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DIANE E. DAVIS

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EDITOR'S INTRODUCTION

Volume 17 of *Political Power and Social Theory* showcases a collection of first-rate scholarship by historical, political, and economic sociologists who concern themselves with some of the most powerful movements, actors, and institutions of modern society. The papers in this year's volume are grouped around three broad themes that take us back in time to the early 20th century America, extend our analytical scope beyond national borders, and return the reader to the present and a contemporary controversy that has implications for the future of our nation and perhaps even the entire global economy.

Part I, titled *Historical Studies of Race, Class, and Urban Politics*, presents two papers whose arguments are drawn from the historical study of American cities. The main concern of both the papers is race and class and how these two sets of identities interact with each other to produce social and political power dynamics long associated with early 20th century American society. The first paper in this section, "Class, Race, and Urban Politics: The 1920s Ku Klux Klan Movement in the United States" by Christopher Rhomberg, examines the Ku Klux Klan (KKK), perhaps the most infamous anti-immigrant, anti-black, and pro-white social movement of late 19th and 20th century America. With a focus primarily on Klan activities and membership during its so-called "second incarnation," i.e., in the early decades of the 20th century when the movement extended beyond the Old South to many other regions of the country. Rhomberg addresses the recently formulated revisionist claim that during this period the KKK was primarily a "civic activist" movement that emerged in response to the disruptive forces of capitalist development and their impact on community bonds and life, and not necessarily a deep-seeded and explicitly racist social movement seeped in rabid, nativist reaction. Through a comparative study of KKK organization and activities in four regionally distinct cities (El Paso, Texas; Anaheim, California; Youngstown, Ohio; and Pueblo, Colorado) during the 1920s, Rhomberg marshals historical evidence to answer questions about the language, ideology, and originating concerns of the movements' white participants, and whether it placed them more in an orbit of middle class populism than reactionary racism.

In the search for a better understanding of the origins and dynamics of the KKK, Rhomberg evaluates the structural bases of the contending groups

both within and outside the movement, the relations among these actors in the local polity, and the patterns of community formation in urban civil society for each of the four cities under study. All these factors are examined within the context of the established class and political biases contained within different urban political machine-types that prevailed in the cities under study (with some more patronage based and the others built more on elite-class cooperation). Rhomberg not only arrives at the conclusion that "civic" populist discourse brought a historically specific interaction of race and class sentiments among native born whites that helped Klan members challenge local political regimes in ways that best suited their interests. He also argues that enabling civic issues were not simple expressions of popular community, but that they reflected the balance of power and conflicting interests among specific groups. On a more epistemological note, he suggests that much of the scholarly failure to acknowledge the importance of civic populist sentiments as the glue linking race and class identities in Klan mobilization owes as much to the limitations of the predominant social movement frameworks employed by previous scholars as to the facts at hand. Specifically, Rhomberg claims that social movement frameworks that incorporate an understanding of the state as much as society, namely political process and resource mobilization models, allow for a more nuanced understanding of the interaction of race, class, and civic populist factors in Klan mobilization than those frameworks that emphasize the behavioral dimensions of collective action.

The next paper in Part I, "A Tale of Two Bourgeoisies: Race, Class, and Citizenship in San Francisco and Cincinnati, 1870–1911" by Jeffrey Haydu, also examines the inter-relationship between race, class, and civic or citizenship ideals in American cities in the early decades of the 20th century. But rather than being concerned with the ways identity politics interact with civic sentiments to mobilize the economically anxious middle classes vis-à-vis the existent political and class elite, as did Rhomberg, Haydu's paper examines political and class elites and how their actions were molded by civic ties, as well as by race and class dynamics, in American cities. Haydu shares Rhomberg's concern with how identity politics and civic associationalism work at the level of the city and a methodological framework that builds on the comparative study of different locales. However, by focussing on the political and economic elite, Haydu poses a very different theoretical problem and focuses on a very different set of class actors than does Rhomberg. Specifically, Haydu is interested in advancing our understanding of American exceptionalism and capitalist class unity, two interrelated but analytically distinct concerns. In most of the literature on the subject,

questions about American exceptionalism – or questions about why there is no socialism in America, to borrow Sombart's classic formulation – are generally posed on the scale of the nation, with scholars focusing on the structural or cultural factors in the United States that distinguish it from countries in Europe (and elsewhere) where socialism flourished. Normally, such comparisons have led to claims about the power and ideological sentiments of capitalist elites, and how conditions unique to America (immigration, political culture, labor organization, and so on) reinforced capitalist class hostility against labor, thereby limited the flowering of socialist politics. For Haydu, however, this primarily national framing of questions about American exceptionalism carries serious limitations, among them the fact that it does not allow for an understanding of the specificities of capitalist class formation – and possible sub-national variations in capitalist class unity and actions vis-à-vis labor that different patterns of capitalist class formation might produce – even within the larger American context. A study on the level of the city, however, does offer an opportunity to identify the specificities of capitalist class formation in America that do not reduce to more abstract claims about national political cultures, structures, and conditions.

In making this argument, Haydu turns to two cities, Cincinnati and San Francisco, where capitalist elites behaved very differently with respect to the organized working class and each other. Through a detailed study of racial dynamics, class relations, and citizenship practices in Cincinnati and San Francisco, Haydu shows that employer solidarity and ideology unfolded in different ways in these two locales, depending on a variety of specifically local political conditions, despite the fact that capitalists in both cities competed in the same markets, read identical business magazines, and belonged to common trade associations. In explaining the variations in capitalist class action orientations, despite sharing a common "structural" location, Haydu turns directly to civic actions and forms of civic associationalism at the level of city politics and community. Specifically, Haydu suggests that local political practices provided both institutional and ideological support for unified capitalist opposition to unions in Cincinnati, whereas in San Francisco, owing to the more diverse immigrant character and racial makeup of the city, local political battles over capitalist class "monopoly" power continued unabated. As a result, capitalist class unity remained elusive in San Francisco. In fact, because of their weakness as a class, certain capitalists were more likely to recognize working class leaders as legitimate political actors, a stance that often lead them to forge a quasi-corporatist class compromise with labor.

Part II of the volume, titled *Citizens, States, and Social Movements in Colonial and Transnational Context*, turns away from the sub-national level of the city and examines social and political dynamics at the level of nations and even empires, although racial identities, social movements and citizenship concerns remain relevant in several of these papers as well. The first paper in this section, titled "Her Majesty's Sable Subjects: Subaltern Masculinities in Post-emancipation Jamaica" by Mimi Sheller, focuses directly on the ways that racial identities mixed with gender, class, ethnic, religious, and even nationalist affiliations in post-colonial Jamaica to construct citizenship possibilities for certain African-Jamaican men. Sheller's analysis of government and missionary sources, popular petitions, public speeches, and newspapers from 1834 to 1865 demonstrates how freed African–Jamaican men, seeking to move beyond the political and cultural constraints initially posed by colonial domination, worked within and against the discourses of Christian liberalism and masculine individualism to make claims for national citizenship.

Like Rhomberg, Sheller underscores the importance of overlapping identities in helping certain categories of individuals achieve their political aims. But in contrast to Rhomberg, who examines overlapping identities to make sense of a broadly cast middling strata and its efforts to exclude racially disenfranchised populations from citizenship rights, Sheller is concerned with how overlapping identity discourses help precisely the most subordinated and disenfranchised populations to find legitimized avenues for claiming citizenship. She also argues that the multiple identity clusterings with the greatest potential were among the most narrowly circumscribed, in contrast to Rhomberg, who sees a wide tent of political alliance building afforded by identity clustering. Specifically, while Rhomberg's study shows that a broad understanding of race (in his case whiteness) articulated with class (in his case middle classness) to expand the social and political base of the KKK movement, Sheller's study suggests that the clustering of identities that enabled the most resilient and far-reaching citizenship claims in post-emancipation Jamaica, namely that of a "Christian, pro-British, black male," were available to only a sharply narrowed demographic pool. Her analysis shows that, in post-emancipation Jamaica, both racial and gender identities were far from binary and that each of these "essentialist" categories was socially and politically relevant only in terms of their articulation with a wide variety of other identities. This was that the small number of men who were able to credibly claim subaltern citizenship through these multiple identities were also most likely to share some form of identity "proximity" to their colonial suppressors (i.e. through claiming pro-British,

Christian, and male identity along with blackness), a state of affairs that actually divided the sub-altern population on the basis of race and gender, thereby limiting the mass base for social and political opposition to post-emancipation nation-building and citizenship.

The second paper in this section continues the preoccupation with colonial and imperial domination in the Atlantic, but asks very different questions and focuses on a much more global scale. "Europe's Atlantic Empires: Early Modern State Formation Reconsidered" by Jeremy C. A. Smith, considers the impact of colonialism and imperialism in the Atlantic region on the European states that mounted these empires in the first place, and not on citizens or on the social construction of identities in the colonies, as does Sheller. Through a more broadly cast examination of the distinct Atlantic empires conjoined to Spain, France, Portugal, Holland, and England during the 17th and 18th centuries, Smith claims that any theorizing about the intra-national origins and nature of European state formation should be considered incomplete if it does not incorporate an understanding of the parallel impact of transnational relations bound to empire, and how this produced divergent patterns of early modern European state formation. With a comparative analysis of the different imperial orbits of European states and a focused historical treatment of the transatlantic relations forged by Britain and the United Provinces, Smith re-conceptualizes the nature of absolutism as a "figuration of tension." He argues that early European state formation must be understood not only in terms of a monarchical state's relations to provincial and urban powers within its putative national borders, but also with respect to imperial outposts, clients, and administrators.

One of Smith's claims is that the patronage networks were less evident and less significant in the colonial domains of each empire than in the home nation, although not so in the administrative requisites of governance. Yet precisely because of the relative absence of patronage networks in many overseas empires, and with other forms of connections linking colonial administrators back to Europe, new tensions emerged within and between the various "outposts" – cities or provinces and overseas colonies alike – in their negotiations with the monarchical states. Together, these national and transnational networks and tensions laid the groundwork for both the structure and character of European state formation (at least in those states with empires), which Smith suggests was molded by rulers' efforts to manage instability from within and challenges from without. Smith closes his piece by raising new questions about the unexplored connections between governing institutions in the colonial and European domains of early modern empires, and by underscoring the importance of setting a new historical

sociological research agenda for mounting a far-reaching comparative approach to the five empires.

The section closes with dramatic shift to the present, with some continuity in themes nonetheless. "Thinking Locally, Acting Globally? What the Seattle WTO Protests Tell Us About the Global Justice Movement" by Gillian Hughes Murphy and Steven Pfaff wrenches us forward in time a couple of hundred years, but it also continues the same analytic preoccupation as Smith with the local, the global, and the way that transnational dynamics – in this case seen in the rise of transnational social movements – affect both domains simultaneously. Using a focused examination of the so-called "Battle in Seattle," as embodied by the strong mobilizations against the WTO held in that city several years ago, Murphy and Pfaff suggest that it may be misleading to speak about "global" social movements, arguing instead that what others call new global social movements may actually be the well-established process of resource mobilization by which organized interest groups provide support for local activist communities. Their findings are drawn from event data analysis and field work compiled in the study of three different social movement organizations in the Seattle area, and the various strategies used by the movement to advance both local and global aims. Like Rhomberg's study of the KKK, Murphy and Pfaff's findings demonstrate that overlapping agenda, in this case a desire to link local to global inequalities, can often strengthen a movement's social base and political reach. Still, Murphy and Pfaff conceptualize this overlap as significant not because it forms a new type of transnational social movement, but because it generates new movement opportunities, expanding linkages, and alternative networks of coalition formation across interest groups that can contribute to social movement success. Their argument, accordingly, has implications not only for the study of anti-globalization movements, but also for social movement theory and the importance of using acknowledged models of collective action to study newer social movement repertoires.

This year's volume closes with a scholarly controversy section, as is customary in the pages of this journal. This year's topic, titled *A Debate on the Social Origins of Corporate Irresponsibility*, is an issue that many consider to be as current and controversial as the WTO protests: corporate irresponsibility. The vantage point we begin with is the corporation itself, and our authors are concerned with why we have seen an outpouring of scandalous events involving corporate misdeeds and corrupt practices. The leading article, "Corporate Malfeasance and the Myth of Shareholder Value" by Frank Dobbin and Dirk Zorn, gets the debate started by offering a

politically nuanced assessment of the internal logic of corporate organization and culture. Through this empirically rich analysis, Dobbin and Zorn offer an argument for how and why internal and accumulation-driven corporate logic may have led to problems of corporate malfeasance. In response, four leading economic sociologists challenge, accept, elaborate, and historicize their view to this problem, bringing new actors and conditions into the mix, and leading to a rejoinder by Dobbin and Zorn that summarizes the overall debate and its significance. It is our hope that this scholarly controversy, like those of previous years, will lead to new historical, methodological, and theoretical lines of inquiry for sociologists, organization theorists, political scientists, historians, and others who seek to understand some of the most pressing inequalities and injustices of our times, in this case, why corporate responsibility has been on the rise and whether we are likely to see this trend continue.

As another year draws to a close, I want to thank all those who have made this volume of *Political Power and Social Theory* possible. Without the journal's indefatigable Managing Editor, Dr. Christina Proenza–Coles, this volume would never have gone to the press. I owe everything to her. I also thank the production staff at Elsevier, and to the contributors to this year's Scholarly Controversy, especially Frank Dobbin and Dirk Zorn, for working under extreme time pressure with grace and humor to produce incredible results. Finally, I want to extend a special round of thanks to those Editorial Board members who have contributed to the journal for the last 14 years and are now cycling off the board to allow for more new blood. Thank you Gosta Esping–Anderson, Michael Goldfield, Jeffery Paige, and Richard Ratcliff for your years of service. This is a slow but ongoing process of replacement and renewal that will continue over the next several years, but is absolutely necessary to keep this journal as current and cutting-edge as possible. This year, we welcome in their stead George Steinmetz, Eiko Ikegami, and Eduardo Bonilla–Silva as new Editorial Board members. We look forward to our next volume and to seeing the fruits of their labors.

Diane Davis
Cambridge, MA

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PART I:
HISTORICAL STUDIES OF RACE, CLASS, AND URBAN POLITICS

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CLASS, RACE, AND URBAN POLITICS: THE 1920s KU KLUX KLAN MOVEMENT IN THE UNITED STATES

Chris Rhomberg

ABSTRACT

Recent research has challenged traditional views of the 1920s-era Ku Klux Klan in the United States. Case studies have shown that the movement appealed to a broad middle-class constituency and advocated a range of popular reforms. These findings have stimulated a provocative debate over whether the movement represented a mainstream "civic populism" or a more racist reaction to change. Here, I review the recent debate and show how the new data are consistent with current sociological models of collective action. Comparing studies of Klan mobilization in several cities, I argue that the movement was both populist and racist, combining processes of contemporary urban racial and class formation. From this perspective, I suggest, the 1920s Klan highlights a critical moment in the development of racial and class identities in 20th century urban America.

INTRODUCTION

In recent years, scholars have shown renewed interest in the 1920s-era Ku Klux Klan movement in the United States, considered by some to be the largest right-wing movement in American history (Lipset & Raab, 1970, p. 21). Founded in 1915 in Atlanta by William J. Simmons, within a few years the Knights of the Ku Klux Klan, Inc., and its affiliates had recruited an estimated 4–6 million members nationwide. Almost as suddenly as it grew the organization abruptly collapsed, declining rapidly by the end of the 1920s. Yet, at its peak, Klan members or Klan-endorsed candidates won gubernatorial or United States Senate elections in Alabama, Colorado, Georgia, Indiana, Kansas, Oklahoma, Oregon, and Texas. The organization became the central issue in a notorious deadlock of the 1924 Democratic Party national convention, and in scores of large cities and small towns, local Klan chapters (or "klaverns") gained prominence and exercised power in public affairs (Moore, 1991; Dumenil, 1995; Goldberg, 1999; Murray, 1976).

This resurgent or so-called "second" Klan movement departed from its Reconstruction-era predecessor in important ways.[1] Unlike the 19th century Klan, it was national in scope, extending well beyond the agrarian economy of the Old South to many industrialized northern and western states, including regions that were overwhelmingly native-born white and Protestant. Concentrated in urban centers, the movement embraced a wide range of social and political issues, including Prohibition, immigration restriction, and municipal "civic" reformism, along with its traditional white supremacism. Finally, in many areas the organization eschewed overt violence, employed modern methods of promotion and publicity, and engaged successfully in mainstream and electoral politics.

A number of historians have now produced new and detailed case studies of the second Klan, often with the aid of actual membership lists (for review essays, see Moore, 1990; Coben, 1994; Lay, 1995). This new research has sparked a provocative debate over the historical interpretation of the movement. Some scholars have adopted a "populist" or "civic activist" view, arguing that the Klan mobilized a broad, middle-class constituency, motivated by the disruptive forces of capitalist development on the popular experience of community. In this view, local Klan actions normally targeted dominant business and political elites and in many cases "all but ignore[d] the small communities of Catholics, Jews and blacks that did reside within their domains" (Moore, 1991, p. 5). Rather, the hooded order became "a means through which average citizens could resist elite political domination

and attempt to make local and even state governments more responsive to popular interests'' (Moore, 1990, p. 353).

This "civic populist" revision stands in sharp contrast to other recent work that insists on the deep-seated racist and reactionary nature of the movement. For these critics, whatever the local circumstances might be, Klansmen and Klanswomen joined a national organization that officially espoused group hatred and intolerance, and racial and ethnic prejudice were crucial markers of the boundaries of communal solidarity. As one scholar observes, "Claims by contemporaries that the Klan was little more than a Protestant advocacy group are disingenuous. In the private halls of Klan meetings and rallies, the true purpose of the Klan was clear and well received by its adherents" (Blee, 1991, p. 172). And another author concludes, "In [the Klan] the anti-elitism characteristic of populism joined with the commitment to enforce the subordination of whole groups of people" (MacLean, 1994, p. xiii). More than a dispute over a single movement, the debate on the second Klan has re-opened substantive questions about the historical constructions of race, class, and urban community in American political development.

The new studies are as a rule empirically rich and well-crafted, however they have not yet systematically applied current sociological theories of collective action. In this essay, I propose to do three things: First, I review the recent historiographical debate on the Klan, starting from a comparison of the traditional and revisionist views. I show that the traditional version embodied a model of what sociologists would call collective behaviorism, whereas the new findings are consistent with more current concepts of resource mobilization, political process, and the framing of collective identity.

My second objective focuses on the revisionists' dispute over the sociopolitical content of the movement. Here, I argue that the 1920s Klan was *both* a racist *and* a civic reform movement, not because the issues it promoted varied empirically from one local context to another (although they did), but because processes of white racial and populist class formation were joined in the same movement, even in those places where native-born whites were an overwhelming majority. On this point, the crucial task is to show *how* the politics of both race and class shaped the development of local actors, the articulation of popular "civic" issues, and the effects of the movement on the urban community.

To answer these questions, I re-examine several of the principal "civic populist" case studies, in order to compare Klan mobilization across different settings. Drawing from social movement theory, I adopt a

comparative framework that highlights three primary analytic dimensions: the structural bases of contending groups, the relations among actors in the local polity, and the patterns of community formation in urban civil society. This framework allows us to assess the impact of common social and political forces in unique local configurations.

