. In this sense, it is worth reading the commentaries of Roscoe C. Hinkle in his introduction to Social Process, especially p. xlvii-xlix.

²⁸ Simmel was very aware of how the standardization of production, at the same time price reduced, allowed for the homogenization of tastes and so how fashion exercised an important influence in the processes of consumption and the individual’s preferences. The same prices –always relative- are symbols that end up labeling and adhering to the characteristics and the significance of the products.

²⁹ Ibid, p. 299.

adds, “To neglect this and treat demand and supply as a summation of original individual estimates involves an inadequacy of the same nature as there would be in explaining fashion as due to a summation of individual ideas about dress”³⁰. To do so, would mean to forget all the social orchestra that participates as much in the design and production as the selection and presentation, or lastly, in the social staging of fashion.

Markets can't be understood without taking into consideration the inter-subjective processes of communication, that take place through an institutional framework and also influence its own make up and transformation³¹.

In addition, preferences not only don't have an individual and idiosyncratic character but, it is of convenience to add that the majority of the population is “conformist”³² in such a way that respects and folds to the structure of established preferences and values. Only a few individuals of singular characteristics can be differentiated from the most common type and set off new tendencies that, under favorable conditions, can modify, destroy and substitute the old type.

On the other hand, the nature of the market as well as the transformations that can take place in people's values and preferences can't be understood without considering the role played by the social class. Its influence in the configuration of the canons of consumption, thanks to which spending is oriented and distributed, doesn't derive only from its greatest acquisitive power and from its greatest initiative to orient the supply of products, but also from the prestige that it disposes of and the influence it has in the orientation of the demand of other social groups.

The class, that is sometimes called commercial and others called business, disposes of power, prestige and initiative. This allows for, within determined social and cultural limits establishing and setting fashions and trends, controlling the market in an even more intense way than what it already does thanks to its buying power. In consequence, it acts leading the social process that takes place in the evaluation of products through the market³³. It influences the orientation of supply and social preferences, the way in which it distinguishes itself, and the conditions of social integration by means of consumption.

³⁰ Ibid. It turns out to be of interest here to collect his ideas about fashion understood as a way of innovation and institutionalized change. Cooley describes in a precise manner the critical moments of the social and institutional framework thanks to which processes of selection of fashion take place (Cooley, C.H., Social Process, o.c., p. 12). In line with the study of processes through those which innovations take place, it would be necessary to note Hirsch's essay (Hirsch, P.H., “Processing fads and fashions: An Organizational-Set Analysis of Cultural Industry Systems,” in the *American Journal of Sociology*, 77 January, 1972, pp., 639-659).

³¹ Cf., Aspens, P., Markets in Fashion. A Phenomenological Approach, City University, Stockholm, 2001. It is an interesting study about the market of photographic production done from a phenomenological perspective.

³² Merton found inspiration in the treatment that Cooley makes of the conformist in his study on forms of social adaptation (Merton, R.K., o.c., p. 280-281 and p. 358). In this sense, Merton reminds us that the theory of the reference group is in part “a rediscovering of what has been in preparation for a long time” in some of Cooley's contributions. Indeed, in the work, Human Nature and Social Order, Cooley, speaking of the non-conformist, points out: “The group to which we have given our loyalty, and to whose rules we try to accommodate, is determined by our own selective affinity, that chooses among personal influences that are accessible to us. And as we choose with some independence from our palpable companions, we have the appearance of non-conformity”.

³³ Cooley, Ch. H., Social Process, o.c., p. 303-304.

