

DIALOGUE, DEBATE, AND DISCUSSION

# Commentary on ‘Institutional Logics: Motivating Action and Overcoming Resistance to Change’

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## Abstract

This commentary applauds Haveman, Joseph-Goteiner, and Li’s (2023) efforts to build arguments around institutional logics to explain China’s remarkable economic progress since 1978. But it also calls for broadening the focus of this inquiry so it can more generally explain why and how some societies are able to build connections between cultures and institutions that enable widespread societal progress, while other countries fail to do so. In particular, I suggest that this line of inquiry would benefit from drawing more deeply on the extensive body of writings by economic historians who have compared the economic progress of different societies over a long period.

## 摘要

本文赞同对中国过去几十年来的经济增长进行‘制度逻辑’的分析，因为这些不同的制度逻辑对我们理解社会变革有至关重要的作用。为了说明这一点，本文首先回顾以往文献，讨论诸如价值观、信念、社会规范等文化元素体系，以及在社会秩序结构演变过程中，这些文化元素体系对于界定和解释社会经济变化过程中具体措施的作用，尤其是威权的形式和合作模式。本文着重讨论了这些秩序形式及决定因素。作者认为，中国的经验可以很好地用来说明一个事实，那就是：文化塑造体制，体制塑造经济政策和应对措施。

**Keywords:** Chinese management; institutional logics; socio-economic processes; systems of cultural management

关键词：中国管理；制度逻辑；社会经济发展过程；文化管理体系

This paper is set in the context of China’s recent decades of growth. It advocates the relevance for the analysis of ‘institutional logics’. These are seen as key to the understanding of societal change. In making this proposition, it builds on a large prior literature addressing the connections between (a) systems of cultural elements such as values, beliefs, and normative expectations, and (b) the sense-making that underpins the evolving structures of order used to frame the workings of socio-economic processes, including especially the forms of authority and of cooperation. These forms of order and their determinants are the subject of the paper. The experience of China is taken to illustrate the fact that culture shapes institutions and that they in turn shape economic responses.

Building on such classics as Berger and Luckmann’s (1966) social construction of reality, the established sociology literature on such an approach is deep and wide, and the paper reviews it comprehensively and faultlessly. In this review, it also identifies a number of key questions that arise such as the effect in China of new market logics on traditional ideals such as *guanxi* as the basis of relationships. So too do they acknowledge the building up of tension between state and market logics. The paper argues that ‘future research should take into consideration the fact that the Chinese state is “hierarchical” and in tandem “developmental”’. They make useful suggestions about including in the account: the role of family; the state-embeddedness of law; and the reciprocities that go with the remaining Confucianism.

There is, however, something missing in this paper. That is an overall and implicitly normative theory of societal progress. Only with such a theory can research move its epistemology from the level of ideographic description of events and structures to the nomothetic level of explaining the pattern of determinacy at work to ensure societal progress towards betterment. This can then act as a framework for further formulation of propositions and their subsequent empirical refutation or acceptance. As an example of this, few attempts are better respected than that of Mokyr (2009: 487) on the origins of the modern economy, in which he saw an explanatory challenge for scholars as ‘the 600-pound gorilla in the room’. More specifically, he noted that the determinants of the first Industrial Revolution were remarkable enough to bring a sense of amazement that it occurred *at all*. Attributing most influence to The Enlightenment, he saw it subsequently producing an ‘enlightened age’. And ‘What matters for economic history... is that the enlightened age differed from the age of mercantilism in the way it accumulated, disseminated, and employed useful knowledge, and, in the way its economic institutions operated to *create* rather than *redistribute* wealth’. This in turn raises the question of societal *processes* as research focuses equal in explanatory relevance to that of institutions (Redding, 2023).

Such thinking then introduces an additional and crucial factor: a society’s capacity to transform itself. This lies at the center of Eisenstadt’s (1965) theory of progress depending on societal transformative capacity. Three historical examples of this force at work are (1) the Meiji restoration in Japan at the end of the nineteenth century, based on the globally active study of how other societies had achieved such advanced prosperity, and the application of those lessons in ways that retained Japan’s identity and core traditions; (2) the period from 1895 to 2014 in Britain when – after the first industrial revolution had led to imbalances in wealth and influence – a series of radical societal innovations brought about a dismantling of the traditional hierarchy, a re-focussing on widely legitimized authority in Parliament, and the beginnings of a welfare state (Bogdanor, 2022); and (3) in China the three decades of change after 1980 brought about by Deng Xiaoping through the introduction of market forces, the return of the private sector, and the opening of the economy to global business.

In this broader sense of theorizing, Neuhausser (2023) has now proposed that research has the duty to pursue the notion of ‘social pathology’. Societies can be more or less ‘fit’ for progress. This stems from the widely adopted concept of a society as a complex socio-economic system in a constant state of adjustment both internally and with its surroundings. As he argues the ontology (p. 350) of such systems:

If social life is to be conceived of as the living good – as self-reproducing, functionally organized practices in which the ends of material reproduction and realizing freedom are inextricably interwoven – then the problems that beset it will (typically) be ethical failures, and rational responses to those problems will (typically) involve ethical progress, not merely improvements in social engineering. Ethical crises demand ethical remedies, which, if successful, provide a kind of ethical justification for the conventions, rules, and norms that govern the newly transformed social practices.

Given that the societies that have so far led the world have combined economic productivity with widespread societal empowerment, it follows that research comparing societies should now go *beyond* demonstrating a connection between culture and institutions and engage with demonstrating how and why their combined effects can foster societal progress towards not only wealth but also motivated engagement and commitment of the kind that subsequently influences change towards societal progress of the kind visible in the unobtrusive measure of migration patterns.

Much new thinking is working on this agenda and might provide the incentive to widen the paper’s theme. Some selected examples are: Mokyr (2017) on the origins of the modern economy, Acemoglu and Robinson (2012) on why nations fail, Bejan (2020) on freedom and evolution, Inglehart (2018) on cultural evolution, Libman and Obydenkova (2021) on the legacies of Communism, Mazzucato (2021) on changing capitalism, McCloskey (2006, 2010, 2016) on the role of bourgeois ethics, Pinker (2021)

on the role of rationality, Redding (2023) on societal process analysis, and Shambaugh (2013) on what China lacks.

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