

Dear reader, please note that this is a working paper and the reference literature is narrowed down and used in exemplary manner. This is the situation especially in the Part II of the paper. Nevertheless, all literature suggestions, comments and questions are most welcome and appreciated. Thank you for your interest!

Ideas or Ideology?

The Problem of Historical Institutionalism and Ideas Scholarship

INTRODUCTION

In the *Oxford Handbook of Historical Institutionalism* (2016), Blyth et al. suggest that “even the most materialist of positions implicitly rests upon a theory of ideas or cognition to explain change”. I argue that this citation embodies itself some of the problems concerning the relationship between historical institutionalism and ideational scholarship. These problems – at least partly – stem from certain conceptual dichotomies such as material/real-ideal and endogenous-exogenous. Due to these dichotomies, understood as causal-ontological priorities, scholars constantly ran into theoretical difficulties that they can identify but cannot solve, since the form of their expression relies on the interplay of these counterparts.

Jan Rehmann brings out in his *Theories of Ideology* (2013, 6), that:

“The ideology-theoretical objections to a traditional ideology-critique of ‘false consciousness’ can be summarised in three points”. I use these three points to exemplify the problems in the conceptual dichotomies mentioned above. First, these dichotomies “tend to overlook the material existence of the ideological, that is, apparatuses, its intellectuals and praxis-forms, which impact on people’s common sense. Two, it overlooks or underestimates, by its fixation with phenomena of consciousness, the unconscious functioning of ideological forms and practices; and finally, the endeavor to refute ideologies risks drawing attention away from the main ideology-theoretical task, which is to grasp their appeal and efficacy.” (Rehmann 2013, 6–7.)

By materialism, Rehmann does not refer to a material world out there, or to a rock that could be thrown to your head, but that kind of apparatuses are a result of institutionalized historical social relations and practices that individual people encounter as objective in relation to themselves. The consequences that these apparatuses cause are real to people, and therefore material.

Second, I find that in historical institutionalism and in ideational scholarship change in institutions is usually understood as the phenomenon of consciousness. In this paper, I will pass the notion of unconsciousness and focus more on the explanation model that brings forth the notion of an 'idea' as content for a cognitive process as the last instance of the causal chain in explaining social phenomena.

Last, I will suggest that the appeal of individual ideas, or ideologies, is hard to explain by isolating the ideas of the real material practices and seeing them something internal to actors. The appeal and the efficacy of the ideas can't be explained without the active relationship to the social relations. These relations may appear to the agents without any kind of 'falseness' in their everyday lives, but still be the results of 'inverted' relations that won't show themselves in 'phenotype'.

In this paper, I offer a supplement for the so called 'ideational scholarship' by challenging the theoretical position that regards 'ideas' as "both objects of inquiry and significant explanatory categories [...] in their own right" (Blyth 2002a, 17) in social research, meaning "a situation where ideas permeate all aspects of materiality and determine agents' orientation to social objects" (ibid, 29–30). This also includes discourses, and therefore the so called discursive institutionalism, since these two branches of theory share the same fundamental presuppositions concerning social reality in terms of what is real and ideal, and what is internal and external.

The paper is in two parts. Part I introduces the new institutionalism theories in their relevant part regarding this investigation and the critique I pose to them. Part II introduces the critical ideology theory also in those parts that are relevant concerning this inquiry and proposes some supplements to the ideational scholarship.

PART I: OLD AND NEW INSTITUTIONALISMS

Social scientific institutionalism research in Anglophone world is divided today in at least into two major and partly overlapping branches: institutional economics¹ and new institutionalisms. The latter is again fragmented in at least four different sub-categories: *historical institutionalism* (HI), *rational (choice) institutionalism* (RI), *sociological institutionalism* (SI) and *discursive institutionalism* (DI).

The ‘old institutionalism’ of the early 20th century meant the “study of constitutions, laws, parliamentary procedures and so on” (Blyth 2002b, 296). After the experiences of the Great Depression and The Second World War it developed more into functionalist, relatively stable and static institutional understanding “that saw institutions as performing specific ‘functions’ that were ‘necessary’ for society to survive. [...] The problem of these theories was that the real world events of the 1960s, both domestically and internationally [in relation to US], simply overwhelmed them.” (Ibid, 297.)

In need for a less functionalist and more fine-grained analysis in changing historical situation, like, “if one wanted to explain why it was that certain trade union movements were stronger than others, or why national pension systems differed in their systems of delivery, one had to deal with the lower level of abstraction. Specifically, one had to start thinking about the ‘institutional’ context once again.” (Blyth 2002b, 299.) This was a starting point for HI which main interest became “how institutions ‘structure choices’. [...] For historical institutionalists, institutions are said to be *historical* products which exist anterior and *a priori* to any agent who happens to operate within them at a given moment. [...] As such, institutions are seen to give content to agents’ preferences.” (Ibid, 300.)

In relation to historical view on institutions, and especially functioning of the state, came out the rational choice theory connecting three interrelated perspectives: 1) public servants came to be seen as ‘budget-maximisers’ with self-interests contrary to faithful public servants; 2) the question of low public participation turned into a matter of free riding, meaning ‘why bother?’, and, 3) game theory seemed to offer a theory of social change that fitted self-interest perspective neatly (Blyth 2002b, 299). The problem was that in a purely self-interest dominated world the question of an order emerges inevitably. This turned

¹ *Institutional economics* is also divided into different branches. More ‘sociological’ institutional economics date back to scholars like Thorstein Veblen and John R. Commons. In classical ‘economic’ institutionalism the most influential figure is probably Ronald Coase. Institutional economics also include forms of “new institutionalism”. It basically means an extension to neoclassical economics where norms and rules are in the center of the investigation, but, it still mostly shares the agent-based preconditions of the neoclassical theory (meaning adherence to micro-foundations). One of its best known contemporary advocates was Douglass North, who passed away in 2015. One of the most prominent contemporary names of ‘sociological’ institutional economics is Geoffrey Hodgson, whom I will later refer to in this paper.

into a question of institutions that were seen “as *instrumental* products that agents use to ‘structure choices’, rather than the historical consequences of prior ‘structured choices’ as they are for historical institutionalists. Such instrumental, ‘chosen structures’, it was argued, produced the stability for which their theory needs to account.” (Ibid, 300.)