The groups and individuals with less acquisitive capacity try to imitate those that dispose of more comfortable means; for that reason Cooley states: “ As people of leisure and presumptive refinement, they have prestige in forming those conventions by which expenditure is ruled. We see how cooks and shop-girls dress in imitation of society women and how clerks mortgage their houses to buy automobiles. It is in fact notorious that expenditure of the poor follows the fashions of the rich, unless in matters of the most direct and urgent necessity, and in no small degree even in these”. When an individual acquires much wealth, “ he feels that it is becoming that his family should assert its right of membership in the upper class by a style of living that shall proclaim his opulence“. In this case Cooley tells and warns us that, “ He also feels, if he has in any degree assimilated the finer part of the tradition, that a corresponding advance in culture would be becoming to him, but this is a thing by no means so readily purchased a material state”³⁴. It shouldn't be a surprise to us that Cooley, a fine observer of the relations between society and the individual, underlines this last aspect and reminds us how the acquisition of determined personality traits, through consumption, requires a process of socialization and learning. This process is more difficult to carry out in a short period.

Some times, imitation is a mechanical copy, other times, as Cooley himself underlines in Human Nature and Social Order, imitation as much as the boy who tries to imitate his parents in handling the fork like an adult as the adult, involves a complicated learning process. That which, without a doubt, introduces a social barrier that is more difficult to overcome and that more recently, and indebted to Weber, Bourdieu took up again.

3.3.3. The genesis, social organization and institutionalization of the markets

Cooley observes what way new markets are created, from moments of innovation, endorsed by social recognition and a process of institutionalization. Indeed, for a good or service to be the object of assessment in the market, it is necessary to have been widely recognized by public opinion, under an interchangeable form and to be the object of regular economic competition³⁵. An organized and standardized opinion means that the degrees and types of value that it is going to produce must be defined in a way that makes it possible to regulate and specify transactions³⁶. A social organization of this kind is necessary whether it be a market of art, a sport, or as Cooley states: “any branch of applied science offers good examples whether its about mechanical engineering or electric devices”³⁷.

³⁴ Cooley, C. H., o.c., p. 305. Cooley recognizes in this point his debt to Th. Veblen's ideas about the theory of the idle class: Veblen, Th., Teoría de la clase ociosa, Fondo de Cultura Económica, Mexico, 1944. However, Cooley's contribution isn't limited to a reproduction of Veblen's ideas. There are many original elements. Baron and Hannan, reminding us of the importance that Sociology confers to the structure of roles in the definition of preferences, indicate: “Preferences are endogenous because individuals look for consistency between their behavior and their beliefs, and because they tend to conform to the values and expectations of the rest. Sociologists have accepted for a long time the concept of the “looking glass self”, according to which identities are defined in a way that individuals see themselves reflected through social interaction.” (Baron, J.M. and Hannan, M. T., “The impact of Economics on Contemporary Sociology,” in the Journal of Economic Literature, Vol. XXXII, September, 1994, p. 1117).

³⁵ It is convenient to remember here how in Durkheim's opinion, economic facts can be facts of opinion.

³⁶ Cooley, C. H., Social Process, o.c., p. 336.

³⁷ Ibid, p. 337.

Our author likes to conceive the market as a game that takes place in the heart of an ample social group that includes providers and clients, consumers and producers, and in which processes of conflict, cooperation and competition are conjugated. In this game, Cooley points out, that producers stimulated by the group's appreciation contribute to the group with their expert leadership. Finally, the group, as a whole, promotes the type of value as much as its monetary level. At all times Cooley is attentive to emerging dimensions, learning processes, like those that take place in the scope of professional markets.

The presence of some regularized forms, on the basis of those which exchanges and transactions take place in the market, the degree of acceptance of those which are of object make up critical aspects of a sociological and institutional theory of the market³⁸. Without a doubt also because the problem of regularization of transactions constitutes one of the most critical aspects that influences the trust that prevails in them and the way in which exchanges are carried out. Nevertheless and in a critical tone, he observes a lack of regulations in many markets since they are guided "simply by the commercial principle of sell that which can be sold ... Consumers, those which the commercial principle discharges all responsibility, lack standards and organized means to apply those that they have. The whole situation is a tendency to the degrading of quality"³⁹.

