Structure, Institution, Agency, Habit and Reflexive Deliberation

Abstract. The conceptual apparatus referred to generally as agency-structure or agency-institution is central to a great deal of social science, especially Institutional Economics. Despite its centrality, this apparatus has never been able to fully explain how institutions and social structures influence agents’ intentions and actions. Economist, Geoff Hodgson and Sociologist, Margaret Archer have been at the forefront of endeavours to provide such an explanation. Part one of this paper elaborates upon Hodgson’s ideas on institutional rules, habits, habituation and the notion of reconstitutive downward causation. Part two elaborates upon Archer’s ideas on structures, reflexive deliberation and the notion of an internal domain of mental primacy, and ends with a critical look at Archer’s (brief) comments on rules and habits. The conclusion shows how a more nuanced understanding of structures, institutions, agency, habits and deliberation, can inform research into a specific area, namely, the analysis of labour markets.


Keywords: social structure, institution, agency, habit, internal conversation, reflexive deliberation, reconstitutive downward causation

Introduction

The conceptual apparatus referred to generally as agency-structure or agency-institution is central to a great deal of social science, not least Institutional Economics. Despite its centrality, this apparatus has never been able to fully explain how institutions and social structures influence agents, encouraging advocates (including myself) to take refuge in deliberately vague phrases like ‘institutions and structures condition, govern, influence, or shape agency’. Economist, Geoff Hodgson and Sociologist, Margaret Archer, leaders in their respective fields, are not only aware of this problem, they have been at the forefront of endeavours to tackle it. Because their extensive works are, in many ways, the culmination of recent thinking on the links between structure, institution and agency, by focusing on their work we are focusing upon the latest ideas. In order to get a handle on what these ‘latest ideas’ are, let me briefly sketch Hodgson’s explanation of the mechanisms linking institution to agency, followed by Archer’s explanation of the mechanisms linking structure to agency? I will elaborate upon these arguments later.

Following the Institutionalist tradition, Hodgson defines institutions as systems of rules. When institutional rules are drawn upon with sufficient regularity, they can become embodied via a process of
habituation resulting in the adoption of a habit. Habits reflect the wider social, cultural and economic environment agents find themselves engaging with. Hodgson’s process of habituation involves a kind of tacit knowing or embodiment, reminiscent of Bourdieu’s notion of habitus, indeed Hodgson suggests this (2004: 187). When agents act habitually, however, they do so without the need for deliberation. Hodgson and Archer agree that structures enable and constrain agents’ intentions and actions, but structures cannot actually cause agents to have, or change, their intentions and actions. Hodgson goes further, however, arguing that institutions operating via habituation and habits can indeed cause agents to have, or change, their intentions and actions. He refers to this capacity that institutions possess as reconstitutive downward causation. In short, habit is the mechanism linking institutions to agency.

For Archer, being in the world necessarily brings agents into contact with (i) structures that constrain and enable their intentions and (ii) the natural, practical and social orders, which give rise to concerns about physical well-being, performative achievement and self-worth respectively. Agents, knowing their own minds, take these factors into consideration when they reflexively deliberate upon the course of action they feel they ought to take. This reflexive deliberation occurs via the internal conversation whereby agents literally talk to themselves (and sometimes others) about their needs, concerns and the things that might constrain or enable them. They then formulate (fallible) courses of action, or agential projects, they think might result in these needs being met and concerns being addressed. Archer is also keen to establish the existence of a genuine interior, a domain of mental privacy where this process happens. In short, reflexive deliberation, via the internal conversation then, is the mechanism linking structure to agency.³

Now, whilst the mechanisms linking structures and institutions to agents are different, these differences are often overlooked. They are often overlooked when economists make use of social theory, but do so in ways that lose some of the social theoretical sophistication.⁴ They are often overlooked when analysis is carried out at high levels of generality where structures and institutions are explicitly taken as similar kinds of things.⁵ They are often overlooked when Giddens’s (influential) structuration approach is used. In this approach, structures are treated as ‘rules and resources’. If, however, rules form the basis of institutions, the structuration approach ends up with rules, institutions and structures becoming conceptually entangled and their relation to agency becomes ambiguous. They are often overlooked by a tendency for those whom we might call ‘economists’ to focus on institutions, and ‘sociologists’ to focus on structures.⁶ And this brings us to the aims of this paper.

The overall aim of the paper is clarification. The paper aims to illuminate, elaborate upon, and clarify the different ways in which structures and institutions, respectively, impact upon agents’ intentions and actions. Whilst emphasising difference is important, it can easily mislead us into believing that either structures, or institutions, but not both, influence agents’ intentions and actions. The second aim,
therefore, is to illuminate, elaborate upon, and clarify the way in which structures, reflexive deliberation, and the internal conversation operate jointly with habits, to influence agents’ intentions and actions.\textsuperscript{7}

Part one elaborates upon Hodgson’s ideas on institutional rules, habits, habituation and the notion of reconstitutive downward causation. Doing this requires us to spend a little time unpacking several different ways of interpreting questions such as ‘What causes agents’ intentions?’ and ‘Do habits have priority over deliberations?’ It also requires us to distinguish between three levels at which enquiry into rules and habits can be conducted; the evolutionary-biological, the neuro-psychological and the social-psychological. I will show that explicitly recognising these different levels, and not confusing them, minimises the risk of talking at cross purposes. This is followed in part two by an elaboration of Archer’s ideas on structures, reflexive deliberation and the notion of an internal domain of mental primacy. This brings us face to face with two complicated issues: uncaused causes and reasons as causes. Let me say immediately, that I cannot ‘solve’ the problems buried in these complicated issues. But by abstracting from the evolutionary-biological and the neuro-psychological and concentrating on the social-psychological, and by treating the notion of causality with care, what is involved in these complicated issues can be better understood and the debate clarified. The section ends with a critical look at Archer’s (brief) comments on rules and habits. The conclusion shows how a more nuanced understanding of structures, institutions, agency, habits and deliberation, can inform research into a specific area, namely, the analysis of labour markets.