Finally, I hope to at least raise the question of the long-term consequences of Klan mobilization. If it is true that Klan members were not nearly as marginal as once thought, then how should we evaluate the movement in relation to more enduring currents of American political development? In this context, I suggest, the decade of the 1920s appears more clearly as a critical juncture in the formation of collective racial and class identities in 20th century urban America, and the Klan represents less a negative protest against the forces of modernization than a positive effort to reconstitute local political community. The legacy of that juncture, and the problem of urban political community, remain with us today.

THE KU KLUX KLAN OF THE 1920s: THE TRADITIONAL INTERPRETATION

Traditionally, historical interpretations of the second Klan have portrayed it as a backward-looking extremist movement, the dying gasp of a provincial nativist Americanism in the face of industrialization, mass immigration, and urban modernism. For Richard Hofstadter, the Klan was a "rural Protestant enthusiasm" among the "relatively unprosperous and uncultivated," while other authors included small-town middle classes, and recent migrants from these areas to the city (Hofstadter, 1977, p. 291; Rice, 1972; Alexander, 1966). Such groups were threatened by a rapidly changing economy and alienated from an increasingly plural American culture, and sought refuge in old-stock traditions of religious fundamentalism, white nativism, and prohibitionism (Higham, 1971 [1955]; Burner, 1968). As George Mowry and Blaine Brownell wrote, Klansmen were "a deeply troubled group of Americans... haunted by the possibility that the world was proceeding in unfamiliar directions, and deeply sensitive to the destruction of their traditional values by the new mass-producing, mass-consuming culture" (Mowry & Brownell, 1981, p. 31).

Within the movement, Klan organizers shrewdly exploited these sentiments. In 1920, Simmons hired the professional publicists Elizabeth Tyler

and Edward Clarke, whose intensive marketing methods soon brought hundreds of thousands of new members (and millions of dollars in revenue) into the order (Blee, 1991, p. 61). The Klan's secrecy, ritual, and regalia offered symbolic community and psychological relief to its followers, while its vigilantism gave vent to more pathological urges (Chalmers, 1965, p. 115). The movement spread like a religious revival across the country and then just as quickly collapsed, from internal factionalism, the public exposure of members, and the corruption of its own leaders.

In sociology, this interpretation was formalized by Seymour Lipset and Earl Raab, under the rubric of collective behavior theory (Lipset & Raab, 1970; see also Lipset 1998, [1982]). Lipset and Raab explained the movement as the compensatory "status backlash" of declining or marginalized native white Protestant lower and lower-middle classes. Isolated in small towns or atomized in the city, beset by the "strain" of a modernizing urban industrial society, such groups were particularly susceptible to mass politicization. The Klan provided them with a set of "generalized beliefs," targeting non-whites and immigrant Catholics and Jews as the causes of social strain. This ideological backlash, however, was "short-circuited," directed at irrational projections of the strain, rather than at its real causes, rooted in endemic modernizing changes in society. Thus, Klan prejudice represented an "anti-modernist and anti-urban" reaction against an American culture that was becoming progressively more secular, cosmopolitan, and urban (Lipset & Raab, 1970, pp. 121–133, 497; Lipset, 1996, p. 249).

The theory also accounted for the consequences or historical legacy of the movement. As collective behavior, status backlash is inherently anti-pragmatic, reacting instead to individuals' psychological or status needs. Symptoms or by-products of modernization, such movements periodically surface but without altering basic patterns of change. Rather, already unstable, they ultimately dissipate as they lose both their charismatic virtue and their declining social base. For Lipset and Raab, the Klan of the 1920s was the "last desperate protest of a nineteenth century Protestantism in the course of eclipse." Before long, the organization itself crumbled as its leaders betrayed their members' faith in a series of highly publicized scandals and factional disputes. Yet, paradoxically, Lipset and Raab also explain the movement's decline as "defeat in victory": immigration restriction, Prohibition and Republican normalcy dominated the 1920s, before eventually giving way to the Great Depression, liberal pluralism and the New Deal (Lipset and Raab, 1970, pp. 29, 110, 131–143).

THE NEW HISTORIOGRAPHY OF
THE SECOND KLAN

Lipset and Raab's model remains the last general sociological theorization of the traditional interpretation of the 1920s Klan.[2] More recent research, however, has challenged the empirical foundations of the traditional view. Kenneth Jackson's (1967) pivotal study documented the movement's rise in the cities, paralleling the contemporary urbanization of the country as a whole, and opened the door to the new revisionist research. Since then, research on actual membership lists of klaverns from Indiana, Georgia, Colorado, Ohio, western New York, and southern California has shown that Klan members' occupational status generally mirrored the local white male population, with relatively more support among white collar and skilled blue collar workers, and less among the elite or the unskilled (Cocoltchos, 1992, p. 106; Jenkins, 1990, p. 84; MacLean, 1994, pp. 54–57; Moore, 1991, pp. 61–68; Lay, 1995, pp. 87–101; Goldberg, 1981, pp. 37, 46). Urban Klansmen were not especially marginal or atomized, but included many older, married men, property owners, and long-time residents. Moreover, the Klan was strongest in Midwestern and Western states where native white Protestants were an overwhelming majority, not a declining or minority group. In cities like Buffalo, Denver, Indianapolis, and Youngstown, Klan support was more concentrated in newer, suburban or homogeneous neighborhoods than in older areas undergoing racial or ethnic transition; while smaller but growing towns with Klan activity like Anaheim, California, were almost entirely white and Protestant (Jackson, 1967, p. 241; Goldberg, 1981, pp. 39–45; Jenkins, 1990, pp. 52, 82–85; Moore, 1991, pp. 108, 143; Cocoltchos, 1992, pp. 106–107; MacLean, 1994, pp. 10, 53; Lay, 1995, pp. 101–105).

The new studies also show that Klan members frequently held extensive ties with a range of civic and social organizations, including community groups, fraternal lodges, and, of course, churches (Cocoltchos, 1992, p. 107; Blee, 1991, p. 121). However, historians William Jenkins and Leonard Moore both deny the causal importance of Protestant fundamentalism, noting that most fundamentalist sects were typically inner-directed, not socially reformist (Jenkins, 1990, p. 90; Moore, 1991, p. 41). Instead, the Klan often expressed popular or prevailing middle class values, and even racial nativism did not always distinguish it from common opinion among average white Protestants. Klan chapters mobilized around concrete local issues like law enforcement, good government, schools and city services, and gained

support through extensive participation in electoral politics. Analyses of voting results further confirm broad popularity for Klan-endorsed candidates and issues (Lay, 1992a; Wald, 1980; Cocoltchos, 1992, pp. 110–111).

These new data have led some historians to propose an alternative interpretation of the 1920s Klan, sparking a controversial new debate. Several authors have depicted the Klan as a relatively non-violent, civic reform movement, backed by a wide, cross-class spectrum of white Protestant middle America. For example, Jenkins (1990, pp. ix, 160) argues that the Klan signified a civic cultural conflict between different ethnic groups thrown together by rapid industrialization. For Robert Goldberg (1981, pp. 166–174), Klan mobilization built upon popular complaints against "government unresponsiveness" to concrete local "tensions and conflicts," such as crime, corruption, and the loss of civil order. Shawn Lay's summary of research on the movement in the Western U.S. agrees that local discontents fueled the organization's growth, and portrays the typical Klansmen as a "mainstream, grassroots community activist" (Lay, 1992b, p. 220).

Perhaps the strongest version of this argument comes from Moore, who claims that overt racial and ethnic hatred were incidental to what was primarily a populist movement, aimed at promoting the ability of average citizens to influence the workings of society and government. The Klan, Moore writes, "could direct itself to popular desires for new school buildings, clean government, and crime-free streets as easily as it could represent popular prejudices" (Moore, 1990, p. 353). Based on his research in Indiana, Moore contends that the movement enjoyed greatest support where industrialization had disrupted the traditional bonds of community. As local business elites renounced former communal obligations and increasingly asserted their class distinction and power, ordinary citizens turned to ethnic nationalism as a means to express real underlying social grievances, restore a sense of community, and reclaim popular control of local affairs (Jenkins, 1990, p. 90; Moore, 1991, pp. 11–12, 41, 189–191).

The "civic populist" revision poses a strong challenge to customary images of the meaning of the Klan movement. As historian Glenn Feldman notes, "Today it seems contradictory, even awkward, to write of a civic or progressive Klan, given the blood-stained history of the order in American life" (Feldman, 1999, p. 21). Yet that is in effect what the civic populists claim. As Lay concludes, "Almost everywhere [outside of the South] the hooded order refrained from roughshod tactics, tried to work within the existing legal and political systems, and succeeded in attracting a broad cross section of the white Protestant middle class" (Lay, 1995, p. 147).

The civic populist view has been strongly criticized by historian Nancy MacLean (1994, pp. xiii, 65–66), for whom the second Klan remains a deeply racist and reactionary movement. MacLean argues that racist and patriarchal values were essential to the movement, grounded in the unstable class position of its petit bourgeois and white-collar membership base. Dependent on local markets, modest assets, family labor, and/or limited organizational status, these "self-made men" experienced a tenuous social mobility yet were vulnerable to monopoly economic power from above and working class challenges from below. MacLean offers a detailed critical analysis of the national Klan's ideology, to show how the movement's racism and moral prejudice suppressed class tensions among native white men and reaffirmed their paternal authority over women and youth. Thus, Klan bigotry went hand in hand with middle class rage and an aggressive defense of "respectability."

MacLean's class-analytic framework restores a national and systemic perspective to the often highly localist focus of the populist revisionists. Yet, despite her astute reading of the complex motives expressed in the Klan's ideology, she essentially imputes these to a single, structurally defined petit bourgeois class. This presupposes the unity of this group as an actor, with "its own distinctive relation to capital and labor, its own internal dynamics and its own modes of thought" (*Ibid.*, p. 65). Contemporary theorists of class now generally contend, however, that concrete group political interests and identities remain relatively autonomous from socio-economic structure, and cannot be directly inferred or generalized from occupational or class categories (Wright, 1985; Hall, 1997; Aronowitz & Bratsis, 2002). MacLean grounds her ideological critique with a case study of the Athens, Georgia, klavern, but her examples may reflect the influence of peculiarly Southern conditions; in other locales, Klan organizers advocated different and even opposing political goals. For instance, while both the national and the Athens Klan opposed higher taxes and progressive municipal reform, elsewhere Klansmen supported public spending on schools, city services and infrastructure, and presented themselves as defenders of "good government" (MacLean, 1994, pp. 85–88; Cocoltchos, 1992, p. 99; Lay, 1992a, p. 80; Goldberg, 1981, p. 118). Likewise, group cultural solidarity drew from a variable mix of white supremacism, Protestant moralism, patriotism, vigilantism and fraternalism, which in some cases might be secret and menacing and in others relatively open and non-violent (Blee, 1991, p. 138).

This variation must be taken seriously. At the same time, the "populist" revisionists make the opposite mistake: finding local variation, they assume its complete autonomy from any common structural or institutional forces.

Moral or civic concerns are taken empirically to represent the "community" at face value, without probing how they might express competing group projects. Thus, Goldberg (1981, pp. 166–173) does not theorize the sources of the local "tensions and conflicts" that he emphasizes, nor does he explain why governments were unresponsive to the "real grievances" in the community. But official tolerance of crime, corruption, patronage and inadequate service may all be symptomatic of prevailing accommodations among the dominant interests in the local polity, to the exclusion of other, "aggrieved" groups. Moore (1991, pp. 82–86) highlights the structurally based class mobilization of an emergent business elite, but his simplified image of popular communal resistance fails to ask which interests were hegemonic in the "traditional community," or in the Klan's construction of it. Instead of extrapolating a simple community versus elite model, a more explicit comparative analysis might better reveal what roles racial and class forces played in shaping the local political context, the configuration of actors in each case, and how an officially racist but apparently mainstream movement could define the public interest in diverse local communities.

Notwithstanding their differences, the new studies prove that the 1920s Klan cannot simply be dismissed as a marginal or aberrant phenomenon. On the contrary, their findings have renewed controversies about the role of race and class in American political development. Most of the new studies, however, make only passing reference to current sociological theories of collective action. In order to clarify the debate, then, I introduce here certain core concepts from contemporary social movement theory, including the ideas of resource mobilization, political opportunity, and the construction of collective identity.

SOCIAL MOVEMENT THEORY: RESOURCES, OPPORTUNITIES, AND IDENTITY

At the time of Lipset and Raab's writing in 1970, social movement research was still largely defined by the collective behavior paradigm. In the several decades since then, a generation of scholars have re-invented the field, asserting a now dominant model based on organized collective actors who challenge the established polity in pursuit of strategic goals.[3] Research has focused on formal processes of movement emergence and mobilization, as these are affected by socio-economic structure, politics, and culture. In the first instance, movements must draw upon sufficient resources, from internal

sources and external allies, to produce and sustain collective action. Macro-structural processes like industrialization, urbanization, and migration affect challenging groups' mobilization potential through changes in group size, relative societal location, ecological concentration, and means of communication. Newly developing or rising groups are more likely than declining ones to gain access to resources needed for organized protest (Garner & Zald, 1987; C. Tilly, L. Tilly & R. Tilly, 1975; McAdam, 1983).

Researchers have also shown that movements respond to political opportunities. Challengers do not enter the political arena with fixed, predetermined interests, rather, their specific goals and actions are affected by opportunities and constraints in the political system. Alignments between dominant groups and the state define the established relations of power and exclusion from the polity, while divisions among elites or the availability of allies can open the system for contending groups. The structure of state institutions, and the shape of their intervention in society, set the overall political terrain for the articulation of group interests and demands. The state's relative openness or closure, its capacity for formal and informal repression or representation, influence the tactics and strategies that collective actors adopt (McAdam, 1996; Jenkins, 1995).

The growth of insurgency further depends on construction of a culture of solidarity within the challenging group. Organizers discursively ''frame'' events to heighten the sense of collective identity and shared grievance among their followers, drawing on popular ideological traditions and the common experiences of the group. Movements build on their participants' pre-existing social ties and employ familiar repertoires of social action to mobilize support. Thus, collective action emerges not from the anomic disintegration of civil society, but from indigenous processes of group formation, organizational development and cultural identification that occur within it (Fantasia, 1988; Snow & Benford, 1992; Tilly, 1979; Cohen & Arato, 1992, Chap. 10).

These concepts help make sense of the new data on the 1920s Klan. Cities and states with concentrated or majority native white Protestant populations had greater densities of resources available to the movement, especially from urban ''middling'' classes striving to advance or secure their social position. Klan organizers deliberately sought alliances with local Protestant ministers, fraternal and civic leaders, whose organizations provided a source of networks for bloc recruitment (Blee, 1991, pp. 133, 154, 173; MacLean, 1994, pp. 6–8). Successful klaverns frequently enjoyed formal or informal tolerance from authorities, avoiding repression and even infiltrating police and other law enforcement agencies. By contrast, the movement showed less

militancy or success where it faced official opposition or significant counter-mobilization (Goldberg, 1996, pp. 32–48; Jenkins, 1981, pp. 117ff).

Politically, the Klan's attention to local issues was not due to any essential provincialism, but followed from explicit national Klan strategy, and paralleled the ubiquity of local government structures under the American federalist state. Touchstone "moral" issues like Prohibition, schools, law enforcement and political corruption also coincided with major areas of state intervention in society, typically through local authorities, prior to the New Deal. Moreover, the institutional permeability of local public office in the U.S. afforded opportunities for electoral outreach and the broadening of the movement's appeal (Bridges, 1985, p. 191; Monkkonen, 1995).

Finally, the Klan employed an extensive repertoire of cultural techniques to attract members and build solidarity. It presented itself as a secret fraternal lodge, at a time when such lodges were a familiar form of grassroots social and political organization. The association with Protestant churches and civic groups lent further legitimacy and respectability to the order. Klan organizers made use of modern communications technology like the mimeograph machine, the (carefully staged) newspaper photograph and the radio broadcast, and despite its attacks on the corrupting influence of motion pictures, the movement gained enormously from the most popular and advanced film of the time, D.W. Griffith's *The Birth of a Nation* (Goldberg, 1981, pp. 31, 97; Lay, 1992a, p. 4; Rogin, 1987). Parades, cross-burnings and other public spectacles attracted media attention, while Klan-sponsored festivals and social activities reinforced members' communal ties and merged into the culture of everyday life. From popular values of republican egalitarianism, Protestant moralism and racial and ethnic chauvinism, the movement fashioned an ideological rhetoric that framed a powerful collective identity among its social base (Blee, 1991, pp. 128–167; Moore, 1991, pp. 95–96).

GROUP FORMATION AND POLITICAL POWER: AN ANALYTIC FRAMEWORK

In short, the new studies confirm that the Klan behaved much like the way that sociologists now think social movement actors normally do behave, drawing on structurally based resources, capitalizing on political opportunities, and rallying popular support. If the new data appear anomalous from the point of view of the traditional interpretation, the general image of the

Klan they convey is in fact supported by much current social movement research. Within the revisionist debate, however, substantive questions remain about the content of the movement and its long-term consequences. Was the second Klan primarily the community-based reform movement of a broad populist coalition, as the civic populists contend, or was it the racist reaction of a particular class? How do we interpret the political meanings embedded in local "civic" issues? And what explains the paradox of "defeat in victory?"

MacLean rightly states that a crucial problem for analysis is to recognize and account for how the second Klan was "at once mainstream and extreme, hostile to big business and antagonistic to labor unions, anti-elitist and hateful of blacks and immigrants, pro-law and order and prone to extralegal violence" (MacLean, 1994, p. xiii). Moreover, she acknowledges that "which way particular sections of a class incline depends, not simply on the economic situation, but on culture and politics as well" (*Ibid.*, p. 67). If this is so, however, it is not enough to resolve the contradictory aspects of the movement either by simply attributing different motives to different localities or by labeling popular reformism as mere racist code-language. Rather, we can extend the analysis by bringing the social movement approach down to the urban level. Thus, for each case we can ask how structural changes generated divisions among specific local racial and class fractions, how the urban political environment provided opportunities for Klan organizers, and how local civic issues crystallized a collective identity and unified particular groups.

Social movement theorists have themselves begun to look increasingly beyond the typical forms of mobilization to the development of historically situated actors and outcomes in specific relational contexts (McAdam, Tarrow, & Tilly, 2001; Somers, 1993; Guigni, 1998). As a framework for comparing local Klan movements, we can distinguish here between the socio-economic structures of group inequality, the articulation of interests in the political arena, and the processes of group formation in urban civil society. In the first instance, socio-economic structures generate the social bases of groups, including their demographic composition, relative position, and ecological concentration, as well as the systemic conflicts or tensions between them. A structural approach, therefore, identifies important societal cleavages, and the unequal conditions facing different groups.

Most of the recent studies of Klan membership concur that the movement drew on broad base of lower-middle and middle class strata. The articulation of this group's interests, however, depends on the opportunities in the local political environment, including the alliances and oppositions among

groups in the polity, and the institutional forms of the state (Kriesi, 1998; Tarrow, 1996).[4] These provide the political space for movement actors to forge their own coalitions among disparate groups, contest the policies of existing elites, and promote an alternative public agenda.