In this way, Cooley discovers an affair that can't remain on the sidelines of economic sociology and that affects fraud and deceit, diverse ways of exercising control, and also expressing opinion⁴⁰. Financial product markets are a particular case and widely at present due to the dimensions and complexity that they have acquired. An answer to this situation that is considered to be disastrous could only be thanks to a learning process, an public and combined debate, the expression of protest in constructive terms directed towards the creation of a shared ideal⁴¹. The exercise of the voice, in the sense of Hirshman⁴², should play a crucial role in the social organization of the market.

Here again, Cooley's thought seems to near Durkheim's, when understanding that a normative deficit exists in the markets. Also, when adopting as a reference model that of social relations of the professional market, that supposedly interested in the quality of services, fix determined performance standards and dispose of a capacity, including authority, to influence the formation of the consumer's and client's preferences. He tells

³⁸ Fligstein, N. A., The Architecture of Markets, An Economic Sociology of the Twenty-First Century Capitalist Societies, Princeton University Press, Princeton, 2001, pp 37-38, 51 and 190. Fligstein, N. A., "A Political-Cultural Approach to Market Institutions," in the *American Sociological Review*, 61, 1996, p. 656-73. Fligstein, N., Mara Drita, I., "How to Make a Market: Reflections on the Attempt to Create a Market in the European Union," in the *American Journal of Sociology*, 102: 1-33, 1996.

³⁹ Cooley, C.H., Social Process, p. 342-343.

⁴⁰ The control capacity that the consumer can exercise on enterprises and the economy, the conditions that facilitate it, and the way that it is done, is one aspect of the economic scheme of special interest to economic sociology (Etzioni, A., Les Organisations Modernes, Duculot Publishers, Genbloux, 1971, p. 172). Etzioni refers to J. M. Clark's study, an institutionalist economist that, I must add, greatly appreciated Cooley (Clark, J. M., "America's Changing Capitalism: The Interplay of Politics and Economics," in Berger M., Abel, T. and Page, C.H., (Eds.), Freedom and Control in Modern Society, Van Nostrand, Toronto, 1954, p. 192-205). (Cf., Shute, L., "John Maurice Clark," in Hogdson, G. M., Samuels, W. J. And Tool, M. R. (Ed.), The Elgar Companion to Institutional and Evolutionary Economics, Edward Elgar, Cornwall, 1994.)

⁴¹ Cooley, Ch.H., Social Process, o.c. p. 343.

⁴² Hirshman, A.O., Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States, Harvard University Press, Cambridge, 1970.

us like this, “A regular profession, with definite requirements of capacity and training, established methods and ideals, and a market price in the way of salaries for those that are a market price in the way of salaries for those competent, is a momentous thing in this field”⁴³.

However, within a framework of reference adaptation and learning processes take place. Enlightening us about the phenomena of dynamic interplay between those who hold professional knowledge and the processes of social recognition that allow for the development of a market, he uses the forest professions as an example. So, If the public mind sees the need of forestry, a supply of trained foresters, sufficiently well paid, is presently at hand. These in turn, acting as leaders, stimulate and guide public opinion, and a growth of organization and a values take place along the line a vital impulse”⁴⁴. Is it necessary to point out, through the process of communication and conversation that the market is dynamically observed as a social learning space in which supply and demand aren't independent ?

The market, however, is not enough in itself, since it needs the support and aid of the not directly mercantile social institutions, which he explains to us for diverse reasons. Indeed, on one hand, the market doesn't reinforce by itself those innovative initiatives that lack immediate profitability. That's why the existence of other types of institutions, scientific and university, are important for social progress. On the other hand, the public conscience should contribute to defining the kind of social relation of the market that is considered legitimate. That is why, in this sense he reminds us that the market reflects society in such a way that if society tolerates prostitution, delinquency, the waste of natural resources, etc..., all of that will be translated some way into the results of operation.

For that reason, a rational and intelligent control is deemed necessary. That is to say, founded on society's knowledge of the market by a process of standardization that requires legitimate behaviors, defines and classifies abilities, capacities and products, facilitating comparisons and transactions⁴⁵.