1. Institutions, agency and habits

In elaborating upon the link between institutions and agency, Hodgson makes specific use of Darwinian evolutionary theory and methodology.

The principle of determinacy upholds that intentions are caused, but this does not diminish the reality or responsibility of will or choice. The alternative and unacceptable view of an uncaused cause would not make us responsible for our actions as they would result from capricious and spontaneous processes beyond our knowledge and control (2004: 96).

Emergentist materialism rejects multiple and independent forms of being…Instead of being a ghost in the machine, the mind is understood in terms of emergent properties of organized matter. Human intentions are regarded as emergent properties of materialist interactions within the human nervous system (2004: 96).
A causal account of the interaction between the individual and social structure had to be provided. This causal account should not stop with the individual, but it should also attempt to explain the origin of psychological purposes and preferences (2004: 157).

Whilst Hodgson accepts that intentions (or reasons) can be causes, he argues that intentions themselves are always caused and should, in principle at least, be explicable in terms of an account of their causes. Hodgson’s commitment to the principle of determinacy leads him to reject the idea of an uncaused cause, whilst his commitment to emergentist materialism leads him to conceive of intentions as evolved, emergent properties of materialist interactions within the human nervous system.

Intentions can be causes, but intentions are always caused. The evolution of human intentionality, and its development within each human being, has to be explained in terms of materialist causes and evolutionary selection (2004: 154).

For Hodgson the phenomena that link agency and institution are habits and processes of habituation, which he sees as prior to deliberation – although exactly what this means will be elaborated upon later. He also sees a role for instinct as grounding habit, although I will avoid discussing instinct here in order to keep the focus on habits.

Both instinct and habit are essential for individual development. Inherited dispositions are necessary for socialization to begin its work. Obversely, much instinct can hardly manifest itself without the help of culture and socialization (2004: 163).

Habits themselves are formed through repetition of action and thought. They are influenced by prior activity and have durable self-sustaining qualities. Through their habits, individuals carry the marks of their own unique history. Habits are the basis of both reflective and non-reflective behaviour (2003: 164).

Habit does not deny choice. Different sets of habits may give rise to competing preferences. A choice is then made, and this choice may itself involve a further cluster of habitual interpretations or dispositions. It is beyond the scope of this essay to enquire into the difficult question of freedom of the will…[O]n the one hand, choice is a largely unpredictable outcome of the complex human nervous system, situated in a complex, open and changing environment. On the other hand, our inheritance, upbringing and circumstances affect our choices. Human agency is neither uncaused nor generally predictable (2003: 170-171).
The world of a child is one of specific customs and institutions into which he or she must be socialized. The individual learns to adapt to these circumstances, and through repeated action acquires culturally specific habits of thought and behaviour. These customs and institutions have also evolved through time; they are the weight of the past at the social level (Hodgson 2004: 168-9).

One of the well established functions of habits is that they obviate the need for a kind of ‘hyper-deliberation’ where agents might be assumed to engage in a continual process of conscious deliberation over everything that came within their orbit, every moment of the day. ‘Hyper-deliberation’ would simply result in a kind of social and mental paralysis where no-one would be able to deliberate or act. Such a process is rendered unnecessary because habits enable agents to operate unconsciously, on a kind of ‘auto-pilot’ as it were. As Hodgson puts it; ‘By freeing the conscious mind from many details, instinct and habit have an essential role. If we had to deliberate upon everything, our reasoning would be paralysed by the weight of data’ (2004: 174). In making this argument, Hodgson is drawing upon a well known argument in economics, where agents follow conventions (Keynes), social rules of conduct (Hayek) and habits (Veblen).

Perhaps the most significant point Hodgson makes is that in the agency-structure encounter, agents are themselves changed: a process he calls reconstitutive downward causation.

We start from the contention that socio-economic systems do not simply create new products and perceptions. They also create and re-create individuals. The individual not only changes his/her purposes and preferences, but also revises his/her skills and his/her perceptions of his/her needs. In terms of both capacities and preferences, the individual is changed in the process (2003: 162).

There are no magical ‘cultural’ or ‘economic’ forces controlling individuals, other than those affecting the dispositions, thoughts and actions within individual human actors. People do not develop new preferences, wants or purposes because mysterious ‘social forces’ control them. What have to be examined are the social and psychological mechanisms leading to such changes of preference, disposition or mentality. What does happen is that the framing, shifting and constraining capacities of social institutions give rise to new perceptions and dispositions within individuals. Upon new habits of thought and behaviour, new preferences and intentions emerge…The crucial point in the argument here is to recognise the significance of reconstitutive downward causation on habits, rather than merely on behaviour, intentions or preferences. Clearly, the definitional
distinction here between habit (as a propensity or disposition) and behaviour (or action) is essential (Hodgson 2002b: 170).

The foregoing comments raise important issues that can be highlighted via two questions. First: What causes agents’ intentions? Given that Hodgson’s answer to this question is ‘habits’ not deliberation, the second question is: Do habits have priority over deliberations in causing agents’ actions? These questions are open to three basic kinds of interpretation and it is important to clarify just what they might be asking.8

What causes agents’ intentions?

When we enquire as to the cause of something, we are often seeking the thing that ‘tipped the balance of events so as to produce the known outcome’ (Scriven, in Bhaskar 1989: 83, emphasis added). The flicking of a light switch, for example, is the cause of the lamp lighting in the sense that flicking ‘tips the balance of events, producing the known outcome’. Yet clearly a whole slew of other things like filaments, glass, plastic, metal, wire, electricity supply and so on are also causally implicated here. These other things are enabling or distal causes. To avoid confusion I will refer to the thing that ‘tips the balance’ as the proximate cause, and the other thing or things that are causally implicated, as distal causes. I will come back to this in a moment, but let us now consider three ways of interpreting the question: What causes agents’ intentions?