While divisions between groups may be grounded in structural conditions, actual patterns of actor formation and conflict are shaped by the field of political opportunities, by group capacities for organization, and by cultural traditions and forms of solidarity. Here, class and racial identities inform collective struggles to define the boundaries of the civic community. Mobilizations over "civic issues" reflect conflicts for control over the interdependent processes of class and racial formation that occur in what Ira Katznelson (1981) has described as the "trenches" of urban civil society (see also Omi & Winant, 1994; Jenkins & Light, 1997).

"Once written of in terms of vulnerability and reaction, the lower middle classes are now associated by some scholars with durability, persistence and even political innovation," historian Rudy Koshar remarks (1990, p. 2). What then can we say of the long-term historical consequences of the second Klan? It is worth recalling that the collective behavior model had an answer to this question: there were none. As a temporary, irrational outburst, the Klan ultimately disappeared along with its declining social base. If the evidence now shows that its base was not declining, however, then where, we might ask, did it go?

These questions are posed most sharply in the cases from the urban non-South. Although the Klan found significant support in Northern industrial centers like Chicago and Detroit, aggressive counter-mobilizations by large and politically powerful ethnic group populations in these cities stymied the growth of the order (Jackson, 1967; Goldberg, 1999). Rather, it is those cases from the West and Midwest where the Klan found its greatest success whose findings are most challenging to the traditional view, and from which much of the civic populist revision has been derived. In the following sections of this essay, I offer a critical re-reading of the events in several of these cases, as an alternative to both the civic populist and class-reductionist views.[5] Taking MacLean's structural perspective as a point of departure, I show how the Klan successfully mobilized middle classes as a collective actor, and how class and racial interests and identities were deployed, under varying local economic, political, and civic conditions.

I begin with El Paso, Texas, and Anaheim, California, where Klan reformers challenged established patronage-based political elites. In turn, Indianapolis and Denver represent two of the largest urban Klans, in cities with complex economies and political environments. Finally, the industrial

towns of Pueblo, Colorado, and Youngstown, Ohio, illustrate the confrontation between nativist whites and immigrant ethnic working classes. For each case, I observe structural changes in the social bases of groups, the alignment of actors in the local polity, and the shape of emergent challenges and issue conflicts. I then use the same framework to assess the broader historical impact of the Klan as a social movement.

A COMPARATIVE ANALYSIS OF KLAN MOBILIZATION

The peculiar combination of popular reformism and racial assertion was perhaps most clearly displayed in the case of El Paso, Texas. Located on the U.S.–Mexican border in West Texas, the city of El Paso in 1920 was a vital commercial and transportation center for the region's mining and agricultural hinterland. More than half of its population of 77,000 was of Mexican descent, concentrated in the city's south side barrio, and employed as cheap labor in the local rail yards and extractive and tourist industries. Dependent on Mexican labor and trade, the traditional Anglo elite maintained its hegemony through patronage and an attitude of relative racial and cultural tolerance. A ''ring'' of white, often Irish, machine bosses governed the city, supported by the business elites, their links with the flourishing ''entertainment'' industry, and their control over the Mexican vote. As late as 1918 this bloc had defeated a local dry referendum, and only a year earlier did the city close its officially sanctioned red-light district (Lay, 1985, pp. 38–44; 1992a, p. 72).

By the 1920s, however, thousands of new, middle class Anglo migrants, many from more religious and conservative areas in East Texas and the Deep South, had settled in El Paso, especially on its north side.[6] These new residents were often shocked by El Paso's traditions of open racial interaction and easy vice. With the onset of national Prohibition, bootlegging and vice activities exploded in neighboring Ciudad Juarez, Mexico, often spilling across the border into violence and crime in El Paso. While traditional elites gained from the influx of tourists, the emerging white middle classes were angered by the machine's perceived indifference to urban social problems. As Lay argues, in the eyes of this group race, religion, and crime coincided: Catholic machine bosses controlled Catholic Mexican votes and were responsible for corruption and the crisis of civil order (Lay, 1992a, p. 73; see also Dumenil, 1995, p. 243).

According to Lay, however, the El Paso Klan "largely ignored the Hispanic majority, never employed violence, and spent most of its time challenging the policies of fellow Anglos who dominated city government, focusing on such issues as better public education, honest elections, and road construction" (Lay, 1994, p. 187). Klan organizers seized upon the new middle class' mounting grievances, including such modern complaints as a rise in automobile theft and its resulting higher insurance rates. Forging an alliance with local Protestant ministers, they assembled a successful coalition in the 1922 school board elections. Starved for tax revenues, the public schools had languished under the machine, including those in the newer, north side Anglo residential areas. Running secretly behind a "good government" front, a slate of Klan members (including the "Exalted Cyclops" or president of the El Paso klavern) defeated the establishment-backed candidates, winning solid majorities in the north side precincts. The new Klan-led school administration quickly voted numerous improvements and additions for the north side schools, and later fired three of the city's four Catholic principals (Lay, 1985, pp. 111–113, 1992a, pp. 81–85).

Far from resisting the loss of established community, the El Paso Klan challenged the traditional social order. In Anaheim, California, the Klan also mobilized a rising new middle class against an entrenched political leadership. Although much smaller and more homogeneous than El Paso, Anaheim was dominated by a close-knit traditional elite, including a sizable number of German Americans. As one of the few "wet" communities in Orange County, it had served as a recreation center for the area's oil industry workers, and many prominent citizens, including Mayor William Stark, participated in the liquor trade (Cocoltchos, 1992; p. 100; Melching, 1974). The dominant pro-growth interests in local government promoted a highly centralized plan for urban development, and despite voter opposition pushed through major public construction projects for a new city hall and central park.

At the same time, rapid urban growth more than doubled the city population, from approximately 5,000 in 1917 to more than twice that in 1923. As Christopher Cocoltchos writes, most of the new arrivals were native-born white Protestants, many from the American Midwest, who brought with them their own distinct values and ambitions. The Klan built upon this developing social base: among Anaheim males, Klan members and non-members shared similar average years of residence, but Klansmen had higher occupational status, rates of property ownership and civic participation (as measured by voter registration and organizational ties). By contrast, anti-Klan activists were typically older, longer-term residents with

even higher status, assets, and participation: in other words, Cocoltchos notes, the traditional elite (1992, pp. 102, 106).

Thus, the Anaheim case also reveals a rising white Protestant middle class and its challenge to an exclusive elite. Led by the Reverend Leon Myers of the First Christian Church, the Anaheim klavern enrolled more than 1,200 members by the summer of 1924. Klan organizers combined appeals for Prohibitionism, Protestant moralism, anti-Catholicism, and small business boosterism. Solidarity was reinforced by a well-publicized campaign to boycott "un-American" businesses and buy only from other Klansmen. This tactic was significant for Anaheim members, over a quarter of whom worked in retail or wholesale trade, while simultaneously aggravating tensions between area Protestants and Catholics (Melching, 1974, p. 183; Cocoltchos, 1992, pp. 104–109).

In April 1924, the Klan secretly backed four candidates for the five-member Anaheim city council. Supporters criticized the elite's urban agenda, denouncing the Stark administration as a "dictatorship" and complaining of "skyrocketing taxes" for public projects while services for new residential subdivisions were ignored. In the election, all four Klan candidates swept easily to victory, with particularly strong support in the newly developed northeastern and southeastern sectors. The new Klan-dominated council passed a strict new Prohibition law as its first ordinance, immediately began dismissing non-Klan members and replacing them with Klansmen, and even allowed local police officers to wear Klan robes while on duty (Melching, 1974, pp. 179, 190; Cocoltchos, 1992, pp. 111–112).

Even in smaller towns like Anaheim, then, rapid population growth created the social bases for an insurgent challenge, and Protestant nativism provided a medium for white middle classes to try to re-make the community in their own image. In larger cities, the civic and political terrain was often more complex. One of the largest urban Klans was in Indianapolis, a city of over 300,000 population with a diversified economy led by manufacturing, food processing and state government. Its immigrant population was low (5%) compared to other Northern big cities, but its large and growing African American community made up 11% of the population by 1920 (Moore, 1991, p. 62). Klan support was strong in the north-central area of the city, where white neighborhood protective associations fought the increasing in-migration of black residents, but also in the primarily white suburban areas to the north and east. Like elsewhere, Klansmen came from a cross-section of the male occupational structure, with the proportional exceptions of low manual workers (where Black and immigrant workers were concentrated) and the corporate business elite (*Ibid.*, pp. 63–64).

The Indianapolis Klan boasted an estimated 40,000 members; in addition, the city served as a headquarters for the statewide Indiana Realm and for the weekly newspaper, *The Fiery Cross*. As the state capital, Indianapolis was also a center of Klan political activity and electoral mobilization.[7] By the mid-1920s, the Klan vote was decisive for the Republican Party in both the city and state. In 1924 it elected the governor and a majority of the state legislature, and in November 1925 it swept the local municipal races, electing six new city councilors and Mayor John Duvall, all Klansmen (Moore, 1991, pp. 59, 144–147; Jackson, 1967, pp. 147–156).

In Indianapolis, however, the Klan was but one of many actors in a broader history of urban racial mobilization, played out in conflicts over housing, schools, and public accommodations like parks, hospitals, and streetcar transit service (Thornbrough, 2000, pp. 63–64; Moore, 1991, p. 53). In housing, groups favoring segregation ranged from the militant White Supremacy League to the Mapleton Civic Association, whose members, including respected local businessmen, pledged themselves not to sell or lease property to anyone except a white person. Led by the White Citizens Protective League, pressure from such groups prompted the Klan members on the city council to enact a zoning ordinance in March 1926, prohibiting black persons from occupying housing in white neighborhoods without the written consent of a majority of the white residents.[8]

Controversy also emerged concerning the public schools. Since 1877, Indiana state law had allowed local authorities the option of segregating schools, a legacy of the state's highly restrictive antebellum Black Codes. Indianapolis schools had traditionally practiced an informal racial segregation, but in 1922 the Board of School Commissioners approved a plan to build a new, separate, all-black high school. The following year, the Board set up new boundaries for 14 mandatory black elementary schools and began enforcing transfers of students from hitherto mixed schools. Although strenuously opposed by black community groups, the school segregation measures were supported by the Federation of Civic Clubs, the Mapleton Civic Association, the White Supremacy League, and the Indianapolis Chamber of Commerce (Lowe, 1965; Thornbrough, 2000, pp. 52–60).

At the same time, the fiscally conservative school commissioners balked at increasing public expenditures as a whole, particularly for new school construction. Supported by the business-dominated Citizens' School Committee, the Chamber of Commerce, the state Taxpayers' Association, and the *Indianapolis News*, the Board resisted efforts to raise revenues or spend money on new schools, despite the passage of bond referenda in 1921 and 1923. Klan agitation on the issue began in 1923, targeting Charles Barry, the

Catholic president the Board (Moore, 1991, pp. 147–149). In 1925, the Marion County Klan backed a United Protestant School Board ticket, which, as Kenneth Jackson writes, "promised to clean up school affairs and see that the Bible and the American flag received foremost attention in the classroom" (Jackson, 1967, p. 157). The Klan ticket swept the Board elections in November 1925, and thereafter presided over the completion of three new high schools and several elementary schools.

Moore (1991, pp. 144–145) argues that the Klan and the school-building issue were separate from the segregation campaigns, but all participated in a broader white middle class movement to claim resources and assert a distinctive racial and class status. Popular discourses of nativism and anti-Catholicism operated within a broader frame in which white supremacy remained "one of the avowed tenets of the Klan, and part of the appeal to Hoosiers was the well-worn argument of the necessity of maintaining racial purity," in the words of historian Emma Lou Thornbrough. According to one Klansman, the aim of the Klan was "not anti-black, but to keep the black man black and the white man white" (Thornbrough, 1961, p. 610). Within these powerful, and intensifying, racial boundaries, the Klan's populism can be seen rather as a competitive challenge for the leadership and reconstitution of the dominant *white* community.

Even within the white population, however, class polarization was not always so clear-cut. In Denver, Colorado, Goldberg found no strong elite opposition to the Klan, seemingly contrary to the model of social movements as political challengers. Denver's population of more than 250,000 was mainly white and Protestant, with small black, Jewish and Catholic minorities. Like El Paso, it was a distribution center for a wide rural and mining hinterland, but Denver had already developed a diverse economy of small manufacturing, trade, and services. The Denver Klan's 17,000 members reflected this "middling" class economic base: its leaders were small businessmen, clergy and professionals, and its rank and file mainly older, married men, both recent and long-term residents (Goldberg, 1981, pp. 13, 35–48).

The principal issues were crime and corruption, although the Denver movement also exploited racial and religious prejudice (Noel, 1989, pp. 101–102; Sprague, 1976, p. 250). In the early 1920s, Goldberg reports, bootlegging, prostitution, and police misconduct were rampant in the city, and in 1923 a grand jury censured eight law enforcement officials, including the manager of safety and the city constable, as "totally unfit to hold any office" (1981, p. 21). As in Indianapolis, the presence of the state capital fostered political activism, and in 1923 the Klan helped elect Mayor

Ben Stapleton. Under Stapleton's administration Klansmen were appointed to numerous city offices and quickly infiltrated the police department. By 1924, Klan members in Denver included the Mayor, City Attorney (and later US Senator) Rice Means, District Judge (and later Governor) Clarence Morley, the police chief and other law enforcement officers, several state legislators, and the Colorado secretary of state (Goldberg, 1981, p. 30; Jackson, 1967, p. 222).[9]

From Denver the Klan expanded to Pueblo, an industrial town of 43,000 and the state's second largest city. Pueblo was home to the Rockefeller-owned Colorado Fuel and Iron Company (CFI), which employed almost 6,000 workers in the largest steel mill west of Chicago. Although population growth was slow between 1910 and 1920, one-third of the residents were Catholic, including many immigrant Eastern and Southern Europeans who clustered near the steelworks. The two largest ethnic groups, Italians and Mexicans, formed their own enclaves on the east side and the outskirts of the city.

Leadership of the Pueblo Klan was also made up of established, mature, middle class men, and again law and order was the major issue. Native-born Pueblans tended to view working class immigrants as culturally alien and criminally suspect, as evidenced particularly by their less than strict adherence to Prohibition. Many blamed ineffective law enforcement and corruption by authorities, for which the Klan seemed to offer a solution. And again, no elite or organized opposition to the movement materialized (Goldberg, 1981, pp. 59–66).

In both Denver and Pueblo local government authorities were weak, in terms of their own institutional integrity and their resistance to the Klan. In Denver, Mayor Robert Speer (1904–1912, 1916–1918) led a classic brokerage machine, servicing the gambling, booze, and prostitution interests on the one hand and corporate business elites on the other, and Speer's death in 1918 left a void in Denver city politics (Dorsett & McCarthy, 1986 [1977], p. 129ff; Leonard & Noel, 1990). Across the state, government remained subject to more powerful economic actors, most notably the external, "colonial" capital epitomized by the Colorado Fuel and Iron Company.[10] Graft and corruption in Colorado politics had long pre-dated the 1920s, as the CFI and other coal operators routinely bought judges and sheriffs, paid private and public security forces, and dominated state politics (Greenbaum, 1971, pp. 21, 60, 78; Gitelman, 1988, pp. 123–142, 310; Leonard & Noel, 1990, pp. 149–151, 188; Clyne, 1999, p. 22). Local state-making was thus already compromised and ill-prepared to control either crime or vigilantism. While established middle class residents did not directly compete with

immigrant workers for jobs, the latter symbolized the threat to middle class civil order brought on by corporate capital and industrial development.

With a broad, variegated socio-economic base and small minority opposition, the Denver Klan did not hesitate to add racial and religious antagonism to its politics. Facing a large ethnic working class, the Pueblo Klan eschewed overt prejudice and emphasized law and order. This difference also appears in Jenkins' study of Youngstown, Ohio, a case which typifies the urban ethnic politics of northern industrial cities. Here, as in other steeltowns in the Mahoning Valley, old-stock white Protestants did encounter a mass immigrant working class (Fuechtmann, 1989, pp. 11–18). Jenkins attributes the Klan's appeal to cultural conflicts between groups thrown together by rapid industrialization, calling the movement a ''Protestant Defense League'' against the perceived threat of an alien ethnic and especially Catholic culture (Jenkins, 1990, pp. 88–94).

In fact, Youngstown did grow rapidly, from 79,000 in 1910 to 132,000 in 1920, with foreign-born residents comprising more than a quarter of the 1920 population. Nevertheless, the proportion of foreign-born in the city, and of eastern and southern European foreign-born, actually declined from 1910 to 1920, consistent with the nationwide decline of immigration from World War One (*Ibid.*, pp. 18–20).[11] Like elsewhere, Klan members in Youngstown resembled the native white male population in age, marital and occupational status (with perhaps an even higher ratio of skilled versus unskilled workers), but were younger than Klansmen in Denver and Pueblo. While hardly marginal, this suggests a more upwardly mobile, aspiring middle class generation. Indeed, one of the Youngstown Klan's appeals to its members was an (unrealized) plan to build their own country club, as a counterpart to the established Youngstown Country Club (Jenkins, 1990, pp. 81–87; Goldberg, 1981, pp. 39, 64).

As in Denver and Pueblo, crime and corruption were prominent issues, and again these reflected weaknesses in the local state. City government was in disarray; unable to raise taxes, the city paid for operating costs through bond issues, and quickly ran up a huge debt. Mayor George Oles, a political neophyte elected in 1921, resigned after only 5 months in office, after attempting to lay off employees in violation of civil service rules. The fiscal crisis hampered law enforcement: budget cuts in 1922 forced the reduction of the police force by more than a third, and the police, already poorly paid and susceptible to bribery, did not receive any payment from the city in the last three months of 1923 (Jenkins, 1990, pp. 28–36, 100).

In 1923, the Klan endorsed public safety director William Scheible for the mayoral election that November. Unlike the absentee capitalists in Denver

and Pueblo, Youngstown corporate elites did oppose the Klan. Locally based steel magnates had responded to major strikes in 1916 and 1919, first by importing Southern black strike-breakers and later by instituting welfare capitalist and Americanization programs; they had no interest in inflaming prejudice against their own immigrant and black labor force. Through the reformist Voters League, they recruited candidate William J. (Jack) Williams, a prominent lawyer, former state legislator, and chair of the commission that had drafted a new city charter passed in May 1923.

But elite reformers were politically remote from the urban masses. Williams was opposed by Irish Catholic Democrat Thomas Muldoon, who aimed his campaign at the "Catholics, coloreds and foreign-born," a strategy, Jenkins observes, that might have worked had the foreign-born been naturalized and registered to vote. Muldoon expressed the ethnic working class' mistrust of the corporate elite, saying of Williams, "No capitalist that controls money is for the people, so keep your eye on Jack." With the anti-Klan forces divided, however, Scheible won easily over Muldoon in second place and Williams a distant third; and Klan-endorsed candidates won decisive majorities on the city council and school board (pp. 40–44, 52–53).

THE CONSEQUENCES OF KLAN INSURGENCY

The comparison of Klan mobilization in these cases has focused on the social bases of the movement, the alignment of groups in the local state and polity, and the mobilization of identity in urban civil society. In all instances, the Klan drew its support disproportionally from middle class occupational strata, but the place of this group varied in each locality's socioeconomic structure and political environment. What mattered was neither a set of essential group values nor the loss of an imaginary community, but the group's position relative to other groups and to the established political order.