In the 1990s, these two main schools on the institutionalist theory of that time, the HI and the RI, ran into trouble explaining on one hand, change, and on the other, stability (Blyth 1997, 229–230). The HI school found possibilities for a more fine-grained analysis through understanding institutions something that structure choices, but still, institutions seemed to constrain more than enable (political) action. Change was hard to explain in an environment where all choices were institutionally dictated (Blyth 2002b, 301). Respectively, according to rational choice theory, the institutions were supposed to be results of a rational, individual choice, where people should be able to trust for each other to do the same choices at the same time. However, “[i]n rational choice terms, agents will always prefer someone else to supply the institutions that would stabilize [any empirical situation] than do it themselves, and, if everyone else thinks the same way, then no such institutions will be supplied [...]” (ibid, 303).

Both of these schools needed to turn into ideas in order to explain either change or stability, thus, a so called ‘ideational turn’ took place (Blyth 2002a; 2002b; 2003; Schmidt 2008). What this meant, was that ‘ideas’ appeared as an *ad hoc* solutions, “fillers”, or auxiliary hypotheses to preexisting theoretical problems without any serious attempt to “take ideas seriously as both objects of inquiry and significant explanatory categories [...] in their own right” (Blyth 2002a, 17).

Running into this theoretical impasse did not only gave rise to a branch of investigation, but resulted in its own scholar industry that aimed to locate the role of ideas in social change and stability. For example, Vivien A. Schmidt did “not only sought to take ideas seriously, she sought to bring ‘discourse’ back in too – with all of the irrational angst that this supposedly ‘post-structuralist’ term connotes in the American academy” (Blyth et al. 2016, x). According to Schmidt (2008, 304) herself, “[t]he turn to ideas and discourse in political science” came to constitute the fourth new institutionalism which Schmidt coined as a discursive institutionalism, distinct from the other three (see Schmidt 2002; 2008; 2010).

Next, I will build a theoretical construction of ‘institution’ and ‘ideas’ in HI and in ideational studies in order to understand what kind of ‘beings’ in their own right they represent.

Institution in New Institutionalisms

By reflecting on what I have said above about its history, institutional research has advanced to the point where institutions are defined as the “systems of established and embedded social rules that structure social interactions” (Hodgson 2006, 18), or, “as the rules, norms, and practices that organize and constitute social relations, institutions are [...] creating constraints and opportunities for political action and for their role in generating lasting legacies that shape the scope, character, and consequences of governing authority.” (Fioretos et al. 2014, 2–3). On the other hand, institutions are seen to provide “the missing meso-level” between “macro-structural forces—such as class, industrialization, globalization, geography, mass opinion, or the international system—emphasized by a range of more “structural-functional” theories, and the relevant outcomes of interest (e.g., class-based political mobilization, welfare state programs, trade and market liberalization, economic growth, or war and peace).” (Conran & Thelen 2016, 52).

All institutions are not political institutions and all institutionalisms do not follow exactly the same definition, but the definitions above provide us a starting point for understanding the nature of an institution. An institution is not seen merely as an organization such as a ministry, state, bureau, or like – while organizations can indeed be seen as institutions – but more abstract ‘being’ that encompasses a variety of definitions that relate to the possibilities and restrictions, constraints and opportunities, or more broadly, stability and change in a social life of human beings.

Next, I will move towards the ‘ideationalist’ and discursive institutionalist definition of an institution because of the significance of the concept of an ‘idea’ in this tradition. According to Schmidt (2008, 313):

“[Institutions are seen] whether as continuing structures (the historical regularities of HI) or as the context within which agents act (the incentive structures of RI or the cultural norms of SI²). Such institutions are thereby external to the actors collectively. Institutional rules about acting in the world serve mainly as constraints, whether by way of RI’s incentives that structure action, HI’s paths that shape action, or SI’s norms that frame

² The development of sociological institutionalism (SI) happened through at least two parallel debates: one concerning how institutional environment and cultural beliefs influence on the behavior of organizations, and the other explaining “how institutions interact with social networks and norms to shape and direct economic action” (Nee, 2003, 2). Probably the most known branch of the organization-based SI is the *Stanford School* that posits itself against the rational and self-interested actor, and by contrast, it “argues that the environment has an autonomous cultural content and thus, transcends a mere strategic context (Buhari-Gulmez 2010, 254). In economic sociology, institutions are seen as “a web of interrelated informal and formal norms governing social relationships within which actors pursue and fix the limits of legitimate interests.” (Nee & Swedberg 2005, xxxviii). More about SI, see Blyth 2002a; 2002b; 2003; Schmidt 2008; 2010.

action. Action in institutions in the three older new institutionalisms conforms to a rule-following logic, whether an interest-based logic of calculation, a norm-based logic of appropriateness, or a history-based logic of path dependence.”