1. The question could be addressed in an evolutionary-biological sense. To ask what causes agents’ intentions in this sense, is to enquire into the materialist and evolutionary mechanisms that have endowed human beings, as a species, with the capacity to have ‘intentions’. This is what Hodgson probably means when he writes (above) of the ‘evolution of human intentionality’. A legitimate answer to this question would be something like the following: Agents intentions are the emergent properties of organized matter, caused by materialist interactions within the human nervous system as it has evolved over millions of years.

2. The question could be addressed in a psycho-neurological sense. To ask what causes agents’ intentions in this sense is to enquire into the neuro-psychological mechanisms that endow today’s human beings with the capacity to have ‘intentions’. A legitimate answer to this question would be something like the following: Agent’s intentions are caused by neuro-psychological mechanisms.

3. The question could be addressed in a social-psychological sense. To ask what causes agents’ intentions in this sense is to enquire into what causes agents to have, or to change, their
intentions. A legitimate answer to this question would be something like the following: Agents' intentions are caused, or changed, by habit H.

All three mechanisms are causally implicated in causing agents' intentions, hence all three interpretations are perfectly legitimate ways of approaching the causes of agents' intentions. Explicitly recognising the different senses in which they can be invoked, and not confusing them, however, minimises the risk of talking at cross purposes – i.e. by asking a question in one sense, and answering it in different sense. As it happens, the social-psychological sense is, almost always, invoked in the agency-structure/institution debate. As economists, we often want to know what causal influence some structure or institution has on an agent's intention, for example, to enter the labour market or to change from buying brand X to buying brand Y. Notice that when we ask what causes the intention to enter the labour market we are, typically, not enquiring into the evolutionary-biological, and neuro-psychological, mechanisms that make this possible. It is perfectly legitimate to abstract from the evolutionary-biological and the psycho-neurological when we are operating at the level of the social-psychological. It is illegitimate to presume that evolutionary-biological, or neuro-psychological, mechanisms are not (distally) causally implicated in the intention to enter the labour market.

Here is where distal and proximate causes can be used to good effect. The distal causes of an agent's intention are not only the evolutionary-biological, and psycho-neurological, mechanisms that make a process of habituation possible, but also the institutional rules that lead to the adoption of habits. The proximate cause of an agent's intention might be a habit – or as we will see in a few moments, the proximate cause might be a deliberation. Habits can cause intentions, and changed habits can cause changed intentions.

Do habits have priority over deliberations?
Whereas for Archer, the chain of causality runs from reasons, through reflexive deliberations to intentions, for Hodgson the chain of causality has a prior stage, rooted instincts\(^9\) and habits. This brings us to the following question: Do habits have priority over deliberations in causing agents' actions? Once again there are three ways to interpret the question.

1. The question could be addressed in an evolutionary-biological sense. Habits are primary and deliberation secondary, in the sense that the human capacity to deliberate has emerged from the capacity to operate habitually, via a material and evolutionary process occurring over millions of years.

2. The question could be addressed in a neuro-psychological sense. The question is asking whether conceptual and cognitive habits act as a kind of classificatory system. If so, then
habits have primacy over deliberation in the sense that habits make deliberation possible. That is, without habits, deliberation would be impossible. Experiments conducted over the last thirty years indicate that:

conscious sensations are reported about half a second after neural events and unconscious brain processes are discernable before any conscious decision to act. This evidence suggests that our dispositions are triggered before our actions are already underway. From a Darwinian perspective, reasoning itself is based on habits and instincts, and it cannot be sustained without them (Hodgson 2006b: 26).

3. The question could be addressed in a social-psychological sense. It is asking whether a specific intention is caused primarily by the agent enacting a specific habit, and secondarily (if at all) by the agent deliberating.

Once again evolutionary-biological, neuro-psychological and social-psychological mechanisms are causally implicated in agents’ habits and deliberations, hence all three interpretations are perfectly legitimate ways of approaching the question of primacy. Once again, explicitly recognising the different senses in which they can be invoked, and not confusing them minimises the risk of talking at cross purposes. Once again the social-psychological sense is, almost always, invoked in the agency-structure/institution debate. We often want to know whether an agent’s intention, for example, to enter the labour market or to change from buying brand X to buying brand Y, is primarily the result of deliberation or of habit. Notice that when we ask whether habit is the primary (proximate) cause of the intention to enter the labour market we are, typically, not enquiring into the (distal) evolutionary-biological, and psycho-neurological, mechanisms that cause this to be possible. It is legitimate to abstract from the evolutionary-biological and the psycho-neurological when we are operating at the level of the social-psychological. It is illegitimate to presume that evolutionary-biological, or neuro-psychological, mechanisms are not (distally) causally implicated in the intention to enter the labour market.

To remain within the context in which the question is almost always addressed in the agency-structure/institution debate, I will henceforth abstract from (distal) evolutionary-biological and psycho-neurological causal mechanisms, and focus on (proximate) social-psychological causal mechanisms.

The following example, working at the level of the socio-psychological, illustrates how an agent’s initial, and in this case, deliberate, decision can change via a process of habituation.
For reason of cost, and a desire to minimise pollution and road congestion, a person may use the bus to travel to work. As a result of this repeated behaviour, an associated set of habits of thought and behaviour will be reinforced. These habits may have further repercussions. However, if the bus service is withdrawn, then the individual will be obliged to use another means of travel. It may be that there is no alternative to the car. The individual will then begin to drive to work and develop another set of habits. Even if a preference for public transport is maintained, it could eventually be undermined by repeated personal car use. The change in the provision of public transport can alter preferences for that mode (Hodgson 2003: 166).