These varying alignments generated political opportunities for the movement and shaped the articulation of local civic concerns. Thus, rising white Protestant middle classes in El Paso and Anaheim challenged entrenched, ethnically based political elites, while in Indianapolis and Denver, more established white middle class groups pressed their claims in more porous, and fractious, political environments. Meanwhile, in Pueblo and Youngstown these groups defended their cultural values against the power of both corporate capital and an ethnic factory proletariat. In El Paso, Anaheim, and Indianapolis, the movement opposed elite fiscal and urban development

priorities in favor of spending on schools and services in their own neighborhoods. These "civic" issues were not simple expressions of popular community but reflected the balance of power and conflicting interests among specific groups. Similarly, anti-crime and "vice" campaigns were inseparable from the competition for political power, especially in cities where crime, corruption, and loose public morals (however defined) were identified with machine politicians and ethnic patronage.

The politics of local state-making also highlight the barriers the movement experienced in implementing its desired policy changes. Once in office, mobilization capacity rarely translated into governing capacity in a new Klan-led regime. Moore and Goldberg cite factionalism and patronage as problems for Klan administrations in Denver and Indianapolis, perhaps not surprising in state capitals with large numbers of ambitious political entrepreneurs. Without reforms in local political institutions, Klan politicians often behaved like simply another machine faction, and succumbed to corruption or internal division. In Indianapolis, Klan Mayor John Duvall, elected in 1925, was convicted for taking illegal campaign money, forced to resign and sent to jail, along with the city purchasing agent, the city controller, and other officials (Moore, 1991, pp. 145, 182; Jackson, 1967, p. 159).[12] In Denver, the Klan's downfall was initially triggered not by elite opposition but by disaffected Klan member Mayor Ben Stapleton, who split from Colorado Grand Dragon John Galen Locke. In April 1925, Stapleton launched a series of vice raids with his own deputies in order to regain control of the Klan-dominated city police force. The raids revealed a network of graft and protection led by Klan policemen, and suspensions, indictments and convictions of Klansmen soon followed (Goldberg, 1981, pp. 98–104).[13]

Where established political forces were stronger, Klan electoral challenges stirred more effective counter-mobilization. In Anaheim and El Paso, local district attorneys and Knights of Columbus leaders led successful efforts to expose Klan members, and raised public indignation over the threat of clandestine government. In Anaheim, elite opponents co-opted the ideology of Americanism, claiming to defend small-town values of free and open government. Anti-Klan forces formed the USA (Unity, Service, Americanism) Club, and engineered the 1925 recall of all four Klan city councilors (Cocoltchos, 1992, pp. 113–116; Melching, 1974, pp. 184–193). In El Paso, elites chose for the 1923 mayoral race a reform candidate, Richard Dudley, a staunch Baptist and "business progressive" unaffiliated with the Ring, who supported Prohibition, women's suffrage, and actions to bar alien voters. In the primary election Dudley defeated the Klan candidate, making

sizable inroads among the northside areas of previous Klan support (Lay, 1992a, pp. 88–90; 1985, pp. 141–148).

Such moves toward ideological accommodation suggest that elites recognized the emerging power of the Klan's constituency. This power was articulated in a range of demands, from adequate urban services and an end to political patronage, to control of crime and civil order, to protection for homes in class- and racially homogeneous neighborhoods. These "civic" concerns were all closely related to the process of group formation in urban civil society. This explains the Klan's support particularly among residents in newer, suburban areas, anxious to claim new privileges and distinguish themselves from economically and racially subordinate groups. It also highlights the issue of public schools, illustrated in Indianapolis and El Paso, given the importance of schools for the inter-generational transmission of economic mobility and group culture. Altogether, these efforts represent a positive thrust to create the social and material space for the reproduction of a privileged racial and class status, to build the foundations of a new civic and political community. As Goldberg observes, "Klan membership was an optimistic commitment... Klansmen attempted not to resurrect a past golden age but to make the Protestant hold on the present more secure" (Goldberg, 1981, pp. 168–169).

Even in Youngstown, where it faced substantial opposition, the movement still managed to influence the overall political and civic environment. The sheer weight of the immigrant population in Youngstown, and the violent resistance put up in neighboring ethnic enclave towns, encouraged a pragmatic restraint among Klan elected officials. The Scheible administration refrained from engaging in wholesale patronage or discrimination against minority city employees, and backed away from the more extreme measures proposed by Klan militants. Nevertheless, after taking steps to restore the city's fiscal capacity, Mayor Scheible gradually strengthened the police force, cracking down on booze and vice and increasing enforcement of Sunday blue laws. The city council passed restrictions on aliens' possession of firearms and access to licenses for amusement businesses, while the School Board ordered Bible-reading in the classroom, and shifted new school construction resources from the more heavily immigrant east side to the west side (Jenkins, 1990, pp. 97–112).

These "cultural" reforms helped define the paths for subsequent ethnic group political assimilation. As mayor, Scheible's successor was not the fiery, oppositional Thomas Muldoon but rather Joseph Heffernan, an Irish Catholic Democrat and municipal judge. Heffernan defeated Arthur Williams, a former Klan member and Scheible's heir apparent, in the 1927

mayoral race. Yet as Jenkins notes, with less than 40% of the vote in a three-way race, Heffernan's election hardly signaled the triumph of a liberal pluralist New Deal majority. Moreover, in office he proved to be an equally stringent reformer, opposing patronage and machine-building and enforcing vice laws with vigor (*Ibid.*, pp. 155–157). Thus, the movement succeeded in imposing boundaries of legitimacy for ethnic political succession and urban public policy. Not until the victory of the Steel Workers Organizing Committee in the bitter labor struggles of the 1930s and 1940s would Youngstown's defining political identities be dramatically recast (Nelson, 2001, pp. 251–286).

Summarizing the impact of the second Klan across the country as a whole, historian Lynn Dumenil writes, ''The spirit of 100 percent Americanism, with its emphasis on conformity and the suppression of dissent, had long-term implications. It hampered the labor movement, crippled radicalism, and set limits on freedom of speech and the press'' (Dumenil, 1995, p. 248). The case studies discussed here show, in perhaps a more quotidian way, the effects of Klan mobilization on the range of acceptable political expression in urban public sphere. In each of these cases, movement actors powerfully asserted their version of the cultural standards required for membership in the dominant white community.

Assimilation, however, stopped at the color line. In Indianapolis, the local school board maintained the policy of racial segregation until 1949, when state legislators finally adopted a law mandating desegregation of all public schools (Thornbrough, 1961, p. 606). In El Paso, opposition to machine politics continued through 1927, when former machine Mayor Charles Davis ran against R. E. Thomason, a former member of the Good Government League supported by the northside reformers. According to Lay, Thomason's victory marked a turning point for El Paso's politics and its tradition of racial tolerance. By 1930, white in-migration and political reform meant that Hispanic voters were no longer crucial for election to local office, and, with the onset of the Great Depression, Anglo residents ruthlessly displaced Hispanic workers for scarce jobs. No longer dependent on Hispanic labor and votes, discrimination by public authorities intensified, and in 1936, the city registrar and public health officer announced plans [later rescinded] to re-classify Mexicans as ''colored.'' Two years later, former Klan leader and school board member S. J. Isaacks won election as state representative from El Paso, an office he would hold until 1954 (Lay, 1985, pp. 156, 195n10). The Klan legacy had endured.

CONCLUSION: THE LOCAL POLITICS OF CLASS AND RACE

"We do not usually think of the 1920s, the easygoing Jazz Age, as a time when the racialized character of the American nation intensified, reinforcing the barriers separating blacks and Asians from whites, eastern and southern Europeans from "Nordics," and immigrants from natives," historian Gary Gerstle remarks. "Yet these developments were central to the age" (2002, p. 114). As the new historiography of the Klan shows, these developments were acted out not only on the grand stage of national politics, but also on the more mundane, everyday terrain of urban civil society.

The new generation of research on the 1920s Ku Klux Klan has provided fresh evidence and insight into one of the largest right-wing movements in U.S. history, and the debate surrounding them has raised valuable questions about the intersections of class, race, and urban community in American political development. These studies show that Klan members came from a broad middle range of socio-economic strata, and the organization's strength was often concentrated in newer suburban or majority white areas. Local Klan organizers employed modern methods of public outreach, engaged successfully in mainstream politics, and garnered support around common, widely held ideological values. Although seemingly anomalous from the point of view of the traditional interpretation, the new findings are consistent with and confirmed by concepts drawn from contemporary sociological research on collective action. Thus, the movement drew upon the structurally based resources of its middle class base, exploited local political opportunities, and articulated popular group interests and collective identities.

What were these interests and identities? In this paper, I argue that the Klan's heterogeneous appeals do not simply reflect either the essential will of a single petit bourgeois class or an organic "community" in different cities. Rather, I believe we can better understand local variation in the content of the movement by distinguishing the forces that affect the constitution, and contestation, of urban political community. From this perspective, the second Klan cannot simply be reduced to either a racist extremism or a naïve populism. Instead, the analysis reveals the dynamic interactions of race and class across the urban terrain.

In diverse settings, the Klan succeeded in rallying middle class native white Protestants as a collective actor. This was both populist *and* racist insofar as the Klan became a vehicle, though hardly an isolated one, for this

group's bid for hegemony *within* a presumptively white-dominant social order. This accounts for the Klan's popularity in areas with small or virtually non-existent non-white populations. Especially in such areas, the movement served as a catalyst for a redefinition of the boundaries of community and identity among European American groups. And if ethnic prejudice marked the lines of emergent conflict between native whites and European immigrants, race was ultimately the most typical solution. In the 1920s, as historian Alan Dawley (1992, p. 276) writes, "[T]he myth of white supremacy was a fundamental ruling structure of American life …By contrast, the fictions of Nordic superiority or Anglo-Saxon "good blood," besides their mutual exclusions and inner confusions, could not embrace the majority of the country. Anti-Semitism served that purpose, but white racism served it best".

While the Klan as an organization eventually collapsed, other actors often pre-empted its issues, absorbed its constituency, and incorporated their interests. Herein lies the key to the paradox of "defeat in victory." For if the Klan itself failed, the social base of the movement did not do quite so badly. White middle classes did not disappear, and in many areas they rather succeeded in establishing themselves as group and influencing the path of urban social and political development.

In his book on the Indiana Klan, Moore suggests that the ethnic nationalism of white Protestant Americans has "formed the basis for many conservative social and political movements of the twentieth century …including Prohibition, fundamentalism, anticommunism, antievolutionism, antifeminism, and, in recent years, the various campaigns of the New Right" (1991, p. 6). Moore's point may be overstated, but what matters is not any direct link between the Klan as an organization and these other movements, but the underlying formation of white middle classes as a group. Members of this group may not always lean toward conservatism, but it is important to know when and how they do.

Sociologists and historians have amply documented the growth of socioeconomically homogeneous, conservative and politically autonomous suburban white communities in the years after World War II (Massey and Denton, 1993; Jackson, 1985; Cohen, 2003, pp. 154–256). Other scholars have focused on postwar suburban residential segregation as a structural basis for the reaffirmation of "whiteness" as a racial identity (Lipsitz, 1995; Mah, 2001; Roediger, 1994). The processes of group formation in these communities have played a significant role in generating popular support for contemporary right-wing politics (Edsall & Edsall, 1991; McGirr, 2001; Taylor, 1995). In places like Orange County, California; Cobb County,

Georgia; Fort Worth and suburban Dallas; and Scottsdale, Arizona, historian Lisa McGirr observes, "conservative political ideology, often considered an antimodern worldview, attracted a large number of people in the most technologically advanced and economically vibrant of American locales" (McGirr, 2001, p. 8).

The studies of the Klan reveal important precedents for these phenomena in the urban politics of the 1920s. Such a claim does not overlook major demographic, technological, and institutional discontinuities between the two periods, including substantial increases in African American urban concentration, interstate highway construction and the development of pre-fabricated housing construction, federal and local government practices of discriminatory mortgage financing and exclusionary zoning, and various programs of urban renewal. Nevertheless, the racialization of urban space during the 1920s was a critical juncture in the crystallization of a cultural norm of middle class formation and community. As historian Margaret Marsh (1990, p. 183; see also Jurca, 2001) argues, "By the end of the 1920s there had developed an image of suburbia that was to remain fixed in the landscape of the American mind for decades to come. The owner-occupied, single-family house, set in a community of similar houses, where children were the central focus of family life, and from which families considered "undesirable" were excluded, had become, not the norm for all families, but very nearly the standard by which one's middle class credentials were judged."

The questions raised in this debate merit further research. The traditional interpretation of the 1920s Klan held that it was a backward-looking movement, left behind by the triumph of modernism and liberal pluralism. Today, the evidence calls for a different view. In 1970, Lipset and Raab wrote, "In recent years, backlash politics seems to characterize the declining evangelical Protestants whose cultural-ethnic values are now weaker than ever; members of the small and moderate-size business class which still believe in laissez faire, low taxes and weak unions and find history against them; and those that feel a stake in white domination, who find the success of the civil rights movement threatening" (Lipset & Raab, 1970, p. 30). Since 1970, the successful resurgence of the Christian right, of anti-union and anti-welfare state economics, and of opposition to affirmative action in the U.S., all cast doubt on their theory and their predictions. On the contrary, the current scene suggests the continuing salience of these forces in American society, the importance of understanding them, and the usefulness of a renewed look at the urban social movements of the 1920s.

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NOTES

1. Historians generally distinguish at least three separate periods of major Klan mobilization: the first, or Reconstruction-era Klan, active in the rural South from 1865 to 1871; the urban-based national Knights of the Ku Klux Klan, Inc., founded in 1915 and most active in the 1920s; and the southern civil rights-era Klan of the 1950s and 1960s. See Chalmers (1965), Wade (1987), and Blee (1991).

2. As late as 1996, Lipset wrote "The Klan, which documentarily represented a form of evangelical Protestant backlash, was supported disproportionately by lower-status rural and small urban community white sectarians." Lipset (1996, p. 165).

3. Pioneering works of the mobilization paradigm include Gamson (1975) and Tilly (1978).

4. At the urban level, political scientists have analyzed the political environment in terms of local governing coalitions or urban "regimes." See Elkin (1985), Stone (1993), and Reed (1988).

5. Methodologically, this represents a variant of the strategy of "deviant case" analysis, i.e. these cases are the most anomalous from the point of view of traditional theory, and so have the greatest potential for generating new understanding. See Walton (1992).

6. A similar account of Anglo in-migration, modernization and white racial mobilization along the south Texas–Mexico border, independently of the Klan, may be found in Montejano (1987).

7. On the interaction between wider governmental institutions and local urban politics, especially in (state and national) capital cities, see Davis (1994), Erie (1988), Burns (2002), and Miller (2000).

8. The zoning ordinance was later overturned in court. Thornbrough (1961, pp. 596–601).

9. State government also offered rich sources of patronage and became a central focus of Klan political mobilization. After his election Governor Morley appointed 200 state prohibition agents, a move that allowed him to pay off political debts and reward Klan members. Noel (1989, p. 99); Davis (1965).

10. Leonard and Noel (1990, p. 119) write, "Denverites knew . . . that theirs was a colonial economy. Just as Boston, New York and Philadelphia had paid tribute to London before the American Revolution, Denver found that it often danced on the strings pulled in New York boardrooms."

11. On the contemporary decline of immigration nationally, see Gerstle (2002).

12. The six Klan city councilors elected with Duvall also resigned and were fined. Leary (1971, p. 106).

13. In June 1925, Locke himself was jailed briefly on charges related to tax evasion. Goldberg (1981, pp. 98–99, 104).

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A TALE OF TWO BOURGEOISIES: RACE, CLASS, AND CITIZENSHIP IN SAN FRANCISCO AND CINCINNATI, 1870–1911

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ABSTRACT

Cincinnati manufacturers before World War I displayed substantial unity in pursuing the open shop. San Francisco employers were divided, in both their attitudes and their actions, on how to deal with unions. I treat these differences in terms of business class formation. My explanation emphasizes how racial dynamics, class relations, and citizenship practices, acting in cumulative historical sequences, shaped employer solidarity and ideology.

1. INTRODUCTION

By the early 1900s, Cincinnati businessmen could boast that theirs was an open-shop city. In leading industries such as clothing, carriages, and the metal trades, most manufacturers agreed that workers had no right to "outside" representation or collective bargaining, and individual owners

acted together, through employers' associations, to enforce that principle. Cincinnati was hardly unusual. Following a surge in unionization around the turn of the century, a powerful open-shop movement developed in many industrial centers, halting or even reversing union gains (Bonnett, 1956; Wakstein, 1964; Fine, 1995). One exception was San Francisco. Here, periodic efforts before World War I to mobilize employers for collective campaigns against unions consistently failed. Stranger still, a majority of the city's manufacturers accepted union rights and considered collective bargaining the best way to minimize industrial conflict. This paper compares the two business communities' approach to labor unions. My concern is less with the success or failure of open-shop drives than with employers' dispositions. Why did Cincinnati employers largely *agree* on the open shop and act *collectively* to enforce it, whereas their San Francisco counterparts did neither? The answers contribute to two regrettably separate literatures. One is the venerable debate over American exceptionalism (Gerber, 1997; Lipset & Marks, 2000). The second is a more recent discussion of capitalist class formation and how it may differ from that of the working class (Offe & Wiesenthal, 1980; Bowman, 1998; Roy & Parker-Gwin, 1999; Haydu, 1999).

One piece in the puzzle of American exceptionalism is that U.S. employers have been unusually hostile to unions and unusually effective in fighting them. To explain American employers' virulent anti-unionism, scholars agree on the value of cross-national comparisons, but not on what those comparisons show. Some have emphasized the pacing of economic development. Whether because of its sheer speed (Bendix, 1974) or because of the timing of changes in the labor process *relative* to union growth (Sisson, 1987; Haydu, 1988), U.S. industrialists generally had greater incentives and more technical capacity with which to defeat craft unionism. Other accounts invoke American political culture. In contrast to England, for example, in the United States there were neither feudal residues of noblesse oblige nor doubts about the untrammeled rights of private property (Lipset, 1986; Jacoby, 1991). Employers, accordingly, could pursue their immediate interests with fewer inhibitions. Finally, several scholars argue that capitalists' approach to trade unions reflected the relative weakness of working-class organization and, specifically, the absence of a serious political challenge from labor. With no threat from the left, employers did not need to follow the German example and accept business unions as the lesser of two evils (Adams, 1995; Haydu, 1997). And in fighting unions, they could usually count – as their French and English counterparts could not – on government support (Jacoby, 1991; Kirk, 1994; Friedman, 1998; Robertson, 2000; Beckert, 2001).