Schmidt’s (2008, 322) DI seeks to answer these difficulties:

“First, institutions in DI, rather than serving as external structures for rule-following, are simultaneously structures and constructs internal to the agents themselves. [...] Second, interests in DI, as opposed to in RI, are neither objective (because interests *are* ideas and, as such, subjective) nor material. However, [without denying the] material reality out there. [...] Third, norms in DI, as opposed to in SI, are dynamic constructs rather than static structures.”

DI is especially interesting, because according to Schmidt (2008, 304; 2010, 3), it aims to bring together and identify the commonalities in a variety of scholars who have turned into ideas and discourse. At the same time, Schmidt (*ibid*) wants to make a distinction to three “older” new institutionalisms and turn them into mere “background information” for DI (Schmidt 2008, 314), mostly because “they have been much better at explaining continuity than change” (Schmidt 2010, 1–2).

As Schmidt further cements her DI research program, she gathers a table that illustrates the differences between new institutionalisms:

Table 1. The four new institutionalisms

	Rational choice institutionalism	Historical institutionalism	Sociological institutionalism	Discursive institutionalism
Object of explanation	Behavior of rational actors	Structures and practices	Norms and culture of social agents	Ideas and discourse of sentient agents
Logic of explanation	Calculation	Path-dependency	Appropriateness	Communication
Definition of institutions	Incentive structures	Macro-historical structures and regularities	Cultural norms and frames	Meaning structures and constructs
Approach to change	Static – continuity through fixed preferences, stable institutions	Static – continuity through path dependency interrupted by critical junctures	Static – continuity through cultural norms and rules	Dynamic – change (and continuity) through ideas and discursive interaction
Explanation of change	Exogenous shock	Exogenous shock	Exogenous shock	Endogenous process through background ideational and foreground discursive abilities
Recent innovations to explain change	Endogenous ascription of interest shifts through RI political coalitions or HI self-reinforcing or self-undermining processes	Endogenous description of incremental change through layering, drift, conversion	Endogenous construction (merge with DI)	Endogenous construction through reframing, recasting collective memories and narratives through epistemic communities, advocacy coalitions, communicative action, deliberative democracy

RI = rational choice institutionalism; HI = historical institutionalism; DI = discursive institutionalism.

(Schmidt 2010, 5)

In Schmidt's DI conception, the most notable conceptual dichotomies are endogenous–exogenous, subjective–objective, and ideal–material that refers how ideas should be seen as internal to people and something that is isolated from external, 'real' reality instead of ideas being something material and real. The crucial observation on these dichotomies is that they represent *causal-ontological categories* in DI (and in some parts, in institutionalisms in general) which makes them an interesting research subject as such. If Schmidt sees that the DI could be raised to the status where the other institutionalisms can offer only “background information” for it, it is fairly reasonable to be interested in the background assumptions of the DI.

From now on, I will treat Schmidt's DI and Blyth's formulation of ideas as the representative theories of the ideational scholarship in the framework of its causal-ontological presuppositions. Like I mentioned, Schmidt wants to raise DI in an exceptional position among institutionalisms. Blyth represents similar conviction to the ideas. Still, his work can be seen to represent a slightly different angle on a subject, but in a way that it doesn't contradict Schmidt's fundamental position. Blyth (2002a, 29–30) extends his position so far, that he is ready to go with the ideas “*all the way through* – that is, [to] a situation where ideas permeate all aspects of materiality and determine agents' orientation to social objects.”

Having said this, I will treat these two branches of theory as representative cases of ideational scholarship and focus on their fundamental arguments about meaning and properties of ideas as “both objects of inquiry and significant explanatory categories [...] in their own right” (Blyth 2002a, 17).

Ideas as Causal Factors

As mentioned above, the 'big thing' in new institutionalisms is explaining stability and change in societies. According to ideational scholars, before 'ideas' came to explain the change, it was all about stability. Blyth (2011, 83–86) brings this view so far that he lists four fundamental assumptions of social scientific theory before “turn to ideas”, that were all basically resting on a self-perpetuating circle of equilibrium, linear causality, normally distributed outcomes, and exogenous change. This means that without external interruption to this innate harmony, the world kept circulating in its relatively predictable and stable manner, where change was an exception. Blyth (*ibid*, 83–84, 99) further sees, that bringing ideas to the centre of social sciences enters the uncertainty, inconstant causes, dynamics, and contingencies to the picture – in sum, change:

“[P]racticing social science without viewing ideas as *fundamental* to both the nature of human action and causation in social systems produces seriously misleading explanations. [...] [T]hey [ideas] matter in that they are simultaneously the media through which agents understand the world and the material that constitutes it. [...] [T]he case made here is that ideas matter all the time, since they are, at base, what enables both stability and change in social systems [...].”

Blyth (2011, 99–100) aims to show how misleading the presupposition of social equilibria as a normal state of the world is, and therefore sees institutional stability as a *result* of constant struggles, not a ‘normal’ state of affairs. In addition, he brings out how problematic a notion of ‘exogenous’ shock is, since there are no social causes outside the social world, and how isolating factors ontologically as independent variables in an interdependent world can do a lot of damage to the social scientific research. While I agree on many of Blyth’s views, I see that one doesn’t have to see ideas as the ultimate explanatory category on exogenous change on human societies, but for example, the inner contradictions that stem from the social relations determining conditions and positions that people encounter and within which they must act. In addition, raising ideas in this position begs the question of what ‘ideas’ actually are.