How exactly does repeated car use cause a preference for car use? Hodgson’s example does not elaborate, but it is not difficult to image what he has in mind. Consider the daily routine of finding the car keys, walking to the car, getting seat-belted up, starting the engine, adjusting the mirrors and driving position, driving the familiar route to work, (in relative warmth, dryness, comfort and convenience vis-à-vis bus travellers) parking, then doing the same every evening. When this goes on every day of every week of every month of every year, it becomes ritual, a habit. Through repeated behaviour of this kind, the commuter may well eventually develop a preference for car use. As Veblen wrote: ‘habits of thought are the outcomes of habits of life’ (Hodgson 2004: 171). If something like this is what Hodgson has in mind, then this process of habituation involves a kind of tacit knowing or embodiment, reminiscent of Bourdieu’s notion of habitus. Repeated practice triggers neurological processes, generating habits that become stored in our neural networks – which does not, of course, mean habits are reducible to neural networks, neurons, synaptic connection or some such. Habits form via this process of habituation, and intentions can change, entirely without deliberation.

This allows Hodgson to take one step ‘further back’ in the causal chain starting with agents’ intentions. The proximate cause of agent P’s intention Q is habit H, and the proximate causes of Habit H are institutional rules X and Y. Because this causal explanation does not require a discussion of deliberation, it avoids the thorny issue of the cause of deliberation itself – which we will return to in section three. This is, however, only true in situations where intentions are caused entirely without deliberation. And this is clearly not always the case. It is not only easy to think of numerous examples where habit and deliberation occur together, but also to think of examples where habit is not in operation at all. In order to avoid any confusion, allow me to repeat a point made earlier. Because we are now able to distinguish between the evolutionary-biological, psycho-neurological and socio-psychological senses of primacy, we can proceed at the socio-psychological level (at which this example is couched) by abstracting from evolutionary-biology and psycho-neurology without presuming they are not causally implicated.
It is entirely plausible to imagine the commuter engaging in an ‘inner conversation’ that goes something like this: ‘I have been taking the car to work for $x$ years now, ever since the bus service was withdrawn. Driving to work seems to have become a bit of a (bad) habit. So what happened to my concern with pollution and congestion? Am I no longer so concerned? If I am, am I concerned enough to stop taking the car? If I stop taking the car, how will I get to work? Shall I buy a bike and start cycling to work?’ And so on. In other words, it is perfectly plausible to imagine the agent consciously deliberating upon some habit and choosing whether or not to follow it. Intentions can change without any of this change requiring habit.

There are, moreover, times when the very idea of the primacy of habit over deliberation is wrong. I might, for example, follow my usual route to work largely on the basis of habit, not having to consciously think about turning off the M6 at junction 33, just doing it on ‘automatic pilot’ as it were. But if I come to a traffic jam, there are no habits to act as guides, so I have to deliberate, and choose the next best route. Whilst Hodgson plays down the role of deliberation, he has to admit there are times when deliberation, not habit, is the cause of agents’ intentions. In one place he writes: ‘deliberation and reason are deployed to make a choice when habits conflict, or are insufficient to deal with the complex situation (2004: 172). Reconstitutive downward causation does not, therefore, always involve primacy of habit over deliberation. Hodgson is aware of this, writing:

> The existence of reconstitutive downward causation does not mean that institutions directly, entirely, or uniformly determine individual aspirations, merely that there can be significant downward effects (2006b: 7, emphasis added).

If the cause of agents’ intentions is not just habit, but deliberation also, then both habit and deliberation can cause agents’ intentions. Furthermore, the agential capacity to deliberate, including the capacity to deliberate on habits, strongly suggests the existence of a genuine interior, a domain of mental privacy. Whilst Hodgson does not deal with psychological processes in the way Archer does, he does leave room for them, as the following comment indicates:

> An agent sensitive institution is one in which the reigning…conventions can be significantly altered if the preferences or dispositions of some agents are changed…[In agent insensitive cases the] explanatory burden is carried by system structures rather than the preferences or psychology of individuals. I describe such cases as ‘agent insensitive’ institutions because outcomes are relatively insensitive to individual psychology or personality (Hodgson 2006b: 16, emphasis added).
In another place he calls for a ‘causal and psychological explanation of how structures can affect or mould individual purposes or preferences’ (Hodgson 2004: 37). I see no obvious reason why the understanding of psychology or personality he seeks should exclude the existence of a domain of mental privacy. Indeed, to claim that institutions can be sensitive or insensitive to ‘individual psychology or personality’, not only presupposes an individual psychology or personality, it also presupposes an individual psychology or personality that does more than process and reflect extra-agential influences.

Before turning to consider structures, reflexive deliberation and the internal conversation let us take stock, and summarise the discussion thus far.

- The institutional rules that become embodied as habits may initially be encountered unconsciously, resulting for example, in the habit of standing at an appropriate distance from one’s interlocutor. Alternately they may be encountered consciously, resulting for example, in the habit of turning up for work on time. They may, also, be initially encountered in part consciously and in part unconsciously, resulting for example, in the habit of working at a work-tempo that is acceptable to the work-group.

- Perhaps more important than the matter of how a habit was initially encountered, is the matter of how it is enacted. Many habits start life consciously then gradually sink into the back of the mind, whereupon we become unaware of their origin. Recruiters who regularly recruit employees from a particular ethnic community, for example, probably operate on a mixture of racist stereotypes, the origin of which are partly conscious, partly unconscious. They would probably find it difficult to explain the origin of their intentions.

- Intentions driven by habit can be interrupted, often by unforeseen or relatively dramatic events, causing the agent to deliberate and perhaps adopt another intention. This new intention is, at least initially, non-habitual – although it may eventually become habitual.

- Sometimes intention is caused by habit alone, such as the habit of following a particular route to work on ‘automatic pilot’ as it were. Sometimes intention is caused by deliberation alone, such as the decision to take an alternative route when faced with a traffic jam. And sometimes intention is caused by a combination of habit and deliberation, such as the intention to apply for a job. The job seeker may deliberate over whether to apply to company X or company Y, but following gendered habits, may not even consider certain occupations.