This study shifts attention from cross-national variations to contrasts *within* the U.S. Cities, like nations, are not wholly independent cases with which to conduct controlled experiments. At least some San Francisco and Cincinnati employers competed in the same markets, read identical business magazines, and belonged to common trade associations. Yet they responded to local labor problems in quite different ways, with San Francisco employers sometimes acting in direct defiance of national efforts (e.g. by the Citizens' Alliance) to bring them into line with "American" industrial relations. It makes sense to focus on local cases for another reason. Because Cincinnati and San Francisco businessmen operated within the same basic framework of U.S. culture and political institutions, a comparison of their approaches to labor provides some additional explanatory leverage that cross-national analysis cannot. During the period covered here, American employers confronted two spurts of union growth, one led by the Knights of Labor in the mid-1880s and another by the AFL between 1898 and 1902. It was partly in response to these labor insurgences that capitalists mobilized collectively, organizing for battle along lines of trade (e.g. the National Metal Trades Association and its local affiliates), city (e.g. general membership employers' associations), and nation (e.g. the National Association of Manufacturers and the Citizens' Alliance). And it was during this period that employers' anti-union sentiments seem to have hardened. Employers in Cincinnati and San Francisco, however, display very different dispositions. In Cincinnati, the development of anti-union solidarity and ideology fits the national norm. San Francisco employers' failure to unite in opposition to unions, in contrast, and the willingness of many to recognize union rights, appear downright un-American. The difference between the two cities cannot be explained by two staples of cross-national studies: neither the speed of economic development nor the general character of political culture sets San Francisco apart from Cincinnati. The two cities' experiences do, however, lend support to another cross-national claim. In San Francisco, as in Germany, working-class power helped many employers appreciate the virtues of cooperation. The relative weakness of trade unions and labor parties in Cincinnati gave businessmen the luxury to purge even moderate unions.

The comparison also brings to center stage the question of *capitalist* class formation. What characteristics of these cities account for the differences in their bourgeoisies' practice and ideology regarding labor? Why do employers in one display substantial solidarity in organization and consensus in framing unions, while those in the other remain sharply divided in action and beliefs? Such questions about class solidarity and ideology are familiar from studies of workers. They are much less often applied to capitalists. In

seeking answers, there is much to learn from studies of working-class for-
mation. For example, it is commonly argued that racial cleavages in the U.S.
divided workers and sometimes allied white labor with economic elites
(Reed, 2002). A similar dynamic can be found among capitalists in San
Francisco. Employers split between those who benefited from Chinese labor
and those who were harmed by it, with the latter making common cause
with skilled white workers. In this case, however, the wages of whiteness
(Roediger, 1991) accrued more to labor than to capital. Opposition to the
Chinese not only divided employers and aligned some with white labor; it
also fueled much of the industrial solidarity and political mobilization that
distinguished San Francisco's labor movement. Union power on the job and
at the polls, in turn, further divided San Francisco capital. Repeatedly,
employers who were either more vulnerable to strikes or more protected
from national competition broke ranks with anti-union firms.

   Another relevant lesson from studies of working-class formation is the
importance of citizenship practices and ideology. One line of argument is
that the organization of political life in the U.S. – the early franchise, the
neighborhood roots of patronage parties – crowded out class identities
(Katznelson, 1985). Other case studies highlight politics and political dis-
course as an important potential source of labor unity (Sewell, 1980; Jones,
1982; Wilentz, 1984). The common ground in these studies is that working-
class formation is shaped more by political than economic relations. The
same dynamic holds for capitalists in San Francisco and Cincinnati. The
ability of Cincinnati businessmen to act *together* against labor can be traced
to the civic associations in which a cross section of Cincinnati's capitalists
participated. These institutions helped bridge economic divisions among
businessmen, and the corresponding ideology of citizenship was easily
turned against unions. San Francisco employers were much less engaged in
civic associations of this sort.

   The first major section of this paper describes, in more detail, the con-
trasts in employer solidarity and ideology vis-a-vis unions. The second turns
to the forces – the character of racial cleavages, class relations, and citi-
zenship practices – that best account for these differences between the
bourgeoisies in each city. These causal influences do not operate independ-
ently of either time or one another. *When* racial conflicts or civic organ-
ization among employers occurred, relative to the development of
manufacturing and craft unionism, made a difference. And race, class re-
lations, and citizenship practices influenced one another and also operated
in a cumulative sequence to shape each city's business community. Accord-
ingly, I discuss these three "variables" in order of their timing, not their

weight, and I emphasize how they created larger trajectories of business-class formation.

2. ANTI-UNIONISM IN SAN FRANCISCO AND CINCINNATI: PRACTICES AND PRINCIPLES

The contrast I seek to explain involves both employer actions and employer ideology vis-a-vis unions. Cincinnati employers achieved substantial unity in opposing unions and generally embraced a coherent view of unions as illegitimate outsiders. San Francisco employers were more divided on both counts, but in major industries a majority accepted unions both in practice and in principle.[1] In both cities, moreover, the same basic package of employer action and ideology can be found across a range of specific issues: it appears in battles over the open shop, in the spread of collective bargaining, and in the use made of arbitration. My summary of these battles aims to show that there is a clear and consistent contrast deserving of explanation.

2.1. Open-Shop Drives

San Francisco did not lack for open-shop partisans. On several occasions, major employers banded together on a city-wide basis to oppose unions. Anti-union drives in 1891 and 1901 were mostly home-grown affairs; one in 1907 reflected activities by the local affiliate of the national Citizens' Alliance. These offensives look very much like the open-shop drives that appeared in other cities. Where they differ is that their successes were few and short lived. More important, the anti-unionism that rallied employers elsewhere divided them in San Francisco.

Consider the most important prewar attack on unions, mounted by the Employers' Association in 1901. The Employers' Association was organized in April of that year, during strikes by cooks and waiters, carriage makers, and bakers. The core membership came primarily from among wholesale merchants and large manufacturers, particularly those producing for national markets (*San Francisco Examiner*, August 7, 1901; Giannini, 1975, p. 54). In its public statements, the Employers' Association claimed not to oppose unions per se, but only to defend employers' right to hire whomever they pleased, union or non-union. This position clearly appealed to many employers, particularly in industries such as restaurants and drayage, where

less-skilled workers were newly organizing and pressing demands for the closed shop (Knight, 1960, pp. 67–73, 83).

As the dispute unfolded, however, divisions among businessmen over the open shop become clearer. Smaller, locally based firms were at most reluctant partners in the Employers' Association's campaign. Many of them enlisted only in response to a combination of bribes and blackmail. The bribes consisted of material and strategic support to industry associations (notably the Restaurant Keepers' Association, the Carriage Makers, and the Draymen's Association) willing to take a hard line against unions. The blackmail consisted of cutting off the flow of essential supplies to non-cooperating firms – no oysters for restaurateurs, meat for butchers, and iron for carriage makers (*San Francisco Examiner*, May 8, July 4, 1901). Even so, some employers refused to comply.

Opposition to the open-shop approach to labor relations mounted over the summer of 1901 as the scope and impact of industrial conflict widened and as the Employers' Association abandoned all hints of compromise (Knight, 1960, provides a good summary. The following details draw from local newspaper coverage). In May, the battle over union conditions involved baking, restaurants, and the metal trades. In June, butchers joined the ranks of strikers, and sailors threatened to do so. July brought the most serious escalation of the strike, with first teamsters and then stevedores and sailors walking out. With the waterfront tie-up, in particular, threatening to paralyze the local economy, calls grew for a more conciliatory approach. At the same time, however, the Employers' Association was digging in its heels. Its stated position of accepting unions but not the closed shop came to mean, in practice, that it refused to allow members to even meet with unions to discuss matters.

With the stakes so high and the Employers' Association so inflexible, opposition from within the business community grew. In early July, the presidents of local improvement clubs (whose members were mainly small business men) formed a Municipal League and offered to mediate. The Retail Grocers' Association publicly criticized wholesale merchants for their supporting role in continuing the strike. Members of the Merchants' Association urged the Employers' Association not to interfere if the Draymen wanted to cut a deal with the Teamsters. Drayage proprietors, for their part, made overtures to the Teamsters despite the Employers' Association's claim that there was nothing to discuss. Ultimately, intervention by California Governor Henry Gage sidelined the Employers' Association altogether. Gage called together Draymen and Teamsters – pointedly excluding the Employers' Association – and brokered a settlement that more or less

affirmed the status quo. The Draymen's Association and the Teamsters accepted the compromise and resumed work without bothering to get the Employers' Association's approval. Within a year, marginalized and suffering from defections, the Employers' Association disappeared.

Cincinnati's Employers' Association was equally committed to the open shop. Organized in 1903, by early 1904, it claimed 2,750 members dedicated to resisting "unjust demands on the part of labor unions" (*Cincinnati Enquirer*, February 2, 1904). True to the Association principles, its secretary boasted that even during the 1907 annual dinner, held during a city-wide waiters' organizing drive, service was provided by strike-breakers (*Cincinnati Enquirer*, January 30, 1907). Unlike its San Francisco counterpart, however, the Employers' Association commanded wide support among local business groups and proved an effective and lasting force in local industrial relations. Among the Association's members, for example, was the most broadly based business organization in Cincinnati, the Business Men's Club (Business Men's Club, Minutes, December 20, 1912). In battles for the open shop waged by organized employers in specific trades, the Employers' Association regularly played supporting roles. It provided financial and tactical assistance in offensives against unionized butchers, iron molders, and carriage makers. It helped to organize boycotts of union printing shops and of firms using union teamsters (*Cincinnati Enquirer*, September 19, 22, 1905; Central Labor Council, Minutes, March 12, 1907, September 11, 1906). It supplied "police protection" to any local firm fighting union recognition (*Cincinnati Enquirer*, January 30, 1907). And in most of these disputes, unlike those in San Francisco, the open-shop side prevailed.

2.2. Collective Bargaining

One alternative to breaking unions is working with them. To a far greater extent than in other U.S. cities, this was the approach taken in San Francisco. The general trend from the rise of manufacturing in the 1870s was toward routine collective bargaining. San Francisco stood out not merely for the prevalence of negotiation between individual employers and unions. By the early 1900s, *industry-wide* collective bargaining was the normal method in the city for managing labor relations in construction, brewing, metal working, boots and shoes, and the waterfront trades. Organized employers and unions in these sectors negotiated the wages and hours that governed all members of the industry. The agreements often added grievance procedures, so that disputes arising during the life of the contract could

be handled without a strike. Typically, these procedures called for union and employer association officials to intervene if a disagreement could not be resolved on the spot (Knight, 1960; Cross, 1935).

Along with these practices went a pragmatic orientation to industrial relations. A common view of unions was that they had their advantages and disadvantages. They could be dictatorial in their methods. They could also be unreasonable in their demands, calling for wage increases out of line with economic realities or insisting on the closed shop. But they also simplified the task of dealing with labor and helped bring stability to the trade. This pragmatic approach also conceded workers' right to act collectively, but sought balance by having employers do the same. Finally, most employers whose opinions we know considered collective bargaining and grievance procedures sensible means for dealing with the conflicts that inevitably arose at work. At the very least, negotiation was preferable to out-and-out industrial warfare (surveys of specific industries include: Cross, 1918; Ryan, 1936; Knight, 1960; Kazin, 1987). These attitudes are on display in San Francisco's metal trades, an industry known elsewhere as a bastion of the open shop. The city's California Metal Trades Association (CMTA) accepted the Iron Trades Council (ITC) as its counterpart – ''partner'' would be putting it too strongly – for managing industrial affairs. Even given the opportunity to reverse union gains, as during the sharp depression of 1907–1908, the CMTA maintained business-like relations with the ITC. It even pushed cooperation into new arenas, such as lobbying together to win naval contracts and to promote ''home industry.'' This cooperation, guarded though it was, reflected the view that organization on both sides of industry provided a salutary balance. In President J. M. Robinson's characterization of CMTA goals, ''the association is working not to break down the strength of the labor forces, for that is impossible, but to develop within itself a power and influence equally as effective.'' His successor, Sam Eva, added that this balance of power enabled employers to standardize wages and hours. The agreement with the ITC also would ''tend to make the unions more responsible'' (*San Francisco Examiner*, October 28, 1908, January 26, February 12, 1911).

While the CMTA came to accept industry-wide bargaining, its Cincinnati counterpart remained vigilant in defending the open shop. Leading manufacturers organized the Cincinnati MTA in 1900 during a nation-wide machinists' strike. Its immediate goal was to resist union demands for shorter hours and recognition. Having succeeded, the MTA went on to consolidate an open-shop regime. Cincinnati MTA members pioneered several industry-wide programs to deal with problems that in San Francisco

were handled through collective bargaining. In place of union apprentice-ship, for example, the MTA developed an innovative system of industrial training through public schools and the local university. The purpose of the new education programs, the MTA secretary emphasized, was not just to produce needed skilled workers. They would also enable men to "earn a living independent of the support of any trade organization and mentally indifferent to it" (Cincinnati Metal Trades Association, July 29, 1908; Wing, 1964; United States Commissioner of Labor, 1911). To help firms recruit new hands without recourse to union hiring halls, the MTA also established an Employment Bureau. The Bureau pooled information on manpower needs and labor supplies, and it could dispatch qualified (and non-union) men to fill open positions (CMTA Minutes, April 27, 1902, March 18, 1903, October 28, 1904; Hobart, 1903). Where conflicts did erupt, the MTA rejected the expedient of handling them through collective bargaining. Instead, it provided the resources that enabled member firms to defeat unions, including financial assistance and intelligence provided by MTA-hired spies in the local branch of the International Association of Machinists (CMTA Minutes, January 20, 1903; Central Labor Council Minutes, May 4, 1903).

The basic rationale for these efforts on behalf of the open shop was a familiar one in most cities other than San Francisco. Cincinnati employers believed that unions disrupted the natural harmony of interests between employer and employee; deprived owners of control over their own businesses; and infringed on workmen's individual liberty. Baldwin Piano president Lucien Wulsin expressed the typical Cincinnati view in a letter to his Congressman opposing legislative proposals to limit the use of injunctions in labor disputes. "No law should be enacted that will permit [unions] to … [prevent] free men from working and dragooning workmen into the adoption of methods which are dictated by the poorer element among workmen and the restless, anarchistic walking and talking delegate, whose business it is to create trouble" (March 25, 1902 letter to J. H. Bromwell, Wulsin Family Papers, Box 184, Folder 8).

2.3. Arbitration

Differences in the use of arbitration offer a third illustration of business-men's approach to unions. In Cincinnati, as elsewhere in the United States (Furner, 1993; Friedman, 1998), arbitration was much discussed and occasionally used in the late 19th century. Particularly during the tumultuous 1880s, it appeared to be a sensible method for dealing with industrial

conflict. Employers and unions alike, after all, could be selfish and short-sighted. A constructive role, accordingly, could be played by "gentlemen of recognized standing in the community, cool-headed, dispassionate men," as the Ohio Bureau of Labor Statistics described mediators from Cincinnati's Board of Trade (Ohio State Bureau of Labor Statistics, 1882 Annual Report, p. 31). These worthy citizens made a sincere effort to play this role in several disputes during the mid-1880s, particularly in cases thought likely to have a serious impact on the local economy (Cincinnati Enquirer, May 2, 7, 1882, August 10, 1886; Morris, 1969, pp. 182, 196). By 1900, however, arbitration had all but disappeared from Cincinnati employers' repertoire.

This change in practice corresponds to changing assumptions about industrial relations. Arbitration takes for granted the legitimacy of unions as well as capital, and it presumes the right of public figures or authorities to stand above both of them. Increasing animosity to unions and a growing insistence that manufacturers should manage their businesses without "outside" interference undermined support for arbitration. By the turn of the century, moreover, Cincinnati employers no longer distinguished between the public interest and business interests, and they shared the common conviction of American managers that unions were incompatible with the public good (Wiebe, 1962; Watts, 1991). Thus in 1894, Cincinnati's Chamber of Commerce could both denounce local Pullman strikers for harming the interests of the city as a whole *and* proclaim the non-partisan character of the Chamber and of capital more generally: "The Cincinnati Chamber of Commerce, politically considered, is strictly nonpartisan. It is an organization for the promotion of business interests irrespective of classes or sections" (Cincinnati Chamber of Commerce, July 29, 1894). Around the same time, members of Cincinnati's leading business club proved to be a skeptical audience for a guest speaker praising Canada's system for arbitrating industrial disputes. One critic declared it imprudent to submit private industry to public authority, particularly when – as in the United States – labor unions had no legal obligation to act responsibly (Commercial Club Collection, Box 15, Speakers' Presentations, 1893–1918, Adam Shortt, Civil Service Commissioner, Ottawa, Canada, "Canadian Method of Settling Industrial Disputes," November 15, 1893).

Far from disappearing, arbitration in San Francisco became *more* common after 1900. Employers in some industries adopted arbitration as an additional step of collective bargaining. One model called for both parties to choose an outside arbitrator to break deadlocks. During a 1903 streetcar strike, for example, the United Railroads and the Carmen's Union agreed to

set up a "board of arbitration" composed of one representative of the company, one from the union, and a third chosen by these two. The Building Trades Employers' Association and the Building Trades Council (BTC) adopted a similar scheme in 1914 (*San Francisco Examiner*, March 31, April 7, 23, 1903, May 13, 1914). In other trades, the Labor Council served as the outside arbitrator for difficult disputes (examples include hat and cap makers (*San Francisco Examiner*, October 19, 1902), the gas company (November 14, 1902), and tanners (January 5, 1903)). The metal trades represent yet another variant, making use of arbitration by third parties other than unions. In 1910, the inability of the CMTA and the ITC to agree on a new contract threatened an industry-wide strike. In response, Harris Weinstock of the Commonwealth Club proposed an arbitration board composed of 12 employer representatives nominated by the Chamber of Commerce and 12 put forward by the Labor Council. This Industrial Conciliation Board helped forestall a strike in 1911 and made recommendations in several subsequent disputes (*San Francisco Examiner*, November 11, 1910; San Francisco Industrial Conciliation Board, 1910; United States Senate, Commission on Industrial Relations, 1916, vol. 6, pp. 5235–5237; Cross, 1918, pp. 283–284).

Calls for arbitration in San Francisco were not always heeded. The Employers' Association insisted it had nothing to arbitrate in 1901, and the street railway company repudiated efforts to arbitrate a bitter dispute in 1907. On this issue, as with collective bargaining and the open shop, San Francisco capital was divided. But in contrast to Cincinnati, a substantial segment of the business community continued to advocate and practice arbitration. And in doing so, they implicitly accepted two principles at odds with Cincinnati's approach. First, they viewed unions as legitimate actors in local industrial relations. Second, they saw the public interest as jeopardized by uncompromising industrial warfare waged by *either* capital or labor. In 1907, for example, the city's Civic League joined labor leaders to denounce "the sentiment of 'fight to a finish' … shared equally by the agitators in the ranks of labor and capital" (quoted by Knight, 1960, p. 188). The civic good, in this view, stood above and apart from the narrow interests of both capital and labor. Each side had its rights, but their public duty called for working out disagreements peacefully. San Francisco's 1905 "Citizens' Law and Order League," which brought together small businessmen from neighborhood improvement clubs, defined itself in just these terms: "an organization of the disinterested general public as a buffer between organized capital and organized labor" (*San Francisco Examiner*, June 4, 1905).

3. ACCOUNTING FOR THE DIFFERENCES

Cincinnati businessmen, then, largely shared a strong preference for the open shop and worked together effectively to fight unions. In this they differed little from manufacturers in most industrial cities (case studies include Cohen, 1990; Klug, 1993; Millikan, 2001). San Francisco businessmen were divided on the virtues of the open shop and the legitimacy of unions; but in many industries a majority saw union recognition and collective bargaining as the best ways to manage industrial relations. What accounts for these differences?