In sociological institutionalism (SI), the ideas are seen as norms, frames and meaning systems (Schmidt 2010, 13), whereas in rational choice theory (RI) ideas are quite similarly mostly “principled beliefs, causal beliefs, and world-views” (Blyth 2002a, 24). For DI, ideas are seen to be at the end of a causal chain that goes “from thought to word to deed” (Schmidt 2008, 309). While Blyth (2002a, 20–27) also insists that ideas should be seen as causal factors in their own right, he (*ibid*, 32) brings it together by stating that “[c]ognitive mechanisms, *pave* ideas, are important because without having ideas as to how the world is put together, it would be cognitively impossible for agents to act in that world in any meaningful sense [...]. [C]omplex set of ideas, such as ideas about the working of the economy, allow agents to order and intervene in the world by aligning agents’ beliefs, desires, and goals.”

For Schmidt (2008, 306) ideas are the substantial content of a discourse. A discourse is an interactive process where the ideas that are represented in the discourse, are conveyed (*ibid*, 309):

“By using the term discourse, we can simultaneously indicate the ideas represented in the discourse (which may come in a variety of forms as well as content) and the interactive processes by which ideas are conveyed (which may be carried by different agents in

different spheres). [...] In the representation of ideas, any given discourse may serve to articulate not only different levels of ideas (policy, programmatic, and philosophical; [...]) and different types of ideas (cognitive and normative) but also different forms of ideas—narratives, myths, frames, collective memories, stories, scripts, scenarios, images, and more.”

Discourse is a communicative and coordinative process where the institutional and meaning context – as well as the participants, and the way of the interaction – matters how the ideas represented in the discourse become effective and successful (Schmidt 2008, 310, 322).

In my interpretation, the ideas are the meaningful and substantial content of norms, frames, beliefs, agendas – thoughts at the end of a causal chain – and on the other hand, systems of meaning explaining how the world works. Blyth emphasizes the cognitive dimension of the ideas and sees them as meaningful content for cognitive processes. By doing so, he splits cognition and ideas as separate beings, like the computer and a data that has been processed. While the data can be anything, the process remains the same, and conversely, the processing unit operates always in the same way, no matter what the data is. For Schmidt, they are the ultimate causal factor that is conveyed in an interactive process of discourse. Therefore, the ideas are the thought content for cognitive processing that enables agents to engage in meaningful (inter)action, while they simultaneously due to ideas acknowledge the restrictions of their behavior.

Now that ideas are defined as objects as such – “basic units” of the world (Blyth 2002b, 306) – I maintain that while they are defined as such *isolated* beings, they must be treated as the beings of some ontological category. This is noteworthy because the treatment of ideas constantly brings forth the idea of an ‘idea’ as a being with innate properties able to create causal effects on the social world.

Isolating ideas as ontological beings with causal properties raise the additional question of the location of an idea. While Blyth and Schmidt bring forth the interconnected and interactive nature of the social reality, they still insist how social phenomena should be seen as an effect of causal forces of such kind where in the end of the causal chain lies the ‘idea’. At the same time, they suggest that a strong link exists between the ideas and cognitive processes, so therefore I conclude that the ideas can’t be located anywhere else than in the consciousness of an agent, and in this reasoning the social phenomenon should be seen as the phenomenon of consciousness.

The Problem of an Idea as an Explanatory Factor

Perhaps ideas may be located in the consciousness of an actor, the rules and norms structuring institutions could be considered as cognitive factors, or discourses as the “institutionalized structures of meaning” articulating ideas (Schmidt 2008, 309). I still maintain that if the consciousness of an actor is seen as the ultimate ‘repository’ of the ideas, it is hard to explain where ideas come from and where do they get their ‘power’ as a causal force over social action, and especially how they explain social phenomena. In addition, the appearance of the ideas can be located in the ‘interaction’ of the actors – like in Berger and Luckmann’s brilliant “The Social Construction of Reality” (1966) and like Schmitt seems to suggest in her discursive theory – but this won’t explain the absence of the real social conditions and how the appearance of the ideas is related to them.

It is clear that individual agents may be motivated by cognitive (causal) ideas in their action, but explaining higher (macro/collective) level phenomena with ideas would mean *a theoretical explanation* – ideas as an explanatory category in their own right – stemming from individual cognition. For example, Talcott Parsons (1938)³ holds that religion is the showpiece of a power of ideas in societal change, since Max Weber’s “The Protestant Ethic and the Spirit of Capitalism” seeks to explain the birth of capitalism with a set of religious ideas that cause behaviour that is favourable to capitalism’s development. This can be considered as *religious discourse* where one actor conveys ‘ideas’ about Protestantism to another.

However, when Schmidt (2008, 309) talks about “conveying” the ideas as a part of a discursive process, she ignores the practices that support these discourses. Nevertheless, according to Rehmann (2013, 41), ‘religion’ “does not function through a set of ‘ideas’ [...] but rather on the level of material practices, an ‘orthopraxis’, an ensemble of ‘normalizing’ practices and rituals.” With orthopraxis he refers to how ‘ideas’ are not only passed, conveyed, but upheld through concrete practices that are in organic relationship with the ‘ideas’ that correspond to these practices. Religions are not upheld by the ideas of God, but by rituals that are repeated not only in religious institutions, but in different

³ Parsons (1938, 652.) also holds a quite critical view on ideas as a beings in their own right: “Ideas in general have been held either to have or have not to have an important role in determination of action. [...] Above all, from the fact that this paper will maintain that ideas do play an important part in the determination of action, it is not to be inferred that its author is committed to some kind of idealistic metaphysics of the sort from which it has so often been inferred that ideas must arise through some process of “immaculate conception” unsullied by social and economic forces or that they influence action by some automatic and mysterious process of self-realization or “emanation” without relation to the other elements of the social system.”

apparatuses like in schools and media that gives room for representatives of church in public debate, and in public apparatuses that allow them to collect taxes in countries like Finland.