- Intentions often take the form, not of unique, isolated sets of ideas, but as combinations of ideas. Driving to work, recruiting an employee or seeking a job, for example, all involve a combination of habit and deliberation in a complex iterative process. In instances like this, it is not that habit works on one intention and deliberation on another, but that both are working on the same combinations of ideas that form the intention.
• Routine actions that require deliberation, such as whether or not to use Power Point in this afternoon’s lecture, are not rooted in habits.

• Finally, we should not allow a discussion of habits and deliberations to foreclose the possibility that intentions and actions can be caused neither by deliberation or habit, but simply by caprice, whim or impulse. It may well be that such occasions are rare, but the fact that they exist does

3. Social structures, agency, and reflexive deliberation

The following is drawn from Archer 2003, but it should be noted that much of this work is prefigured in Archer 2000. I opt to present Archer in her own words not only because some of the concepts she uses are difficult and I want to minimise the possibility of misrepresentation, but also because she writes extremely carefully and it is often difficult to find alternative phraseology that is as accurate.

What is advanced throughout this book is a concept of the internal conversation, by which agents reflexively deliberate upon the social circumstances that they confront. Because they possess personal identity, as defined by their individual configuration of concerns, they know what they care about most and what they seek to realise in society. Because they are capable of internally deliberating about themselves in relation to their social circumstances, they are the authors of projects that they (fallibly) believe will achieve something of what they want from and in society. Because pursuit of a social project generally spells out an encounter with social powers, in the form of constraints and enablements, then the ongoing internal conversation will mediate agents’ receptions of these structural and cultural influences. In other words, our personal powers are exercised through reflexive interior dialogue and are causally accountable for the delineation of our concerns, the definition of our projects, the diagnosis of our circumstances and, ultimately, the determination of our practices in society. Reflexive deliberations constitute the mediatory process between ‘structure and agency’, they represent the subjective element which is always in interplay with the causal powers of objective social forms (Archer 2003: 130).

For anything to exert the power of a constraint or an enablement, it has to stand in a relationship such that it obstructs or aids the achievement of some specific agential enterprise. The generic name given to such enterprises is ‘projects’…[A] project involves an end that is desired, however tentatively or nebulously, and also some notion, however imprecise, of the course of action through which to accomplish it…[W]hen a project is constrained or enabled during its execution, agents can act strategically to try to discover ways around it or to define a second-best outcome (where constraints are concerned).
Equally strategically, they can deliberate about how to get the most out of propitious circumstances, which may mean adopting a more ambitious goal, so that a good outcome is turned into a better one (where enablements are concerned) (ibid: 5-6).

It is our deliberations which determine what we will make of the constraints and enablements which we confront, what opportunity costs we are prepared to pay, and whether we consider it worthwhile joining others in the organised pursuit of change or the collective defence of the status quo. To a very important degree, agential subjectivity thus mediates socio-cultural objectivity (ibid: 52).

Self-consciousness...is a relational property, emergent from our relations with the world, with which our physical constitutions dictate that we must interact if we are to survive....Through our earliest practical activities onwards, we begin to distinguish our properties and powers from those pertaining to the world. ‘Self’ becomes differentiated from ‘otherness’...In other words, the primacy of practice is the anchorage of self-consciousness (Archer 2003: 119-20, emphasis added).

[A]s the persons who engage in internal conversations, we are already, inter alia, social beings...In other words, society is a necessary precondition for and an indispensable part of our internal deliberations...Without nullifying the privacy of our inner lives, our sociality is there inside them because it is there inside us. Hence the inner conversation cannot be portrayed as the fully independent activity of the isolated monad, who only takes cognisance of his external social context in the same way that he consults the weather (ibid: 117).

Thus the first stage in the conceptualisation of the mediation of structure to agency consists in specification of how the powers of structural and cultural emergent properties impinge upon us; namely by shaping our situations such that they have the capacity to operate as constraints and enablements. These structural and cultural properties only become causally efficacious in relation to human projects in society. In other words, there is a distinct second stage in the mediatory process during which our general potentialities and liabilities as human agents, necessarily inhabiting a social environment, are transformed into specific projects...Thus it is not agential properties that interact directly with social powers, rather, it is the projects formulated by agents, in exercising their subjective and reflexive mental powers that do so. In sum, structural and cultural factors do not exert causal powers in relation to human beings, but rather in relation to our emergent powers to formulate social objectives....Since constraints and enablements
work automatically, whereas agents work reflexively...the third stage consists in the elaboration of *strategy* by self-conscious social subjects *towards* non-reflexive social powers. In everyday terms, we examine our social contexts, asking and answering ourselves (fallibly) about how we can best realise the concerns, which we determine ourselves, in circumstances that were not of our choosing. This final stage which completes the mediatory process is conducted through the internal conversation. We survey constraints and enablements, under our own descriptions (which is the only way we can know anything); we consult our projects which were deliberatively defined to realise our concerns; and we strategically adjust them into those practices which we conclude internally (and always fallibly) will enable us to do (and be) what we care about most in society. Thus, the progressive specification of concrete courses of action, which involves the trajectory *concerns ➔ projects ➔ practices ➔* is accomplished through internal conversations (*ibid*: 132-3).

Hodgson has, quite reasonably in my opinion, highlighted an area of concern for critical realists in general, and Archer in particular, notably, the inability to account fully for the effects of structures on agents.

We are told how structures evolve, but there is no parallel explanation of the changes to individuals...In critical realism there is no adequate explanation of the causes of reasons and beliefs. So far the account of agency in critical realism is incomplete...Critical realism...does not give an account of the cultural, psychological or physiological causes of beliefs or reasons themselves...[W]hat is required is an account of individual agency that includes an explanation of how structures can lead to fundamental changes in individual reasons, beliefs or purposes (Hodgson 2004: 37).

Hodgson’s comments were penned before the publication of Archer’s latest book which, it must be recognised, does offer a more adequate account of human agency than previously available. Hodgson’s demand for an explanation of the causes of intentions, however, brings us face to face with two complicated issues: *uncaused causes*; and *reasons as causes*. Fortunately there is a relatively painless way of dealing with these issues without re-opening philosophical debates, and this is done by treating the notion of causality with more care.