The comparison appears to rule out some possible explanations. Industrial structure cannot by itself account for either the unity or the anti-union animus of Cincinnati employers. In the manufacturing and construction sectors where most unionists found employment, small- and medium-size enterprises prevailed in both cities. Employment per firm in 1890 averaged 11.9 hands in San Francisco and 12.3 in Cincinnati (U.S. Census, 1890, Manufactures, Table 3). Nor does the contrast in capitalist solidarity and strategy reflect differences in industrial composition. One finds in both cases many of the same leading industries, including machinery, beer, meat packing, boots and shoes, foundry products, construction, tobacco and cigars, and clothing (Shumsky, 1972; Decker, 1978; Ross, 1985). In each case, moreover, these leading industries included both trades where American employers often dealt with unions (construction, brewing, and foundries) and bastions of the open shop (the machine trades, boot and shoe factories). On the basis of industrial structure, then, one would expect little difference between the two cities in manufacturers' approach to unions.

Where the local economies diverged was more in the balance between manufacturing and other sectors, with commercial capital, shipping, and railroads carrying greater weight in San Francisco (Tygiel, 1977; Decker, 1978; Walker, 2000). The different balance is reflected in the distribution of each city's workforce. In 1870, 44% of Cincinnati's workers were employed in manufacturing, 33% in services, and 22% in trade and transportation. The corresponding percentages for San Francisco are 32, 41, and 26 (U.S. Census, 1870, Population, Table 32). Some of San Francisco's trading and transportation firms, moreover, dwarfed smaller manufacturers both in market power and political clout, with the Southern Pacific Railroad looming above them all. By the 1920s, as Kimeldorf (1988) shows, the concentration of capital in shipping would enable employers to turn decisively against waterfront unions in the city. Could this difference in local economies account for contrasting approaches to unions? For the period

considered here, the answer is no. The impact of big capital (especially in railroads and utilities) was more divisive than unifying around the turn of the century. We have seen from the failure of the Employers' Association that large capital and small approached unions vary differently. We will also see that this division was reinforced by local political conflicts over undue influence by ''monopolies'' in government. In Cincinnati, moreover, economic divisions between bigger and smaller firms and between merchants and manufacturers differed only in degree, not in kind, from San Francisco. But these were more successfully overcome through common civic institutions.

Juxtaposing these two U.S. cities also ''holds constant'' certain factors invoked in cross-national comparisons, including the absence of feudal traditions, the hegemony of private property rights, and the power and legal traditions of American courts. One other causal suspect in comparisons with other countries – the *speed* of industrial development in the U.S. – also fails to fit these cases. It was San Francisco, not Cincinnati, which enjoyed the more rapid expansion of manufacturing in the late 19th century. Between 1870 and 1900, Cincinnati's manufacturing employment grew by 69%, from 37,344 to 63,240; over the same period, San Francisco expanded by 263%, from 12,377 to 41,978.[2]

The two cases lend more support to another common cross-national claim: that American capital benefited from the weakness of industrial and political organization among workers. Powerful labor unions and political parties, far from providing a common enemy against whom to join forces, divided San Francisco capitalists and encouraged many to concede collective bargaining rights. Comparing Cincinnati and San Francisco draws attention to two additional factors that are familiar from studies of working class, but not bourgeois, class formation. First, the interaction of racial cleavages and manufacturing development in San Francisco undermined employer unity and favored cross-class alliances with white skilled labor. Second, the organization and ideology of political citizenship among Cincinnati employers, but not those in San Francisco, supported business solidarity and anti-unionism. Racial cleavages, class power, and citizenship practices operated both in rough sequence and in cumulative fashion to send the two cities on different historical trajectories. Anti-Chinese agitation peaked during the 1870s; common opposition to the Chinese contributed to the industrial solidarity and political power of San Francisco's labor movement; and alignments based on ''whiteness'' and accommodations with unions shaped the character of citizenship among San Francisco employers in the late 19th and early 20th century. African Americans in Cincinnati

manufacturing provided no such common enemy, either for white workers and small employers or for skilled white labor of rival ethnic groups. A more isolated and divided labor movement, in turn, gave local employers the luxury of organizing on a city-wide basis to pursue civic goals rather than to cope, as their San Francisco counterparts had to, with unions.

3.1. Race and Class Formation among Capitalists

Race is often held to have divided American workers, especially where racial cleavages coincided with economic rivalries, such as competition for scarce jobs, divisions based on skill, or unequal access to union representation (Gordon, Edwards, & Reich, 1982; Mink, 1986; Gerstle, 2001; Reed, 2002). In San Francisco, race had similarly divisive effects on capitalists. Prejudice against the Chinese, combined with changes in the character of industry, divided businessmen and aligned many of them with unionized white workers. Cincinnati saw the same industrial changes, but they pitted employers directly against trade unions rather than whites against a racial minority.

Cincinnati's story is the more typical. Between the Civil War and the 1890s, key industries moved from artisinal to factory production. In meat-packing, boots and shoes, cigars, furniture, and carriages, employers introduced new machinery and subdivided labor. These innovations reduced owners' unit costs and their reliance on skilled men. New technology in the shoe industry, for example, allowed manufacturers to hire "a bevy of happy girls, who sing merrily above the rattle of their sewing machines" (*Cincinnati Daily Gazette*, August 25, 1876). Changes in the character of work also went hand in hand with a shift to larger firms, because specialized machinery and labor made economic sense only with more standardized commodities, produced in larger batches (Morrison, 1886; Ross, 1985).

Skilled workers, not surprisingly, defended their privileges as best they could. For instance, by limiting the ratio of apprentices to journeymen, they hoped to keep employers from overstocking the labor market. By demanding that jobs be staffed by qualified craftsmen, they sought to prevent the substitution of cheaper hands. Shoe lasters at Krippendorf's factory went on strike in 1889 to protest the introduction of "the string team system … where one man does one part on a shoe, another, another, and so on. Some of these parts could be done by boys … [where] now only skilled labor is employed on the entire job of lasting the shoe" (*Cincinnati Enquirer*, August 23, 1889). The stage was thus set for repeated battles over work rules, with

employers identifying unions as the chief threat to economical production and managerial rights. In this Cincinnati resembled many other late-19th-century industrial cities. Partly for want of the political means to protect their interests, skilled workers sought control over local labor markets and workshop practice. Doing so only strengthened employer opposition to trade unionism (Montgomery, 1979; Robertson, 2000).

San Francisco's manufacturing looks much like Cincinnati's. The local economy included industries that continued to rely on craft skills. The building trades, foundry work, and machine-making are leading examples (Ryan, 1936; Chatom, 1915). Local industry also included trades moving rapidly from small shops toward mechanized production in factories, notably clothing, boots and shoes, and cigars (Franks, 1985). The key difference from Cincinnati was the way in which contrasting labor processes, within and between industries, overlapped with racial cleavages. The Chinese accounted for 8.0% of San Francisco's population in 1870, and 16.3% of California's manufacturing labor force.[3] They also were concentrated in those industries that were marked by the greatest deskilling. The Chinese accounted for 91.5% of tobacco workers in 1870, but only 2.9% of carpenters and 0.3% of iron and steel workers (Erie, 1975, pp. 150–151). Racial divisions also appeared within mechanizing industries. The clothing, boot and shoe, and cigar industries all included a craft sector, small shops specializing in bespoke tailoring, custom footwear, and hand-rolled cigars. In these sectors, skilled white labor and white owners predominated. But these trades also included sweatshops relying on low wages to compete in the mass market, and here Chinese labor prevailed. Boot and shoe firms relying on Chinese employees paid annual wages of $311 in 1870, compared with $715 for small shops with white labor. The latter, however, turned out products valued at $2,463 per worker, as against $1,506 for companies with Chinese labor (Chiu, 1960, p. 203). Because sweatshops required only limited capital and easily acquired technical skills, Chinese ownership also became common. Already in the late 1860s, half of the city's cigar-making firms had Chinese owners, and among their 500 employees only 50 were whites. Large factories complete the picture. These were generally white-owned, with an average of five times as many hands as Chinese-owned firms (Bristol-Kagan, 1982, p. 16). The white-owned factories also made greater use of machinery, a more advanced division of labor, and less-skilled workers to turn out standardized shirts, shoes, and cigars. And because Chinese labor came cheaper than white, they were often the preferred factory hands (Chiu, 1960; Bristol-Kagan, 1982).

The intertwining of industrial change and racial cleavage gave class alignments a peculiar shape in San Francisco. For white owners of smaller firms and for skilled white labor, the Chinese appeared to be a common enemy. Workers saw them as competitors for scarce jobs; proprietors resented both Chinese-owned sweatshops and the larger firms that combined new technology and cheap Chinese labor to produce low-price shoes or cigars (Chiu, 1960; Saxton, 1971). The 1870s were the most active years for agitation by working-class men and small proprietors. This alliance continued through the 1880s and 1890s, however, notably in campaigns by unions and proprietors to label goods as ''white''-made and promote them at the expense of firms owned by or employing Chinese (*San Francisco Examiner*, January 3, March 29, 1886, November 6, 1889; California Bureau of Labor Statistics, 1893). The same forces aligning small proprietors with union labor also divided capitalists. Frictions between larger, more mechanized firms and their small-fry competitors were not unusual during the late 19th century. In San Francisco, however, they were reinforced by the tendency for larger manufacturing firms to flout ''community sentiment'' and hire cheaper Chinese labor. Smaller firms, in contrast, more often demonstrated ''fidelity to their own race'' (*San Francisco Examiner*, February 22, 1879), whether out of conviction or, given their greater vulnerability to boycotts and union pressure, pragmatism. The San Francisco Chinese deepened another familiar cleavage among capitalists, that between merchants and manufacturers. Retailers, for example, depended on spending by better-paid (and thus white) workers, and they perceived the use of Chinese labor by leading manufacturers as a cause of unemployment among their patrons. At various times, accordingly, they joined small proprietors in ''white labor'' label campaigns (*San Francisco Examiner*, May 15, July 8, 1882, December 31, 1890; Chen, 2000, p. 67). These employers also criticized San Francisco's most prominent corporation, the Southern Pacific Railroad, both for its employment of Chinese labor and for the political clout with which it opposed restrictions on Chinese immigration (*San Francisco Chronicle*, May 13, 1870; Chiu, 1960, pp. 182–183).

Although it was small employers in cigars, boots and shoes, and clothing who had the most direct interest in opposing the Chinese, ''whiteness'' trumped class on a broader basis. Here the timing of racial conflict magnified its impact. The peak years of anti-Chinese agitation, the 1870s, also saw sharp increases in unemployment and in the local Chinese population, thus providing white workers more generally with a convenient scapegoat. It was in the 1870s, accordingly, that white workers and

proprietors in a wide variety of industries joined forces in neighborhood "anti-coolie" clubs and the Workingmen's Party (United States Senate, 1877; Saxton, 1971; Chen, 2000). This politicized opposition to Chinese immigrants also survived into the 1890s, and it did so among businessmen not directly threatened by Chinese economic competition. In testimony before a Senate committee in 1877, California labor leader Albert Winn emphasized that the Chinese benefited only "a few wealthy men – men of large farms and large factories – but they injure the poor man." In contrast, he commended "the leading principal businessmen of the city" for joining the campaign against Chinese immigration (United States Senate, 1877, p. 323). For cable manufacturer Andrew Hallidie and fellow members of San Francisco's Mechanics' Institute, proprietors and craftsmen had to defend the local economy and "American" standards against the Chinese and their grasping, white allies. In this view, merchants' short-sighted pursuit of free trade with China led them "to sacrifice home industries [and] the employment of the home mechanic and workman" (Hallidie Paper, Folder 10, "Commercial Decline of San Francisco," from *The Wave*, February 9, 1895). Ultimately, the "coolie hordes" endangered not just economic interests but the integrity of the Republic. Too many manufacturers, Hallidie charged, were willing to rely on this "herd of humanity, accustomed to slave in the substratum of life," at the expense of the "higher-grade artisan" who was essential to the "progress and integrity of the nation" (Hallidie Papers, Addresses and Reports, 1877 Annual Report to the Mechanics' Institute). Opposition to the Chinese thus had both immediate effects and lasting legacies. In the short term, small employers and skilled white labor joined forces on behalf of shared economic interests. In the longer term, that battle aligned the two groups in defense of a racialized conception of citizenship.

Cincinnati had its own racial minority, blacks. But neither the social location nor the timing of racial conflict in the city worked to unite small capital and skilled white labor. Blacks were a smaller proportion of Cincinnati's population (2.7% in 1870) than were the Chinese in San Francisco (8.0%) (U.S. Census, 1870, Population, Table 8). More importantly, they were largely excluded from local industry. Of 5,405 "Negro" adult males in 1900, 3,316 were employed in domestic and personal service, 1,152 in trade and transportation, and only 743 in manufacturing (U.S. Census, 1904, Table 43).[4] Thus at the time when local trades began moving to factory production, there were few black firms or black manufacturing workers to give small proprietors and white craftsmen a common scapegoat for their economic insecurities.

3.2. Capitalists' Common Enemy: Working-Class Power in San Francisco and Cincinnati

A second influence on employers' ability and willingness to act collectively against unions was the character of the local labor movement. In San Francisco, a well-organized working class forced many employers to sue for peace. For Cincinnati employers, weaker unions reduced the incentives to rely on collective bargaining for stabilizing industry, and they minimized the costs of imposing open shops.

San Francisco had one of the most powerful labor movements in the country (Cross, 1935; Knight, 1960; Tygiel, 1977; Kazin, 1987). Union density far exceeded national norms. In their 1887 reports to the state Bureau of Labor Statistics, locals claimed to enroll 90% or more of eligible members in such major industries as baking, brewing, bricklaying, marine engineering, and iron molding. Boot and shoe workers, stevedores, sailors, and printers, all large trades in the city, were at least 50% organized (California Bureau of Labor Statistics, 9th Biennial Report, 1887–1888, pp. 128–131). The numbers give only a limited sense of San Francisco workers' achievements. Among craftsmen, in particular, solidarity seems to have been a matter of both organization and habit. In key industries, federations of local unions developed early and effectively coordinated action among constituents. Chief among them was the Building Trades Council (BTC, 1890), with nearly dictatorial power to set conditions and discipline unions in construction. The metal trades had its Iron Trades Council (1885), and unions active around the docks (longshoremen, teamsters) formed the City Front Federation (successor to the Wharf and Waves Federation of the 1880s). And although the powerful BTC stood aloof, most other unions belonged to and were guided by the San Francisco Labor Council (1892, and successor to the Federated Trades). These were much more than token councils to which union officials reported news of their trades at poorly attended monthly meetings. They had real authority to approve strikes; levy assessments and orchestrate boycotts to support them; and intervene to settle them.

San Francisco craftsmen not only surpassed most other city labor movements in the extent of their cooperation with one another. The local labor movement also was precocious in its unionization of less-skilled workers. As early as 1861, unionization among waiters prompted the formation of the city's first employers' association (Knight, 1960, p. 8). Each of the major trade councils included less-skilled constituents alongside craft unions. The BTC had its building laborers, the ITC its foundry and, later, shipyard

helpers, and the City Front Federation its dock laborers. Organization among these workers was certainly more fragile, and collective bargaining successes more limited, than among traditional AFL unions. But during the turn-of-the-century boom in unionization, significant numbers of less-skilled workers became regular members of local unions, giving the San Francisco labor movement an organizational range and depth unequaled in the United States (Cross, 1935, pp. 167, 229; Varcados, 1968, pp. 67–68; Eaves, 1910).

In all these areas, Cincinnati workers lagged far behind. Union membership rose sharply as the economy pulled out of the 1873 panic, but it then dropped off just as dramatically. Ross (1985, pp. 252–253) estimates that Cincinnati workers formed 100 new unions between 1878 and 1884, with membership shooting up from 1,000 to 12,000. Four years later, leaders of the Central Labor Council (CLC) bemoaned "the great disasters which [have] befallen … the Brewers, Tailors, … Cement Workers, etc." And in 1890, the Council opted not to list affiliate unions because "it would necessarily expose our weakness in numbers" (Central Labor Council Minutes, November 24, 1888, December 17, 1890). The AFL's rapid growth in the years around 1900 is visible in Cincinnati as well, with CLC affiliates claiming 35,000 members in 1902 (Miller, 1968, p. 123). That figure probably represents the city's prewar peak, however, and it pales next to San Francisco's 70,000 unionists (out of a smaller manufacturing workforce) in 1910 (Giannini, 1975, p. 1). The contrast is more significant still in such key sectors as the metal trades. This industry, solidly organized in San Francisco, was 95% open shop in Cincinnati on the eve of World War I (Schwartz, 1995, p. 46). As in San Francisco, the raw number of unionists tell only part of the story. Neither industry-wide organizations such as Cincinnati's Metal Trades Council, nor the city-wide CLC, had anything like the ability of their San Francisco counterparts to coordinate action among constituent unions.

The contrasting fortunes of labor movements in San Francisco and Cincinnati can be traced partly to the timing of union development. San Francisco's industrial expansion came quickly in the 1860s and 1870s. This was a period particularly favorable to union power, because the city's distance from national markets kept firms small, craft production methods intact, and labor scarce. Insulation from national competition also gave employers leeway to concede union wage scales and work rules (Knight, 1960; Kazin, 1987). At this same point in time, Cincinnati unions confronted employers who had much less freedom from market pressure and much better access to strikebreakers. The power of organized labor in

San Francisco also built on racial foundations. Rapid union growth in the 1870s coincided with anti-Chinese agitation. Common opposition to "cheap coolie labor" pushed into the background ethnic frictions (such as those between native-born whites and Irish or Italian immigrants) that elsewhere weakened the labor movement (McWilliams, 1949; Tygiel, 1977). In Cincinnati, manufacturers did not make much use of inexpensive black labor. Distinctions of color and skill, accordingly, did not coincide: racial animosities provided neither a flash point for craft union organization nor a distraction from ethnic divisions among white workers. Instead, ethnic occupational niches (such as German brewers and Irish construction workers) more often divided the skilled workers who were most important to the labor movement of the time. The German-led Labor Council, for example, spent much of its time feuding with the Irish-dominated and politically conservative building trades unions (Musselman, 1975).

Labor power thus built on prior causal trajectories. The strength or weakness of labor organization, in turn, made an obvious practical difference. The prospects of a tough fight with a formidable adversary discouraged San Francisco employers from pursuing the open shop. The more important result of labor's power in San Francisco, however, was to divide businessmen. Smaller firms, or those producing for local markets, generally made the best of the situation by working with, rather than against, labor. Unions, they discovered, could be useful. They could standardize wages across competitors, and they could help limit unrest (San Francisco Examiner, November 5, 1900, October 29, 1902; Knight, 1960). The employers' MTA also got assistance from the ITC in promoting "home industry" and in lobbying for military contracts (San Francisco Examiner, February 27, 1910; Knight, 1960). In contrast, larger firms, competing in national markets, had more reason to oppose unions, in part because they could not pass higher labor costs along to customers. Thanks to the city's strong unions and, until the late 19th century, its geographic isolation from most national markets, these capitalists were in the minority. The strategic choices facing most Cincinnati employers were quite different. Weaker unions lowered the cost of imposing open shops, and more competitive product markets gave them greater incentives to do so.