If the term 'ideological', that I will introduce shortly, refers to 'religious', then, the material existence of ideological should therefore be seen how "[i]ndividuals are moved by a system that goes from a particular apparatus to material rituals, to everyday practices of the subject and produces ideological effects there" (Rehmann 2013, 151). By this, Rehmann refers to a complex set of 'normalizing' arrangements and practices, and thus challenges the way how things usually are seen as ideological. He does that by turning the order 'thought–word–deed' around and locating the operating principle of the ideological to a different formula. This could be expressed with Louis Althusser's (2001, 114) variation of Pascal's phrase: "Kneel down, move your lips in prayer, and you will believe."

Still, Schmidt and other ideational scholars aim to explain how ideas should be considered as causal factors in explaining institutional change and stability from micro to macro level. In this case, the further problem is to explain the residual that appears in the societal level as a result of the individual cognition caused action.

While ideas indeed are useful in systematizing observable events in understandable categories, the 'idea' *per se* should incorporate such properties that would be able to *cause* something, whether this is binding complex social phenomena together or putting causal effects forward. Although we may isolate some events where individuals with their ideas may be an appropriate explanatory factor, the relationship between different explanatory levels is more problematic. This comes apparent if we compare ideas with economic theory, where the typical problem is how to aggregate all the economic phenomena that strive for equilibrium from rational, atomistic actors who possess and are able to handle all the relevant information concerning economic reality⁴.

The problem is that if we can't explain all the observable economic phenomena from the theoretical category of a 'rational individual actor', the consequences exceed the explanatory power of this particular concept. On the other hand, if the category of an idea incorporates all that there is in social reality, it turns redundant, since it explains nothing. Geoffrey Hodgson (2012, 97–98) exemplifies this point while examining rational choice theory and its utility maximising individual:

⁴ About methodological individualism from institutional economics perspective, see f.e. Hodgson 2007.

“Because utility is unobservable, all kinds of behaviour can be ‘explained’ in terms of the idea, without fear of refutation. [...] [N]o evidence can possibly refute the theory that agents are maximizing some hidden or unknown variable (such as utility) [...] The utility-maximization assumption is unfalsifiable, but it is not a tautology in the logical sense because it is *conceivably false*. Logical tautologies – such as a triangle has three sides – are true by definition. By contrast, it might be the case that individuals are not maximizing anything. But we can never establish this on the basis of empirical evidence. [...] A key problem with utility maximization is that it is so general that it can explain anything; consequently its explanatory power in specific instances is dramatically diminished.”

Following Hodgson, I suggest that the ideal explanations may be unfalsifiable in their generality.

Finally, ideational scholarship fall into idealism while trying to explain why some ideas matter more than others, how do these ideas exactly appeal to real, living people, or where do they come from. For example, when explaining the phenomenon like Neo- or Ordo-liberalism which are treated as ‘cognitive’ or ‘normative’ ideas (Schmidt 2008, 306–310), they avoid the dominative class-hierarchies that exist in the realm of real practises where people have to act. This happens when we isolate the ideas from material practices where they are manifested and turn them something internal to agents.

The debate about stability and change was motivated in the first place by the need for a theoretical supplement for the HI, which it gained from the ‘ideas’ (Blyth 2002, 309). I support the idea that historical institution could be the ‘place’ where individuals and their constitution (by ideas) could be placed, but, instead of ‘ideas’ or ‘discourses’ as the objects of investigation in their own right, I suggest that the attention should be paid to the functioning of the ‘ideological’ and its material practices, ‘material practices’ meaning something that Marx brought out in his “Theses on Feuerbach”:

“The chief defect of all hitherto existing materialism – that of Feuerbach included – is that the thing, reality, sensuousness, is conceived only in the form of the *object or of contemplation*, but not as *sensuous human activity, practice*, not subjectively. Hence, in contradistinction to materialism, the *active* side was developed abstractly by idealism – which, of course, does not know real, sensuous activity as such. Feuerbach wants sensuous objects, really distinct from the thought objects, but he does not conceive human activity itself as *objective* activity.” (Marx 2005.)

PART II: *PIT* AND MATERIALIST IDEOLOGY THEORY

Contrary to several definitions of an ideology, in critical ideology theory the ‘ideological’ does not refer to world-views, to some other formulation of subjective perceptions of the world, or to a ‘false consciousness’. Ideologies are something more particular – different forms of ideological – whereas the ideas would in this sense be the meaningful content of particular ideologies. As I have pointed out above, I regard the ‘idea’ as a basic category of a social life with caution, because I see that it would lead to difficulties in explaining the properties and the origin of these ideas as an (explanatory) objects in their own right. Therefore, in this chapter, I will introduce the materialist theory of ‘ideological’, where an ideology is not treated as “an edifice of thought and consciousness, but rather as a set of social relations determining human practices and thought-forms” (Rehmann 2013, 245).

I will use the so called *Projekt Ideologietheorie* (PIT) as my backrest in this investigation, which is an ideology-theoretical school founded by Wolfgang Fritz Haug in 1977 and carries the aspects of Gramsci’s theory of hegemony and Althusser’s theory of ideological state-apparatuses (Rehmann 2013, 241).

Jan Rehmann (2013, 109) describes the basic ideas of the PIT in the following manner:

”As soon as the ideological is no longer identified with specific ‘universalising’ and ‘totalising’ world-views, but considered as an ensemble of ideological apparatuses, practices, and discourses that help reproduce class-society by manufacturing ‘consensus’ from above, it becomes obvious that the period of ideologies (and of their critique) is far from over. The idea that in late capitalism there is only ‘fragmented consciousness’ without any attempts to work on its ideological cohesion, is an unrealistic fantasy. If this were so, a whole series of institutions would immediately close down and innumerable ideologues would lose their jobs.”