*Intentions, reasons and causes*

There are two sets of distal causes of agents’ intentions. Agents’ intentions are distally caused by reasons, and reasons are distally caused by the enabling and constraining influences of structures. By invoking distal causality here we avoid the temptation to imply, metaphorically, that structures ‘reach
into the mind and throw a mental switch’, thereby, proximately causing an intention. But agents’ intentions are also distally caused by reasons, and reasons are distally caused by agents’ interactions with the natural, practical and social world.

Given our human constitution, the way the world is made and the necessity of interaction between them, subjects cannot avoid having concerns, which are vested in the three different orders. These are concerns about our physical well-being in the natural order, about our performative achievement in the practical order and about self-worth, in the social order (Archer 2003: 120).

By invoking distal causality here we avoid the temptation to imply, metaphorically, that the natural, practical and social world ‘reaches into the mind and throws a mental switch’, thereby proximately causing an intention. If, however, structures and concerns are distal causes, what is the proximate cause of an agents’ intention? The proximate cause is what ‘tips the balance’ namely, the reflexive deliberation. In the process of reflexive deliberation agents reflect upon the distal causes just noted, and subsequently arrive at an intention.

Now, to argue this is to invoke the well known idea that reasons can be causes, at which point Hodgson will demand an explanation of ‘the origin of psychological purposes and preferences’, that is, an explanation of the cause of the reflexive deliberation itself. Archer can, I think, respond by invoking proximate causality, coupled with her sophisticated notion of human agency, especially the notion of a domain of mental privacy. Allow me to elaborate. A necessary condition of agents being able to deliberate via the internal conversation and eventually form reasons and intentions, is a genuine interior, a domain of mental privacy where this conversation can be held.

The internal conversation is held to be (a) genuinely interior, (b) ontologically subjective, and (c) causally efficacious…Only if the internal conversation can be upheld as an irreducible personal property, which is real and causally influential, can the exercise of its powers be considered as the missing mediatory mechanism that is needed to complete an adequate account of social conditioning (2003: 16).

Unless internal conversations can be credited with (some) authority in relation to our actions, then they are dispensible. By authority, I mean that our reflexive deliberations have causal efficacy because they derive from us, that is from certain of our mental states. If that is the case, then logically we have to include them in proper explanations of action (2003: 46).
This interior domain is only a ‘genuine interior’, only facilitates deliberation via the internal conversation, is only ‘ontologically subjective’, only has ‘causal efficacy’ and can only ‘derive from us’, if it is immune from (i.e. not determined by) the effect of exterior causes. The agent takes the distal causes stemming from social structure, and the distal causes stemming from concerns about the natural, practical and social world into account, but because she has a genuine interior, she can choose how to respond. Indeed, she can choose to ignore the distal causes, although there may be costs attached to doing so.10

This brings us back to Hodgson’s demand for an explanation of the cause of the reflexive deliberation itself. Matters are slightly complicated by the fact that Hodgson is primarily seeking to explain intentions as proximally caused by habits, and distally caused by institutional rules. In contrast, Archer is primarily seeking to explain intentions as distally caused by structure and concerns, and proximately caused by reasons, with reasons proximally caused by reflexive deliberations. But because Hodgson does recognise times when deliberation, not habit, is in operation, he is also faced with explaining intentions when they arise from deliberations. Thus he cannot entirely avoid the thorny issue of the cause of deliberations, as I noted above. It is one thing to argue that the proximate cause of agent P’s intention Q, is habit H, and the proximate cause of habit H is institutional rule X. It is another thing entirely to argue that the proximate cause of agent P’s intention Q, is reason R, the proximate cause of reason R is reflexive deliberation D, and the cause of reflexive deliberation D is......what exactly?

At this point we reach a kind of semantic impasse. Hodgson would claim that whilst reflexive deliberation is a cause, because there is no proximate cause of the reflexive deliberation itself, it is an uncaused cause. And because there is no cause to explain, the cause is not so much unexplained, as inexplicable. Hodgson firmly rejects the idea of an unexplained and uncaused cause. Archer, by contrast, would claim that she has explained the cause of the reflexive deliberation in an account of what it is (in part) to be human. To be human is (in part) to have a genuine interior wherein one can weigh up the distal causes stemming from social structure and concerns, and reflexively deliberate via the internal conversation to arrive at a reason and an intention. It is not my intention to resolve this dispute. What matters is that we can now see, with a little more clarity, how the impasse has been reached. This might help others to see what is at stake when invoking habits and/or reflexive deliberations as causes of agents’ intentions.

Archer on habits
Whilst habits are not the focus of Archer’s (2000 & 2003) work, she makes one very clear statement that I think is as revealing as it is problematic.

[T]here are few routinised templates for courses of action which ensure that vested interests are protected and projected onwards...Life in an open system precludes such
behavioural assurances and life in a morphogenetic system quickly renders habitual action obsolete. Even more obviously, the attempt to circumvent constraints has few established patterns to follow. (2003: 140).

This comment seems to follow from the basic critical realist ontology of open, morphogenic systems. In the critical realist canon, morphogenetic systems are those that are reproduced with some modification and open systems are systems where law-like event regularities are not present. It does not follow that an open, morphogenic lacks routinised templates or established patterns and/or moves too quickly for institutional rules to solidify and form habits that guide action with a degree of success. There are occasions when agent’s act creatively and innovatively and hence without rules and habits; occasions when agents reject routine and habit; and occasions where acting habitually, via rules, would be inappropriate because times had changed. But there are also occasions when action is guided by institutional rules and habits, possibly alongside occasions where action is guided by deliberation and possibly in place of deliberation. Some agents’ intentions are non-deliberative, and the best explanation we have for such intentions is that they are rooted in habit, which in turn are rooted in institutional rules.