In the same way that the executive can exercise a rational control in the business field without reaching the point of drowning the importance of unconscious processes, habits and routines⁴⁶. The same happens in the market where it is necessary to safeguard the benefits of competition but limit the less virtuous effects of the market. That is to say what is known today as negative externalities and social costs⁴⁷.

⁴³ Ibid, p. 340.

⁴⁴ Ibid, p. 345. In this very sense and 80 years later, see Pérez Vilariño, J., “Cultura Forestal y Diferenciación Profesional,” in the Revista Española de Investigaciones Sociológicas, n. 59, July-September, 1992, p. 92.

⁴⁵ Cooley, C.H., *Social Process*, o.c., p. 320.

⁴⁶ As we have pointed out before observing how he understands suggestion and choice, habits and routines perform a role of prime importance in economic life. Cooley awards great importance to routine behaviors or those subjected to habit (Ibid, pp. 382-383). In another place, referring to cooperation and conflict, he will tell us that an organizational factor is always present in conflicts establishing its conditions. “In the business world, customary practices and opinions must be observed in a way as careful as the law...and the same happens in sports, in hands on professions, in professional careers and in any other sphere” (Ibid, p. 38).

⁴⁷ In his words: “While it is to a good extent certain the idea of involuntary benefits of economic competition, it is also true that under this idea natural resources are planed, children are bewildered and deprived of opportunities, the woman is exploited and injustice flourishes” (Ibid, p. 384).

For Cooley, routines aren't only specific to enterprises or organizations but also to relations of exchange and coordination through the market as of the whole of the economic system. The presence of a set of widely accepted routines requires the presence of an institution.

Cooley himself recognizes that even the processes that demand reflection and deliberation, the same exercise of the intelligence, the search for new ways of improving things, are also guided by routines. That is to say, by the best way of doing things, the best way that one knows in a determined moment without having discovered other more adequate forms.

On the other hand, the process of standardization consists of the conscious creation of rules that are common to diverse individuals or groups and that, in consequence, allow establishing behavioral guidelines relative to a social set, defining what is adequate, serving as reference in socialization and establishing behavioral boundaries. The processes of standardization allow for disposing of some parameters to define the boundaries of the market, characteristics of an occupation, work methods, product quality and a business, group or individual's output. In addition, they can be adopted as comparative reference, facilitating exchanges and reducing conflicts.

Standards of any type as they are socially accepted "have the same kind of effect that the use of money has in economic exchanges: they make relations definite and thus facilitate co-operation and allay disputes"⁴⁸. The contribution of science as a social institution to this task wasn't, in Cooley's opinion, marginal.

4.-SOME FINAL REMARKS

In a way similar to Durkheim, in addition to incorporating habits and routines, Cooley understood that a social control founded on knowledge was necessary. A control of society over the market by a process of standardization that defines legitimate behaviors and classifies abilities, capacities and products, facilitating comparisons and transactions⁴⁹. Through this path an institutional development and a stage of isomorphism should be produced and should reduce the lack of regulations that characterized society at the beginning of the twentieth century. It is precisely the intelligence of society that can restrict or set new conditions to the calculation of capital, obligating it to assume the social costs, preventing the exploitation of children that limits the future development of human resources or the control of environmental deterioration.

Alike Simmel and Weber, one discovers in Cooley another side of the social organization of the market when limitations to marketability are referred to⁵⁰. An aspect that conditions the action of the market and can respond to traditional considerations, the lack of social acceptance, or legal prohibitions that influence our conduct as well as our preferences. Who can participate in the market? What can be exchanged? Under what conditions can competition develop and results be defined?

⁴⁸ Ibid, p. 385.

⁴⁹ Ibid., pp. 384-385.

⁵⁰ Ibid., pp. 385-386.

If we learn something from Cooley and our outstanding figures, it is that it is possible to judge and evaluate the economic conducts according to varied criteria or “metrics”, depending on different values and also different instrumental rationalities. From a pragmatic and evolutionary perspective we introduce in an ongoing social construction process new values to judge the socio-economic behavior.

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