In his critique of poststructuralism, Rehmann (2013, 217) brings out that when the concepts of knowledge, discourse and power replaced the concepts of ideology and hegemony as a triumph over Marxist class-reductionism and state-orientation, poststructural theorists ignored the fact that these shortcomings had already been challenged by Marxist ideology theories such as the PIT. Actually, the PIT could be considered as a part of a ”re-foundation of Marxist research into ideology, which was stuck in several respects. Ideology-theory thus marked a double distinction: first, from a widespread ‘economism’, which reduced ideology to a mere epiphenomenon of economic class interests and thus

missed the relative autonomy of the ideological; second, from a traditional ideology-critique, which understood the ideological merely as a 'false' and 'inverted' consciousness that was to be criticized from the standpoint of a 'scientific world view'." (Rehmann 2014, 2.)

Following Gramsci and Althusser, the ideological in the PIT is considered as "complex material arrangements, consisting of hegemonic apparatuses, specific intellectuals, ideological practices, rituals, images, *and* also of texts as an integral part of this whole arrangement" (ibid, 218). By this, Rehmann points out that focusing on texts, communicative processes, or discourses ignores the "material-ideological settings and practices they [texts] are embedded", which also means "the actual corporeal conditions" (ibid).

In my interpretation, this is exactly what happens when the ideas are isolated from the real conditions, meaning complex material arrangements that are a part of a hegemonic attempt to maintain the existing class-order in capitalist societies.

However, a class in critical ideology theory is not merely a statistical division between groups of people representing proletariat and capitalists. Without denying the statistical dimension of class as an empirically observable phenomenon, it rather refers to a way of organizing production and division of labor in a way, that these divisions inside capitalist societies are maintained through different social relations and institutionalized practices that constitute the conditions and positions in, and within which people have to act.

Instead of seeing ideas as the basic units of the social world, I suggest that we should see the social relations as the constitutive category that supports the conditions where real living people have to act and ideas are created. This could be understood by examining the notion of a 'position'.

A 'position' does not refer to a position of power in a sense that after reaching it, an agent may use it in her best interest. While this is also true, a position is rather an end result of a determination of social relations, such as a position of a CEO, whose positions' mandatory nature does not relate directly to the characteristics of a person, such as greed or whatever, although a connection may prevail. It relates to the firms profit-seeking behavior in a web of competition between the firms competing of profits. One way of thinking this logic of position is observing it through Marx's famous *tendency of the rate of profit to fall*, which Marx (1973, x) himself sees "in every respect the most important law of modern political economy, and the most essential for understanding the most difficult relations." To put it bluntly, the

tendency of the rate of profit to fall refers to an ensemble of unstable relations where producers must compete against each other, workers must compete against each other, and producers must compete against the workers.

This multi-dimensional competition arises from the profit seeking of investors while the investments go to the most profiting producers. The producers compete against each other of investments while the workers compete against each other of (scarce) paid work, and the producers compete against the workers of the amount of wage. At the same time, in order to maintain the profit rate under the competitive conditions, producers must develop the production forces (new technological solutions, increasing productivity, etc.), or/and expand markets to new areas (new type of consumer products, financial derivatives, geographic expansion, etc.), lower wages, or fire workers. On the other hand, in order to make profits the products must be sold and in order to buy products from the markets, workers must have paid work. It follows that while producers must keep up the profit rate and offer paid work, they simultaneously have to cut wages, fire workers or develop the production forces what means reduction to the purchasing power, that brings challenges to the selling of the products. If the products aren't sold, firms won't be able to pay profits, the investments wither, and jobs won't be created.⁵

If all of these preconditions prevail at the same time, this tendency produces conditions for people in and within which they have to act. A position is created through different kinds of relations, that in this case are, for example, the juridical relations and a complex set of organizational arrangements that maintain this particular economic order. One of the most important is the contract-relation of exchange "without which capitalism could not function" (Rehmann 2013, 187). This order is therefore maintained through institutional positions whose functioning is independent of a given individual who occupies it, whereas it is dependent of most of the people acting within its limits and rules. Therefore instead of paying attention to the agents involved in economic action, one should take positions in which they have to act into account too.

Regardless of the highly abstract and simplified nature of this description of economic relations, one can see what I mean by a position. It possesses determining power over people from whom it gains its vitality.

⁵ There is a long debate about the *tendency of the rate of profit to fall*. One of the latest contributions to this debate is Anwar Shaikh's massive "Capitalism. Competition, Conflict, Crisis" (2016), where he empirically makes the case that "competition is the dominant mechanism even in modern capitalism [which does not] exclude the possibility of true monopoly power or collusion" (ibid, 379).

When people act, they encounter these conditions as objective – material – regardless of the fact that they are products of social, and therefore not natural relations. This is because a position that one occupies has ‘a function’ in those particular institutionalized relations that limit the leeway that the agents have while performing the function of a given position. Usually, people understand these functions. On the one hand, they know how to use the leeway, and on the other, restrict themselves from crossing the lines, as it were ‘spontaneous’ way of acting. Acting in a position is not about ideas as such, but performing practices that include the ideational contents of discourses.