Consider a labour market. It may well be true that when wage rates increase, demand for labour does not always decrease, that is, there may be no such thing as the law of labour demand. This does not mean that labour markets lack routinised templates or established patterns and/or moves too quickly for institutional rules to solidify and form habits that guide action with a degree of success. Indeed, labour markets are, typically, highly routinised social arrangements. Why is this? For mainstream economists the answer lies, essentially, in rational agents’ intentions and actions being coordinated via supply and demand functions that reflect their maximising decisions. Non-mainstream economists, especially those of an Institutionalist persuasion, offer a far more plausible alternative, with the answer lying in institutions. Institutional rules often become embodied, via a process of habituation, and may give rise to habits. A great deal of labour market activity is rooted in class, gender and racial based rules embodied in the form of habits – Bourdieu might refer to this as a class, gender and racial habitus. Habits are enacted by virtually all labour market participants. Habits are for example, enacted by recruitment officers in employing firms that demand labour, job seekers who supply labour, and staff in agencies that influence the demand and supply such as education organisations, recruitment agencies and job centres. We see habit at work in the ideas, intentions and actions of recruiters who hire employees that they deem ‘suitable’ for the jobs in question – think, for example, women’s nimble fingers making them ‘suitable’ for light engineering jobs. We also see habit at work in the ideas, intentions and actions of job-seekers who only apply for those jobs available to a ‘person like me’ – think, for example, women not applying for jobs in the building trade. Intentions and actions like these are non-deliberative in the sense that the agent does not first deliberate, formulate an intention, and then act, rather, she just acts. What
prevents the actions being chaotic is the fact that it is rooted in habit and the habit is rooted in institutional rules. This idea is, of course, well known in Institutional economics and social theory.

Archer’s book is not, of course, about labour markets, but we might consider one germane example. One of Archer’s respondents, Angie, first considered a career in nursing, then decided she liked typing, subsequently realised that clerical work was not a ‘mucky job’, ‘knew lots of people who were secretaries’, including her mother and aunt, and eventually ended up as a full-time secretary (2003: 173). The fact that Archer uses Angie to illustrate ‘communicative reflexivity’ (a particular form of deliberation) is not at issue here; I use it simply to illustrate the possibility of non-deliberative action. Angie would almost certainly not have considered becoming a welder in the way she considered becoming a nurse. Angie, and young women like her, would almost certainly not have deliberated about becoming a welder, discussed this possibility with similars and familiars, reflected upon the constraints facing a woman in a predominantly male environment, and then consciously decided against a career in welding. Becoming a welder never made it onto Angie’s radar screen as a possible target for subsequent deliberation. The dead weight of (gendered) routines, not only Angie’s routines, but also of those around her, would have set in motion habits of thought that place nursing and clerical work, but not welding, on her agenda for career contemplation. There would be no conversation, either with herself or her peers, such as: ‘What about me becoming a welder?’ ‘It pays well, and there are jobs locally’. ‘Yes, but have you thought about how dirty welding is, it’ll ruin your hands’. ‘Anyway, dirty factories are full of sexist blokes who will leer at you all day’. And so on. Clearly, there are cases where women take up ‘male’ jobs, and it seems highly likely that in these cases, a significant amount of deliberation via the internal conversation may be undertaken. But these cases are not the normal stuff of labour markets, and when it does occur, routine has been broken; they are the exception that proves the (institutional) rule.

It is also worth noting that much will depend upon what is meant by Archer’s phrase ‘routinised templates for action’. Habits and routinisation should not be assumed always to be regularised patterns, like always getting up at 7am or having a cup of cocoa before going to bed. Habits are often far more subtle. Take the habit of using money, cited by Hodgson.

Veblen explained how processes of habituation give rise to ‘proximate ends’ in addition to any ‘ulterior motive’ driven by instinct. He gave the example of the habit of money acquisition in a pecuniary culture. Money (a means) becomes an end in itself; and the pursuit of money becomes a cultural norm. But pecuniary motives are not innate to humankind: they are culturally formed (Hodgson 2004: 167).
For mature adults, the day-to-day practice of handling money as notes, coins or credit cards is a tacit skill that requires little or no deliberation. Using money repeatedly drives a process of habituation which ‘normalises’ several aspects of money use. The pursuit of money not only becomes an end in itself, it often becomes the ultimate end of our intentions and actions. It also encourages us, for example, to see almost everything as a commodity to be bought and sold. Of course, agents are always able to deliberate on money, means and ends, but it is likely to be the deliberation that is working on a fairly well established habit.

Conclusion
This paper has illuminated, elaborated upon, and clarified not only the different ways in which structures and institutions respectively impact upon agents’ intentions, but also the way in which structures, reflexive deliberation and the internal conversation operate jointly with institutions, rules and habits. Once we are sensitive to difference, we can extend the analysis to include similarity and, thereby, adopt a more rounded approach to the issue of structures, institutions and agency. Is this an advantage? I think so, for two reasons. First, there is always advantage in clarification. After all, it is not as though the issues raised above are well known, free of ambiguity, indisputable, and/or fully understood, at least not outside a small circle of socio-economic theorists, and certainly not to the many readers of the Journal of Economic Institutions. Second, and more importantly, it should allow us to make better use of the agency-structure/institution apparatus to inform a research agenda. Indeed, I am currently working on such an agenda in the field of labour market analysis and would like to conclude by sketching how a more nuanced understanding of structures, institutions, agency, habits and deliberation, might inform a more fruitful analysis of labour markets.