A similar contrast appears even more starkly when we turn from labor's industrial to its political organization. Saxton (1965, p. 422) provides one measure of working class political influence in San Francisco: between 1892 and 1910, of 120 city assemblymen, 49 were laborers, semiskilled or skilled workers, as compared with 23 lawyers and 31 businessmen or professionals. Workers' political power turned partly on a highly competitive electoral

system, in which both parties had to appeal to working-class constituents in hopes of gaining office (Ethington, 1994, pp. 67, 246). In two eras, however, independent labor-based parties gained office in their own right. During the late 1870s, a sharp economic downturn and scapegoating of the Chinese gave rise to the Workingmen's Party. The party successfully sponsored candidates and constitutional reforms to curb corporate influence in state government (Erie, 1975, p. 164; Saxton, 1971). Between 1901 and 1911, the Union Labor Party dominated city government. The name exaggerated the party's roots in local unions, but workers provided the bulk of its electoral support and the party was a fairly reliable defender of union interests (Bean, 1952; Giannini, 1975; Kazin, 1987). In this respect, as in so many others, San Francisco was exceptional. Elsewhere, labor or socialist parties tended to prosper when rooted in "inclusive" unions (Lipset & Marks, 2000). Although organized labor in San Francisco was more open to unskilled workers than most U.S. trade unions, it was still based primarily on craft unionism. The fact that it nonetheless supported independent electoral politics can be traced partly to the long fight against Chinese immigration – another way in which racial cleavages and class power formed a cumulative historical sequence.

Cincinnati workers only briefly posed such a political challenge. Building from the 1886 May Day strikes, leaders of the Knights of Labor and the Central Labor Union joined middle-class reformers to launch a local branch of the United Labor Party (ULP). The party championed Henry George's single tax, government control of "natural" monopolies, and enforcement of Ohio's 8 hour law. It nearly won the April, 1887 city election, despite the Democrats throwing their support to the Republican mayoral candidate (Ross, 1985, Chap. 12; Ansell & Burris, 1997, pp. 19–21). But the ULP quickly lost support, dropping from 36.7% of the vote in April, 1887 to 1.2% in November, 1888 (Ross, 1985, p. 312). And during the years when the Union Labor Party was running San Francisco, organized labor in Cincinnati was safely incorporated into the local Republican party (Ansell & Burris, 1997; Miller, 1968).

These differences between cities are consistent with some claims made in comparisons across whole countries: capital is more likely to accept unions at work when labor is a force in politics (Adams, 1995; Kirk, 1994; Haydu, 1997). Labor's political clout in San Francisco meant that employers did not have recourse to the typically "American" expedient of enlisting local government in struggles with unions. Indeed, municipal authorities often took the other side, supporting the 8 hour day, for example, and opposing the use of private police during strikes (Bean, 1952; Giannini, 1975). San Francisco labor's political mobilization did more than deprive employers of a weapon

to wield against unions. It also raised the costs of anti-unionism, because open-shop battles sparked political reprisals. The Employers' Association's offensive in 1901 contributed to the Union Labor Party's mayoral victory at the next election; 4 years later, the ULP used resentment against a similar campaign by the local Citizens' Alliance to expand its majority on the city council (Bean, 1952; Kazin, 1987).[5] Cincinnati employers had no such reasons to tolerate unionism.

3.3. Citizenship and Bourgeois Solidarity

Differences between merchants and manufacturers or between large factories and small shops were not aggravated by race or widened by powerful unions in Cincinnati, but they still existed. An important source of bourgeois solidarity against unions in Cincinnati, but not San Francisco, was civic engagement. Cincinnati businessmen of this period actively participated in local improvement associations. They did so out of concern for the city's economic decline relative to competitors; in opposition to political corruption; and because of fears of unrest by "the criminal classes" (Haydu, 2002). The effects of their engagement, however, are more important than their motives. Businessmen took the lead in establishing a wide variety of civic organizations, from charities and district improvement associations to political reform clubs. These played key roles in uniting businessmen of varied economic interests and in fostering among them a common identity as champions of the community's welfare. This interpretation resembles some theories of working-class formation in giving causal pride of place to politics. In the literature on American exceptionalism, for example, labor solidarity is seen as undermined by the early franchise (Lipset & Marks, 2000) or by an electoral system that mobilized wage earners on the basis of ethnicity and neighborhood rather than class (Katznelson, 1985). Where working-class formation appears more fully developed, political influences may have been similarly decisive, as in the familiar claim that class consciousness is fostered when political inequalities coincide with economic ones (Giddens, 1973; Lipset, 1983). A different account of worker solidarity more directly parallels my interpretation of employers' actions. Students of labor have come to acknowledge that wage earners' economic interests are as often divisive as unifying. In times and places where workers *do* develop some common identity, they may do so on the basis of political discourse and action rather than as a result of workplace experiences (Jones, 1982; Somers, 1992; Steinberg, 1996).

The most common form of political action among Cincinnati business-men of the late 19th century took place through various civic organizations and political reform clubs. Leading the field were the Commercial Club and the Young Men's Business Club. The Commercial Club (founded in 1880) strove to broadly represent the city's elite: although limited to 50 members, no more than two could come from any one company. Through its specialized subcommittees – Municipal Legislation, City Charter, Taxation, Street Improvements, Terminal Facilities, Labor, and Technical School, among others – the Club worked to improve Cincinnati's economic infra-structure, civic amenities, and municipal governance (Commercial Club Minutes, January 23, 1892). The Young Men's Business Club (1892) rough-ly followed the model of the Commercial Club but built a much wider base within the business community. Its members were generally younger and less prominent than those in the Commercial Club. But they were also far more numerous, with the roster growing from 100 in 1892 (already double the Commercial Club) to 1000 in 1904 and 1600 in 1912, making it by far the most popular of Cincinnati's business organizations. Although initially most prominent as a critic of the local political machine, the Young Men's Busi-ness Club soon became the leading champion of a wide range of civic projects, such as a Fall Festival to showcase the city's manufactures, a new railroad station, and a Bureau of Industrial Research to improve efficiency in municipal governance (*Cincinnati Enquirer*, December 11, 1892; Business Men's Club Records: Annual Report, *1904–1905*, *Roster and Classified Business Directory*, November 1, 1911, p. 159, and Committee Minutes, February 10, 1912).

San Francisco followed a different trajectory. Local merchants had or-ganized "vigilance committees" in the 1850s to protect the city's business (and credit rating) from political corruption and urban disorder (Senkewicz, 1985; Decker, 1978). By the time manufacturing developed in the 1860s and 1870s, however, the most pressing problem confronting employers was a powerful and well-coordinated labor movement. Among these employers, early efforts to organize on a city-wide basis tended to focus on industrial relations, not on high-minded and classless civic virtues. And when organ-izations comparable to Cincinnati's Commercial Club did develop, they seem to have been less representative of local businessmen and to have done less to involve members in common civic goals.

Contemporaries and historians alike note San Francisco businessmen's political disengagement in the late 19th century. Leather manufacturer J. C. Johnson seems typical: "the principle of his life on which he prides himself, is that of minding his own business" (Johnson, 1886; Decker, 1978,

pp. 125–127; Issel & Cherny, 1986, p. 137). Compared to their Cincinnati
counterparts, San Francisco manufacturers were also less likely to belong to
the business community's leading civic improvement organization, the Mer-
chants' Association. Out of a cumulative list of 138 members of Cincinnati's
Commercial Club, 1880–1907, 75 can be identified as manufacturers. The
332 members of the Merchants' Association in 1896, in contrast, included
only 45 manufacturers.[6] And among those who *did* belong to these organ-
izations, the norms for participation were quite different. The Commercial
Club held monthly dinners, from which three unexcused absences merited
expulsion from the Club (March 21, 1899 letter from Secretary Harry Laws
to William Cooper Proctor, Commercial Club Papers, Box 20, Secretary's
and Treasurer's Correspondence, Folder 4). The Merchants' Association
held its first banquet dinner in 1898, 5 years after its foundation (*San Fran-
cisco Examiner*, October 13, 1898). Association officers, moreover, regularly
lamented members' lack of involvement in the organization's affairs and
their failure to attend quarterly business meetings (Merchants' Association
of San Francisco, 1910, pp. 31–32; Merchants' Association Review,
September 1896). San Francisco businessmen had few incentives to come.
The Merchants' Association lacked the basic functions of a social club; it
had neither facilities for leisure nor an appropriate air of exclusiveness.
These were an important part of the draw of the Commercial and the Busi-
ness Men's Clubs, where membership required nomination by existing
members and conferred such benefits as the use of dining rooms and
inclusion in recreational excursions. Nor was the Merchants' Association
involved in such cultural uplift as sponsoring a local symphony or art mu-
seum (Merchants' Association of San Francisco, 1910, p. 4; Decker, 1978,
p. 241). In Cincinnati, by contrast, cultural philanthropy was an important
part of business club life. Patronage of the arts conferred social status, but it
also transcended members' narrow economic interests and bolstered their
identities as public-spirited citizens of the community (Goss, 1912; Miller,
1968). A dinner at the city's most exclusive social club in 1894 captures this
merging of business interests, elite status, public citizenship, and cultural
patronage. Organized by the Commercial Club, this "brilliant gathering of
representative Cincinnatians" addressed the need to support a municipal art
association. "Art and literature, as well as the mercantile interests of the
Queen City, received homage at the hands of solid citizens," rendered the
more solid by a sumptuous meal (*Cincinnati Enquirer*, April 22, 1894).

Settings such as this were ideally suited to building business unity despite
divisions of industry and sector. On one hand, the Commercial and Business
Men's Clubs were solidly *business* organizations in their membership – no

wage earners need apply. On the other hand, they brought diverse capitalists together to deal with broad issues of civic betterment and boosterism, such as improving rail links, reforming electoral procedures, and subsidizing cultural institutions. These were issues that muted competitive rivalries and divergent economic interests. And by emphasizing their members' obligations to work for the city's improvement, these clubs fostered a more inclusive – and highly satisfying – identity among their members. Rather than reinforcing sectional identities as merchants or pork packers, the clubs favored the more general category of "businessmen" and tied the interests of "the business community" tightly to the good of the city as a whole.

The ideological content of that identity as businessmen also supported concerted opposition to unions, establishing criteria for civic saints and sinners that were easily applied to industrial relations. Cincinnati's boosters agreed that all worthy citizens had a common interest in the city's economic development and political purification. Narrow, shortsighted self-interest, whether by individuals or a class, threatened Cincinnati's commercial expansion. Worse still, demagogues, for their own personal gain, played on the ignorance of the masses and stirred up political conflict. The solution was for economic elites to take the leading role, for they were the key agents of industrial growth and the more practiced in "business-like," non-partisan management (Committee of One Hundred, 1886a, b; Miller, 1968). This cast of good and bad citizens was easily adapted as an ideological weapon against unions. Unionists, too, were fundamentally selfish and shortsighted. They extorted maximum wages for minimal work, at the expense of employers and the community as a whole. They also disrupted industrial harmony in pursuit of their goals. Union leaders, in this view, were the agitators that incited ill-considered strikes and industrial violence. Unions, finally, stood accused of violating the ideal of non-partisanship. They stirred up "class feeling" where a harmony of interests and close personal relations between proprietor and employee should prevail. The secretary of the Cincinnati MTA offered a characteristic explanation for a series of strikes in 1914. He attributed them to "the activities of thirty-five well paid non-residents of Cincinnati who were sent here to preach the doctrine of class hatred and to promote every known species of discontent in the hope that a steady stream from the pockets of the great army of workers in this city might be diverted to channels which are controlled by them" (Cincinnati Metal Trades Association Minutes, March 5, 1914).

Politics thus provided both institutional and ideological support for unified opposition to unions in Cincinnati. It provided neither in San Francisco. In the 1870s, as we saw, capital divided between beneficiaries

and enemies of Chinese labor. That division was reinforced by political battles in which advocates of exclusion attacked the Southern Pacific, in particular, for wielding undemocratic control to block immigration restriction. Battles over "monopoly" power in city and state government continued over the next three decades. In the 1890s, the issue pitted family firms organized in the Merchants' Association against the Southern Pacific in disputes over charter reform; in the 1900s, the evil-doer pulling the strings of political power sometimes shifted from the Southern Pacific to the Spring Valley Water Works, Pacific Gas and Electric, or the United Railroads streetcar company (Ethington, 1994; *San Francisco Examiner*, July 23, 1899, December 8, 1905, August 21, 1906). Nor did San Francisco politics popularize an ideology of classless civic uplift among businessmen or favor its use as a template for repudiating union representation at work. Late-19th-century entrepreneurs like Andrew Hallidie embraced a different ideal of citizenship, in which manufacturers and white craftsmen defended the Republic against both "coolie labor" and rapacious corporations. Employers, moreover, could hardly pretend that class was an alien import to San Francisco: municipal elections tended to follow class lines, and appeals to class as well as racial constituencies were a regular part of political campaigns (Erie, 1975; Ethington, 1994). Instead, in both language and practice, San Francisco businessmen commonly recognized classes as legitimate (or at least inevitable) political actors and sought a quasi-corporatist class compromise. Leading business figures were among those who criticized the open-shop minority as inflexible partisans who should, in the interests of the wider community, accept arbitration or reach an accommodation with unions (Knight, 1960; Issel & Cherny, 1986). When it came to municipal planning, too, business leaders generally displayed their civic spirit by incorporating rather than purging unions. In championing charter reform in the 1890s, for example, the Merchants' Association worked closely with Labor Council officials. Association leaders also made real concessions to win labor support, adding to the charter such workers' demands as initiative and referendum procedures and allowances for public ownership of utilities (Ethington, 1994; Tygiel, 1977). The businessmen who made up the planning committee for the 1915 Panama Pacific International Exposition took a similar corporatist line. They accepted that unions had to be consulted. And their committee served as a sort of peak association for negotiating with unions the wage and labor standards that would be followed on Exposition construction work (Issel & Cherny, 1986). Cincinnati employers granted no such concessions or legitimacy to their city's unions.

4. CONCLUSIONS

I have argued that employers' stance vis-a-vis unions is usefully treated as an aspect of class formation. The pursuit of the open shop in early 20th-century cities was a collective enterprise. It involved capitalists organizing jointly, acting together, and accepting a common conventional wisdom about the evils of unions. Cincinnati employers, for the most part, came together within key industries and on a city-wide basis. They joined organizations such as the MTA and the Employers' Association. They provided mutual support during strikes. And they embraced the standard view of unionists as outside agitators who fomented class conflict and sought dictatorial power over property owners and loyal employees. In San Francisco, there was neither agreement in principle nor solidarity in practice. Some employers favored the open shop, but before World War I, they were unable to rally a majority of firms to their side. Many businessmen instead viewed unions as legitimate representatives of class interests, to whom a voice in workplace and municipal governance must be granted.

My explanation for this contrast has agreed with some cross-national accounts of ''American'' employers and contested some others. Since both cases are U.S. cities, national characteristics often cited by comparativists – the absence of aristocratic norms of social responsibility, for example, or the strong cultural and legal support for untrammeled private property rights – offer no explanatory leverage. More persuasive is a factor familiar from cross-national accounts of worker, but not of employer, class formation: race. Racial hostility to the Chinese played an important role in dividing San Francisco employers and aligning substantial numbers of them with unions. No such obstacles to class solidarity afflicted Cincinnati capitalists. Racial prejudice in itself did not make the difference. What was crucial in San Francisco was the way that racial cleavages coincided with typical divisions among businessmen, between larger and smaller companies, between more and less technically advanced manufacturers, and between merchants and industrialists.

The two cities' experiences are also consistent with the view that employer policies developed in response to labor's power. Given the choice by a magic genie, San Francisco manufacturers surely would have preferred to make unions vanish. The hard facts pushed them in a different direction. They confronted a powerful adversary in local unions. They could not rely on the city government as an ally. And they faced political reprisals for anti-union offensives. These circumstances encouraged many to reach an accommo-dation with trade unions and to rely on collective bargaining to stabilize

their industries. Cincinnati employers, in contrast, had the strategic luxury of winning and maintaining open shops with relative ease. In this respect, Cincinnati and San Francisco match comparisons of the U.S. with Britain or France. There is, however, a surprise here for students of class formation. It was in the case where employers faced a common enemy that they showed the *least* solidarity. Strong unions and labor parties in San Francisco, rather than helping capitalists set aside their differences, divided them into supporters and opponents of class accord.

Along with class and race, citizenship distinguished San Francisco from Cincinnati and contributed to differing approaches to unions. Cross-national studies of working-class formation have familiarized us with the importance of political institutions and discourse. The timing and organization of political participation by American workers, it is argued, heightened individualism and made identities *other* than class more salient. In England or Germany, by contrast, divisions based on political rights reinforced class cleavages and political discourse helped surmount divisions among workers. The local cases examined here suggest that practices of citizenship were equally important for employers. It was particularly through civic associations and political clubs that Cincinnati businessmen overcame their differences and developed common public identities; those, in turn, provided an ideological framework and a source of solidarity for anti-unionism. San Francisco manufacturers, less engaged in civic betterment and political reform, did not embrace the same role as leading citizens, standing above class and partisanship.

Although this comparison of Cincinnati and San Francisco employers has emphasized the role of race, class, and citizenship, it has also stressed that these factors did their causal work through historical sequences rather than as independent variables. Early mobilization against the Chinese not only aligned employers and craft workers in particular ways; it also strengthened trade unionism by crowding out divisions of ethnicity and skill among white workers. A powerful labor movement, in turn, deepened divisions among local employers – but also fostered business organizations that focused on industrial relations rather than on civic issues more favorable to capitalist solidarity. Cincinnati traveled a different historical track. With blacks largely excluded from manufacturing before World War I, there was no common enemy to either unite proprietors and craftsmen or to distract labor from ethnic infighting. And thanks to labor's weaker challenge, employers could cultivate organizations and identities based on "classless" civic uplift.

The later history of San Francisco industrial relations seems to clinch the case. The same three causal factors that operated in cumulative sequence

to discourage concerted anti-unionism reverse themselves in the second decade of the century. The Chinese Exclusion Act of 1882 cut off most new immigration, and during the 1880s and 1890s the industries that relied most heavily on Chinese labor went into sharp decline (Bristol-Kagan, 1982). After 1911, trade unions abandoned independent parties in favor of an alliance with Progressives, to the detriment of labor's political power (Kazin, 1987). The year 1911 also marked the consolidation of a variety of civic and business organizations into a revamped Chamber of Commerce, guided by a familiar ideology of civic betterment. Five years later, employers began to rally against unions. Once the war boom ended, capitalists finally succeeded in imposing the open shop throughout the city.

That later history, and the contrasts explored here, point to a final lesson. The civic virtue so familiar in contemporary praise of social capital flourished among Cincinnati businessmen. These were men who saw themselves as obligated to put self-interest aside and devote time and money to community affairs, and many practiced what they preached. Yet that very civic virtue supported a virulent and concerted anti-unionism. San Francisco businessmen in comparison were a communitarian's nightmare, little engaged in public life and matter-of-factly preoccupied with their own economic interests. Yet it was these employers who were most likely to concede unions' right to a voice in managing industrial and political life – until they developed their own stock of social capital.

ACKNOWLEDGMENTS

NOTES

1. Evidence of business attitudes is fragmentary, but what there is conforms to business behavior: in both cases, employers appear to have preached what they practiced.

2. U.S. Census, 1870, Manufactures, Table 9(A), and 1900, Manufactures, Table 15. 1870 figures are for counties rather than cities, but San Francisco and Cincinnati account for the vast majority of manufacturing employment in their respective counties.

3. U.S. Census, 1870, Population, Table 8, and Manufactures, Table 32. There are no figures for San Francisco manufacturing in particular, but the city accounted for the bulk of California industry at this time.