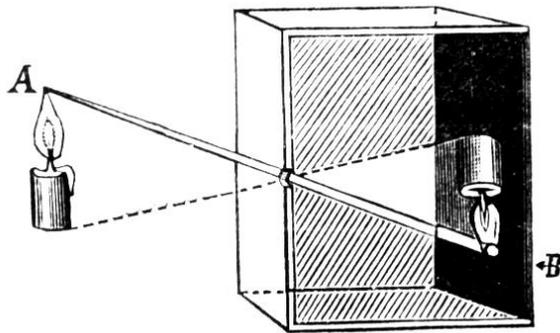
For the same reason that concerns the essence of an ‘idea’, critical ideology theory does not seek to answer the question what is ‘ideology’, but what is ‘ideological’, how it works and what makes it appealing and efficient. It is unnecessary to ask ‘what is ideology?’, because posing this question would only lead to needless pondering of an essence, questions concerning ontology, while the reality in this sense is rather practical. By answering the question of ideology *per se* would most likely mean answering the question about the *content* of ideology, meaning for example a world-view, which would leave the question about the functioning of the ideological still open.

The Commodity Fetishism

Regardless of what one may think of capitalism or classes as an object or category of investigation, it is indisputable that we live in hierarchical order. This is apparent when it comes to organizing production in terms of division of labor, and organizing the society according to its (sub)systems like “political”, “juridical” and “economic”. Furthermore, if we consider the fact that the positions in the existing order are not dependent so much of the particular person occupying them, it is fair to ask the question: How “to identify the mechanisms that cause subaltern classes to ‘voluntary’ and often passionately enact their submission to a system of domination that contradicts their vital interests?” (Rehmann 2014, 1).

While there are many important characteristics that are seen essential for class-rule and described in ideational scholarship as ‘(material) interests’, critical ideology theory would – in addition to these interests – pay attention in ways that social relations mentioned above are seen as ‘natural’ forms of social life, and therefore eternal. This could be understood by observing how these relations appear to us in our everyday life as an ‘objective thought-forms’.

Marx and Engels used the so called *camera obscura* in “The German Ideology” (1845) as a metaphor for something that is usually understood as a metaphor for a ‘false consciousness’ (Rehmann 2013, 31). However, instead of the inner, inverted picture of the camera that is usually seen as ‘false’ and which leads to think ideology as a phenomenon of consciousness, Marx and Engels were referring to the *camera*, the material arrangement that leads to the inversion of the picture.



Camera obscura (Picture: Wikimedia Commons).

How does the inversion happen? Marx further investigates this in “Capital vol. 1” in the chapter that addresses the problem of the commodity fetishism, a concept that refers to primitive religions and portrays man-made products that gain control over human – how “‘primitive’ and ‘unenlightened’ believers carve objects, and then bow to their own artifacts and worship them” (Rehmann 2013, 40).

Marx uses the term in explaining how capitalist markets producers are ruled by the products, commodities they produce:

“There the products of the human brain appear as autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men’s hands. I call this the fetishism which attaches itself to the products of labor as soon as they are produced as commodities.” (Marx 1976, 165., in Rehmann 2013, 39)

This fundamental inversion in capitalist societies happens due to an “irrational reversal by which exchange-value rules over use-value, money rules over labour, accumulated capital rules over life, shareholder-values rule over life-values” (Rehmann 2013, 40). This means that the relations that uphold the capitalist mode of production operate through ‘inversed’ categories, like exchange-value over use-value, where the production is not directed to creation of the well-being, but for the profit-

making, and how the production and labor is organized through money-values, raising money as the ultimate yardstick of the profitability and therefore measure of how 'reasonable' is to start production in the first place, and so on.

Rehmann (2013, 40) continues:

“The decisive argument of Marx’s critique of fetishism is this: since the producers have no democratic control over what is being produced, how it is being produced, or how the surplus is being distributed, the products of their labour pile up on the other side of the divide – they become the wealth of the capitalist owners. Commodities turn into an alien power that is used against the workers by replacing them with new technologies, by firing them, by impoverishing them, by making them ‘superfluous’.”

Now, consider for a while what a said in the previous chapter about the social relations and positions that have the functioning logic of their own, independent of any individual person, but dependent on the most of us. If the production cycle operates through investment logic discussed above, it is also obvious that it can’t be in control of any individual. Investors are a group of anonymous people to each other, and investing only because of the money-measured profits. Therefore the commodities that are produced for the circulation of the market – solely for the purpose of the buyers to realize their value so that the profits could be paid to investors – must “turn into an alien power” (Rehmann 2013, 40) to both, producers and workers. Thus, the movements in markets are not primarily ruled by producers’ imagination, but the harsh reality of the prices of which they become aware of only at the moment of the sale of their commodities (ibid, 42).

This harsh economic reality is difficult to grasp, since people confront prices as exchange-values that won’t reveal any of those production or competitive conditions in which they are produced. In this sense, there is no inversion inside the consciousness, because the market conditions that people encounter are real to them. Still, in the realm of this ‘alienated’ exchange, these material conditions do not show themselves to the observer, they just operate in a way that Marx compares with the ‘law of gravity’: as social necessities that are beyond the reach of control and direct observation (Rehmann 2013, 41–42).

How does Marx respond to this contradiction?

“He now combines a term describing thinking (thought-form) and a term referring to ‘reality’ (objective). As an ‘objective thought form’, commodity-fetishism is both a form of social life in bourgeois society and a corresponding form of practice and consciousness, that is, ‘reasonable’ practice as well as practical reason. [...] Marx’s critique therefore targets the very normality of bourgeois reality: the ‘inversion’ sits in the fundamental structure of unplanned, private commodity-production and -circulation itself; what is ‘inverted’ is its mode of functioning that proceeds stealthily behind the backs of the producers. The corresponding mode of thinking is ‘inverted’ only insofar as it takes the reification of praxis-forms at face-value as a ‘natural’ and ‘self-evident’ fact” (Rehmann 2013, 43.)