I have recently argued (Fleetwood 2006) that socio-economic approaches to the analysis of labour markets should take social structures and institutions far more seriously than hitherto, and radically extend their scope. This means breaking with the dominant ‘embedding’ metaphor, along with the dualistic idea of two separate phenomena, namely, labour markets and social structures or institutions. Search as we might, we will be unable to find these things called ‘labour markets’ as sites where supply and demand for labour are functionally related to wage rates and will, therefore, be unable to properly explain their operation. Instead of conceiving of labour markets as embedded in social structures and institutions, I argue that labour markets just are, or are exhausted by, the social structures and institutions that constitute them. Whilst I think this is a more plausible, albeit quite radical, approach to labour markets, I have to admit I fudged the relation between institutions and structures. Sensitive to the differences and similarities in the ways structures and institutions respectively influence agents’ intentions, I am now working on a more sophisticated research programme for labour market analysis.
In navigating their way through labour markets, agents come into contact with structures and institutions - and organisations, which I leave out of the picture here. On the one hand, structures influence labour market participants’ intentions and actions by enabling and constraining them. Participants are aware of (many of) these enablements and constraints and take them into consideration when deliberating, via their internal conversations, and forming (fallible) agential projects – or labour market strategies. Labour market analysis might proceed by identifying which structures are at work, which ones enable, which ones constrain, which agents are affected by which structures, and how adequate the various labour market strategies are likely to be. This will involve some research techniques that aim to recover agents’ meanings, understandings and intentions, and other techniques to evaluate their strategies in the light of constraints and enablements that they are unaware of. This leads on to policy considerations orientated towards altering, or perhaps removing, those structures that constrain, replacing them with those that enable, or towards altering the social position of labour market participants so that they can take advantage of the enablements afforded by certain structures.

On the other hand, institutions influence labour market participants’ intentions and actions, by generating habits. Indeed I noted above the way in which labour market activity is rooted in class, gender and racial based rules embodied in the form of habits. Participants are, however, often unaware of the institutional rules generating their habitual behaviour; indeed they are often unaware they are engaging in habitual behaviour. Labour market analysis might proceed by identifying which institutions, and which institutional rules are at work, which habits are adopted and how adequate the various, tacitly understood, labour market strategies are likely to be. This is a far cry from merely investigating the impact ‘institutions’ have on labour supply, labour demand, and wage rates. Whilst this may involve qualitative research techniques that aim to recover agents’ meanings, understandings and intentions, other techniques will be necessary to unearth the institutions, habits and rules that labour market participants, are themselves, unaware of. This leads on to policy considerations orientated towards altering or perhaps even removing those institutional rules generating inappropriate habits, perhaps replacing them with more appropriate institutional rules and, therefore, more appropriate habits.

Labour market analysis carried out with an orientation primarily towards institutions, rules and habits is likely to miss the effects on agents’ intentions and actions stemming from structures, deliberation and internal conversations. Labour market analysis carried out with an orientation primarily towards structures, deliberation and internal conversations is, conversely, likely to miss the effects on agents’ intentions and actions stemming from institutions, rules and habits. To avoid one-sidedness, labour market analysis needs to be carried out in a multi-disciplinary way, orientated towards structures and institutions and, of course, sensitive to the differences and similarities in the ways structures and institutions respectively influence agents’ intentions and actions.
For ease of exposition, I will not distinguish between cultural and social structures and, furthermore, will drop the term ‘social’ and refer simply to structures where possible.

Because I take the work of Archer and Hodgson as the culmination of recent thinking on agency and structure/institution, I want to keep their ideas in focus, and so opt to keep references to secondary sources to a minimum.

It is important to note that Archer’s notion of deliberation does not equate to making calculatively, rational, maximizing decisions; she totally rejects *homo economicus*. It simply means that agents often think about their concerns, what they need, what will enable and constrain them, and what action might be appropriate in the circumstances. This can result in wholly inappropriate action when agents’ deliberations are mistaken, sub-optimal outcomes, and can involve genuine altruism – i.e. not self-interest in disguise.

Hodgson (2002a) accuses mainstream economists of ‘institutional blindness’. It is not that these economists are ignorant of institutions, rather they are methodologically ill-equipped to deal with them. Portes (2006) has recently made similar comments, but extends this critique to some non-mainstream economists also.

For example, Hodgson suggests that: ‘Institutions are the kind of structures that matter most in the social realm: they make up the stuff of social life’ (Hodgson (2006: 2, passim).

Mainstream economists never mention the term ‘social structures’, and Institutionalist economists (with notable exceptions) understandably prefer to stick with the term ‘institutions’. See Jackson (2007). In a recent survey of the Economic Institutionalist literature Parto (2005) does mention structure, but only in passing and it must be said, ambiguously.

Whilst we are usually concerned with intentions and any actions that follow from these intentions, dropping the term ‘action’ (where appropriate) will ease problems of exposition later in the paper when the arguments get a little complex.

Much of the following section draws on Hodgson 2004, chapters 7 and 8.

I will not say a great deal about instincts except to stress that Hodgson (2004, especially chapter 7) is careful to avoid naïve socio-biology whereby human intentions as reducible to, or fixed by, genetic programming. Rather, he treats instincts such as suckling, sexual arousal, recognising vocal sounds and speaking language, as necessary phenomena that make many social actions possible. Following Veblen, he argues that instincts are ‘too blunt or vague as instruments to deal with the more rapidly changing exigencies of the human condition. Habits, being more adaptable than instincts’ are better suited to assist agents negotiate social interaction (2006: 166).

We should not allow a discussion of deliberations (or habits) to foreclose the possibility that intentions and actions can be caused neither by deliberation or habit, but simply by caprice, whim or impulse. It may well be that such occasions are rare, but the fact that they exist at all is highly suggestive of a genuine interior domain where we can, occasionally, throw caution to the wind and do something outrageous. I thank one of the referees for this small, but not unimportant, insight.

Economics textbooks give a kind of insight into thinking not always found in journal articles and research monographs because textbooks have to ‘join up’, as it were, a whole set of ideas. In Case and Fair (2004: 198) for example, the labour market is shown diagrammatically as a separate phenomenon to firms and households, but more importantly, it is depicted as a small supply and demand graph. It is something like this, I suspect, that is then seen to be embedded in institutions and structures, and it is this that I reject.
References