Two things come apparent: 1) the form in which commodities show themselves to us in everyday life, ‘hide’ the relations whose products they are. This is because as buyers and sellers we encounter only the price-forms of commodities in ‘naturalized’ market environment; and 2) while the everyday practices that uphold these relations operate through ‘alienated’ forms, they can ‘make sense’ as individual practices in everyday life. What is contradictory from the point of view of the many, may be perfectly reasonable from the point of view of an individual. Buying cheap may be reasonable in poor’s circumstances while it may result in pay cuts in competitive circumstances.

One way of understanding the relation of objective thought-forms and ideological is the think how these thought-forms are connected with ideas in discourses that deal with for example ‘freedom’ or ‘justice’.

In everyday life, we encounter the market exchange in its ‘common sensible’ form where the positions of buyers and sellers appear to be equal. While this is considered the cornerstone of the free market exchange, people do not become aware of the ‘laws of gravity’ of market competition and its consequences by going to store and purchasing products. According to critical ideology theory, one important aspect of maintaining hegemony is connecting these forms of appearance discursively to objective thought-forms in a way that they ‘make sense’. For example, “in order to ‘tolerate’ the enormous polarisation of wealth during the last thirty years, the 99 percent must believe that the upper 1 percent ‘earned’ their riches by their own efforts” (Rehmann 2013, 286). This is how the discourses and ideas about freedom and justice come into play.

However, making sense and tolerating existing order is not just about ideas and discourses, but also about a set of practices that make sense in surroundings that support them. Peoples' ideas about reality are supported by the real practices they perform in social reality.

Like I said, money could be considered as an 'objective thought-form' that follows the logic of fetishism. Ideationalists would see the 'materialism' of money in its real material properties (like as a coin or a bill). Like Schmidt (2008, 218) puts it: "But to ask if material reality exists is the wrong question. We do better to ask what is material and real, and what is real even if it is not material. Institutions may be real in the sense that they constitute interests and cause things to happen, even though they are socially constructed and thus not material in a "put your hand or rest your eyes on it" sense."

Critical ideology theory would see the 'real' of money in its historical-material properties. Money as an institution is a historical product, which is indifferent to its individual users. At the same time, it is dependent on the majority of its users, since the properties of money are abstractions in a sense that they are not reducible to money as a carrier of these properties itself, but real practices that relate to money and its usage. The fetishism of the money appears in a way that the money itself seems to incorporate those properties that money as a commodity causes in the sphere of market exchange, while money does not possess any properties outside those social relations it operates.

In spite of its inverted and abstract nature, money fulfils its purpose in everyday use. Its existence makes it 'real' in a sense, that using money has 'material' consequences: it is in its different manifestations an essential part of organizing the production and producing the division of labour. It would be highly problematic to derive the historical properties of money from individual cognitive processes or ideas since the individuals just can't possess and handle all the information related to money and consequences of its use. This problem arises via how we encounter the money in everyday life in its manifestation that reveals only the 'common sensible' aspects of it. To use money, we do not need to have almost any idea what we are doing – in ontological sense – because the practices concerning exchange can be taught to a five-year-old.

Therefore, the appeal of an ideology is based on the 'objective thought-forms' since they appear to explain that kind of observable reality 'right' for people, how they face it in their everyday lives. The reality shows itself in a way that the money transactions take place in 'free' environment and in 'just' way. Still, the economic relations in a macro scale seem to cause major divisions between people that are hard to comprehend from everyday experience. The agency for change to become possible,

people should first identify the contradictions between the ideological practices and explanations for the existing order that is given to it from 'above'.

CONCLUSIONS

According to Rehmann (2013, 4), none of the traditions of previous ideology theories hasn't been able to explain *the stability* of the capitalist societies and its states. This is an understandable approach since the PIT is based on a Marxist tradition wherein capitalist societies are considered as the domains of "turbulent regulation" and where order prevails only through disorder and contradictions (Shaikh 2016). Here I join in Blyth's (2011, 99–100) attempt to show how misleading the presupposition of social equilibria as a normal state of the world is, and therefore see institutional stability as a *result* of constant struggles. My suggestion is that when replacing the 'idea' with the concept of the 'ideological', we can solve some of the questions that have plagued the new institutionalism discussion for a long time.

In this paper, my intension has been to propose how ideas shouldn't be isolated as the contents of the cognitive processes of agents when explaining social phenomena. I have used the critical ideology theory in exemplary manner to demonstrate how the change in capitalist societies is possible as a historical development of the social relations, but, without that agents are reduced as the 'dupes of history'. Furthermore, because of the nature of these relations, there is no need to externalize the restrictions as something exogenous to agents, but something that is institutionalized during the history and appears objective because the relations are beyond the control of the individual agents. Agents are able to act within the limits of their given position in a creative and goal-oriented manner, but within limits that are out of their individual control.

I have brought out how the 'ideological' is supported by the 'objective thought-forms', that are, in a manner of speaking, the by-products of a 'naturalized' capitalist commodity production stemming from the constantly unstable economic relations. These are the relations individuals face when they enter the world of economy. I have also suggested how market relations are upheld by practices and discourses that are created in order to maintain the existing class-order. By this, my intention has been to show how social phenomenon can be explained without putting ideas as an ultimate causal factor, but seeing them as an essential part of complex institutionalized social arrangements that are able to create social consequences independently of individual people, but still dependent on most of the people.

Individuals' possibilities for change lie in their capability to identify themselves outside the given ideological discourses and practices. This identification can happen through the everyday experience of the contradictions that prevailing relations produce, by something that Stuart Hall (2006, 172) called the decoding the message in a "*globally* contrary way" and organizing the horizontal socialization from below in accordance with this decoding (Rehmann 2013).

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