4. Comparable figures are unavailable for 1870; the numbers in manufacturing would have been even smaller then.

5. The threat to San Francisco employers came from local unions' industrial and political power, not their radicalism. The ULP was not a socialist party, local craft unions were generally ''responsible,'' and the Industrial Workers of the World, which caused some alarm elsewhere in the country, was ''a rather inconsequential force in the Bay Area'' (Kazin, 1987, p. 160).

6. ''List of Members from Organization,'' Commercial Club Papers, Box 42; Merchants' Association, Official List of Members, 1896; San Francisco Chamber of Commerce Records, Box 6, Folder 69. I used city directories to track down club members, and the labels used in these directories can be ambiguous (e.g. ''cabinet maker''). When in doubt, I classified an individual as a manufacturer.

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PART II:
CITIZENS, STATES, AND SOCIAL MOVEMENTS IN COLONIAL AND TRANSNATIONAL CONTEXT

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HER MAJESTY'S SABLE SUBJECTS: SUBALTERN MASCULINITIES IN POST-EMANCIPATION JAMAICA

Mimi Sheller

ABSTRACT

Gender distinctions were central to the ideological and discursive construction of 'freedom' in colonial plantation societies, but so too were ethnicity and national identity. This article examines the contested nature of masculinity in the making of free citizens in post-emancipation Jamaica through an analysis of government and missionary sources, popular petitions, public speeches, and newspapers from 1834 to 1865. Close readings of the tensions within these public texts and their official reception demonstrate how freed men worked within and against the dominant discourses of Christian liberalism and masculine individualism as the bases for national citizenship. The key argument is that in laying claim to a Christian and British identity, African-Jamaican men constituted their freedom not so much through a seclusion of women in a private domestic role, but more importantly through an exclusion of indentured East Indians who were negatively defined as 'foreign' heathens.

INTRODUCTION

Cultural formations of masculinity have long been identified by feminist theorists as the keystone of European understandings and practices of citizenship, rights and freedoms.[1] Gender distinctions were also central to the ideological and discursive construction of 'freedom' in colonial plantation societies, especially after the abolition of slavery (Scully & Paton, 2005; Beckles, 1999; Scully, 1997).[2] Using Jamaica as a case study, Thomas Holt argues that a mode of masculinity rooted in the bourgeois patriarchal family was central to the liberal ideologies of citizenship that prevailed during the period of slavery's abolition in the British West Indies (Holt, 2000). However, there has been little exploration of whether hegemonic ideologies of masculinity were influential or not in relation to the making of 'emancipated' subjects. What role did masculinity play in the making of free citizens in post-slavery societies such as Jamaica? How important was a reclaiming of 'manhood' in the transition from slave to freeman? And who was excluded from emerging consolidations of a free black citizenry?

Although historians have begun to analyze how dominant gendered discourses and exclusions shaped post-emancipation citizenship and created specifically masculine-free subjects, far less attention has been paid to how alternative masculinities informed competing efforts to define and enact freedom. Recently, within the Caribbean, there has been a growing interest in contemporary modes of black masculinity (e.g. Miller, 1987, 1992) and what Richard D.E. Burton refers to as 'marginalized (black) masculinities' (Burton, 1997, p. 11; and see Beckles, 1999, p. 157). Yet black masculinity is often examined solely in relation to dominant white masculinity, with little indication that there might be multiple orderings of gender in relation to others who are marked as neither black nor white, such as indentured East Indians (see Mohammed, 2002). Notions of masculinity not only informed elite and subaltern conceptions of freedom and citizenship, but also intersected with constructions of racial, ethnic, and class boundaries within the colonial situation. Studies of colonial formations of citizenship must address ethnic and class distinctions within national masculinity as well as its gendered and sexualized boundaries (Nagel, 2003).

In the struggle over the creation of new citizens, racial and ethnic distinctions often play a central part alongside gender and sexuality. 'The moral economy of nationalism,' argues Joane Nagel, 'is gendered, sexualized, and racialized' (2003, p. 146). Thus, we find that

> National moral economies provide specific places for women and men in the nation, identify desirable and undesirable members by creating gender, sexual, and ethnic boundaries and hierarchies within nations, establish criteria for judging good and bad performances of nationalist masculinity and femininity, and define threats to national moral and sexual integrity (Nagel, 2003, p. 146).

The incorporation of formerly enslaved populations into national citizenries of necessity required the renegotiation of all such boundaries, hierarchies, and performances. Beneath the universal veneer of liberal citizenship freed people claimed and performed citizenship in a context of gender, ethnic, and class conflict, which produced diverse experiences of embodied freedom for differently positioned subjects.

This article examines how the production and performance of post-emancipation masculinities depended on the intersection of different principles of inclusion and exclusion in the nation. Freedom was experienced differently by men and by women, but there were also multiple masculinities in competition with each other. By 'masculinities' I refer to embodied practices and discourses that serve to differentiate 'men' from women (and boys), and which are linked to what Robert Connell (1995) calls 'gender projects.' Such projects serve to mark out a particular 'place in gender relations,' including dominant or subaltern positions, different class positions and ethnic identifications (see also Mercer, 1994). Rather than concentrating solely on the consolidation of whiteness against blackness, or masculinity against femininity, therefore, I consider how black men's freedom was strategically articulated in relation to both women and indentured foreigners, as well as how official discourses responded to these strategies.

Postcolonial feminist theory suggests that 'bodies become differentiated not only *from each other or the other*, but also through differentiating *between others*…. Difference is not simply found in the body, but is established as a relation between bodies' (Ahmed, 2000, p. 44, italics in original). Freedom is relationally defined and provisionally practised within a constellation of others who are more or less free, each freedom always circumscribed by relations of gender, class, ethnicity, and racialization. How did working-class black masculinity in Jamaica or Trinidad, for example, come to be enacted as Christian and British through an exclusion of the 'Coolie'? How was self-identification as a 'free black' Jamaican man measured not only as a kind of distance from white men, or black women, but also marked as a relation to indentured Asian and African others? My analysis of these distinctions between particular others will show that freedom is not an absolute condition, which is generic in its effects, but is experienced and lived

in specifically ordered ways, governed by intersecting gender orders, racial orders, moral orders, and political orders.

   This article draws on government and missionary sources from the late-1830s to the mid-1860s, including the records of missionaries, governors, and other civil functionaries, but also popular petitions, records of public speeches, resolutions of public meetings, and items in newspapers, all of which have hints of the frictions within understandings of gender, race, and freedom.[3] In them we see the effects of multiple subaltern positions within structures of dominant discourse. Through close readings of the tensions within these public texts and their official reception, I will consider how popular ideals of freedom converged around particular practices of masculinity. This is not designed as a comprehensive account of the full range of data available for this period, but merely as a selective analysis of those texts which foreground a language of manhood and masculinity in making claims to citizenship and national inclusion.

   Limitations of space also prevent a full analysis of the political discourses and positions used by Afro-Jamaican women and by indentured workers (see Sheller, 1998, 2000 for further data in these areas). Nevertheless, in tracking these embodied languages and practices of national citizenship through official archives, we can begin to explore the complexities of how class, gender, racial, and ethnic orders were mutually implicated in the making of free subjects. Unlike previous analyses that emphasize the ways in which European gender and racial ideologies were imposed on colonial populations, the emphasis here is on the contested nature of such projects. As Margaret Somers has shown, citizenship is embedded in narrative structures, and there is always some space for subaltern groups to exercise agency in placing themselves as subjects within that narrative. To become a free subject, however, may involve the repudiation and active exclusion of others who are deemed less worthy of that status.

FAMILY AND GENDER IN LIBERAL/COLONIAL IDEOLOGY

Recent studies of gender and post-emancipation politics in the United States 'suggest the centrality of ideologies about gender, households, and domesticity to constituting Anglo-American social orders more generally and political order in particular' (Holt, 2000, p. 57; see e.g. Stanley, 1998; Edwards, 1997; Gilmore, 1996; Bardaglio, 1995). Drawing on Jürgen Habermas's

suggestive (but rather underdeveloped) analysis of the formation of 'public man' within 'the interiority of the [patriarchal] conjugal family,' Thomas Holt argues that colonial policymakers presumed that '[s]table social orders depended on the character of the citizens constituting the polity, and the stability of character depended on the efficacy of the key institutions that made the citizen' – above all the family (Holt, 2000, p. 38).[4] Classical liberalism posited that public virtue (and a well-ordered society) could only arise out of an orderly (and separate) private sphere based on idealized attributes of masculinity and femininity. Holt shows how British colonial governors, missionaries, and civil servants first tried to impose this familial model, and then highlighted Afro-Caribbean deviation from the white bourgeois norm of the patriarchal family in order to deny full political freedom to former slaves.[5]

Studies of British colonialism have further demonstrated precisely how shifting ideological articulations of gender and racial differences structured white elite understandings of freedom and individual subjectivity (Hall, 1992, 2002; Holt, 1992; Ferguson, 1992; McClintock, 1995). In particular, the notion of masculinity was central to the construction of liberal ideologies of citizenship centered on the free white male individual, and this idea of masculinity was rooted in the bourgeois patriarchal family. Catherine Hall especially has shown how the abolitionist dream of a new post-emancipation society rested on a gender order in which

> black men would become like white men, not the whites of the plantations but the whites of the abolitionist movement, responsible, industrious, independent, Christian; and in which black women would become like white women, not the decadent ladies of plantation society…but the white women of the abolitionist imagination, occupying their small but satisfying separate sphere, married and living in regular households (Hall, 2002, p. 125).

And when that new order arrived with the abolition of slavery in 1834, European writers like Anthony Trollope argued plainly that civilization would only proceed in the colonized world on the basis of 'a clear gender order with bread-winning husband and father and domesticated wife and mother' (Hall, 2002, p. 219).

Arguably, though, the classical liberal doctrines of political freedom and citizenship that inform Anglo-American politics were gradually transformed during the years of Britain's anti-slavery movement, interim institution of apprenticeship (1834–1838), and early decades of 'emancipation,' and cannot be understood apart from those colonial processes. In Jamaica, struggles over freedom were from the start tightly entangled with struggles over family formation and gender systems. Most studies, though, focus on the local

effects of dominant articulations of white patriarchal masculinity in a colonial or imperial context. While there were continuous efforts by missionaries and colonial governments to impose their own ideals of Christian marriage and patriarchal domesticity on the post-slavery peasantry and urban working class, black working-class Jamaicans clearly recognized the contradictions within this 'civilizing project.' They at times explicitly rejected it, but more often adapted it for their own purposes (see, e.g., Austin-Broos, 1997; Burton, 1997, pp. 90–115; Sheller, 2000; Hall, 2002; Besson, 2002).

Diane Austin-Broos, in her rich analysis of religion and 'moral orders' in Jamaica, suggests that for those Jamaican men who identified with the church, marriage came to be 'a symbol of moral elevation' and a guarantor of status. 'As the plantation system declined in the period after emancipation,' she argues, 'the [Christian] missions' democratization of marriage had its greatest impact in the brown middle class and among those more prosperous farmers, many of whom lived in the free church villages' (Austin-Broos, 1997, pp. 199–200). Here a family form emerged, which mirrored a Victorian model with a sole male wage earner:

> The picture which emerges is reminiscent of the respectable Victorian working class family where the husband was a sober and steady person in regular employment. The atmosphere is markedly religious and… patriarchal…. The maintenance of this type of domestic group is in part governed by the regularity of the man's employment so that there is an economic stability in the family (*Ibid.*, p. 200).

As men moved into positions of freedom, in other words, they were also beginning to exercise certain male prerogatives of patriarchal household control. In Jamaica, the patriarchal family was underscored, for some, by Christian beliefs in the sanctity of marriage. The missionary concern with 're-ordering black lower-class sexual relations,' according to Austin-Broos, '[subsequently became] a central characteristic not only of Pentecostalism but also of Marcus Garvey's black separatism and of the Rastafarian movement. All have sought a subordination and privatization of women as an integral part of redemption' (*Ibid.*, p. 192).

We might compare the experience in Jamaica to other post-slavery societies. I have argued elsewhere that discourses of masculinity were crucial to the construction of republican citizenship and civic militarism in nineteenth-century Haiti, where emancipated women were excluded from full citizenship and civic participation (Sheller, 1997). The ideology and discourse of liberal citizenship, especially in its Republican mode, brought with it the baggage of the patriarchal family and masculine possessive individualism.

The public valorization of masculine armed self-liberation is perpetuated by historians who have enshrined narratives of rebellion and of armed resistance over and above everyday forms of political action.[6] Maggie Montesinos Sale similarly argues that in using liberal theory African-American men in the United States 'were caught in recognizing the struggle for liberty as paradigmatically masculine and largely individual. This position led them rhetorically to marginalize black women, for example, by basing their arguments for inclusion on their rights "as men" – which included the possession of female family members'; thus they may have 'radically contested white supremacy, but also reproduced masculine individualism' (Sale, 1997, p. 201).[7]

However, this is not the only interpretation of post-slavery transitions in gender relations. Bridget Brereton, in contrast, argues that 'ex-slave men and women were not blindly obeying hegemonic gender ideologies nor seeking to transform freedwomen into dependent housewives confined to the home. They were pursuing rational family strategies aimed at securing the survival and welfare of their kin groups, in the face of appalling odds' (Brereton, 1999, p. 107). Jean Besson also makes a strong case for the participation of Afro-Jamaican women in opposition, resistance and culture-building through the practices of kinship, family land, and Revivalism (Besson, 2002). Rather than seeing these as mutually exclusive understandings of Jamaican culture, it may be more fruitful to see them as opposing poles of a discursive field in which Jamaicans themselves have had to stake out gendered and racialized subject positions. The patriarchal conjugal family with a male head supported by the invisible non-waged labor of female kin and children became one recognized basis on which freedom could be secured, especially for the 'brown' middle-class; but it was not the only discursive strategy available nor was it necessarily the most effective. Competing with it was the kind of oppositional culture-building that Besson so doggedly tracks. Moreover, running alongside such masculinist gender ideologies there may have been other kinds of languages of exclusivity and privilege, which historians have overlooked.

In the struggle to become 'free' citizens, black men narrated their own qualifications as free British subjects not only through the marking of differences between men and women, but also through explicit differentiations between the status of native and foreign, free and indentured, Christian and Heathen, Negro and Coolie. They resorted to a Christian discourse of manhood in order to insert themselves into British political discourses that emphasized a kind of active masculine citizenship. In attending more closely to the actual language of subaltern claim-making in Jamaica from the 1830s

to the 1860s, I have found that ethnic exclusion emerges more forcibly than gender exclusion as a key strategy for drawing national symbolic boundaries. 'Identifying "outsiders" in the nation is part of the process of designating "insiders" and 'citizens,' and thus of defining the nation itself' (Nagel, 2003, p. 147). In laying claim to Christian citizenship, freedom came to be constituted not through a seclusion of women in a private domestic role (which would have been difficult in any case given their rather public role in Jamaican politics, religion, and public leadership (Sheller, 1998, 2000), but more importantly through an exclusion of 'foreign' heathens.

BECOMING CHRISTIAN SUBJECTS

In the 1840s, a government-sponsored immigration scheme brought thousands of indentured laborers from India into Jamaican plantations. In 1845, 261 Indian workers arrived in Jamaica out of a total of 606 government-recruited migrants; in 1846 there were 1,890 Indians out of 2,441 total immigrants, and in 1847 there were 2,400 out of 2,509 total. Between 1840 and 1852, 14,132 East Indians entered Jamaica, and overall up to the ending of indenture in 1916, approximately 37,000 East Indians entered Jamaica under 5-year contracts that were renewable, of whom around 60% remained in Jamaica when their contracts expired.[8] Although there was less use of indentured labor in Jamaica than in British Guiana or Trinidad, which were experiencing growth in sugar production, there was still a significant impact on the black working class (Tinker, 1993, p. 81; see also Shephered 1994; Rodney, 1981; Northrup, 1995; Look Lai, 1993). Combined with the drop in sugar prices resulting from the 1846 Sugar Duties Act, this indentured immigration contributed to downward pressure on the wages of recently emancipated laborers and to heated political debates.

Not surprisingly, conflicts arose between those who had been formerly enslaved on the plantations and the new arrivals, who were being brought in at tax-payers' expense – in a system which in effect subsidized the planter class, while undercutting the autonomy of the freed laborers. This conflict initiated an ideological debate about the meaning of freedom, which had a crucial impact on the gender order and moral order of Jamaicans. Popular understandings of gender roles and the family were not simply articulated in relation to European values and Jamaican cultures of resistance, but were also set in a context in which new indentured communities offered a negative model in which 'native' virtue could be measured against these 'other others.' Claims to citizenship came to rest on an identity that was defined as

both Black and British – and distinctively Jamaican – in opposition to that which was 'heathen' and uncivilized.

In the transition to a wage–labor economy, the planters' first initiative for undercutting the collective bargaining power of ex-slaves was to employ 'liberated Africans' who had been captured from slaving ships and could be signed up for contracts of indenture (Schuler, 1980). Emancipated people's initial critique of indenture envisioned it as a continuing form of slavery that posed a threat to African familial autonomy and self-determination. Various missionary societies competed to instruct, convert, and baptize the Africans, and became interested in their familial and marital status.[9] In a meeting held at Rev. Knibb's Baptist Chapel in Falmouth in February 1840, for example, there were general complaints about the planter's 'system of oppression' and specific concerns about the regulation of 'captured Africans,' in particular that their families should not be broken up.[10] In Falmouth, a crowd pelted police who were mistreating some indentured Africans who had been arrested following an incident in which they had fled their estate.[11] A meeting of the Baptist Western Union at Oracabessa in July 1840 complained of the treatment of the Africans, who by law should have been free. The meeting resolved that 'the apprenticeship to which the said Africans are subjected, is very little better in principle, and in many respects worse in practice, than that from which the labouring population of these colonies have recently been delivered; that husbands are liable to be separated from their wives.'[12] In both of these cases black Baptist congregations interpreted the breaking up of African families as a continuation of slavery, showing how crucial family sanctity and autonomy were to their idea of freedom, a point I return to below.

Because the supply of 'liberated' Africans was small, planters next turned to the importation of indentured laborers from other parts of the British Empire. Despite the initial demonstrations of fellowship with the indentured Africans, some workers began to draw unfavorable contrasts between hardworking native Jamaican Christians and the 'heathen Coolies' who were taking work on the plantations. The Baptists played a crucial part in the emerging discourse of the 'free man' as Christian. The Baptist Herald and Friend of Africa, first launched in September 1839, described itself as a 'cheap publication' aimed at the 'labouring population' in order to advance the 'Christian public.'[13] It used a highly gendered and racial language of Christian manhood in addressing the newly emancipated Jamaican peasantry as British subjects and electors. For example, in a letter to the 'Electors of Jamaica' printed on 4 July 1844, the writer observed: 'that which will give the man of true English spirit the highest gratification, is the

circumstance of being permitted to address a body of men – holding the high position of electors, in a free country, as fellow citizens, who only a few years since, were enduring all the ignominy, and wrongs of slavery.' In embracing his fellow citizens, this writer marks them as 'men' and as 'English,' and therefore deserving. The article then continues:

> Electors of Jamaica, act a part worthy of freemen. The cause of liberty demands it of you. The cause of humanity throughout the world demands it of you…. If you act as Christian citizens, you have it in your power to seal the doom of slavery. You have the opportunity of demonstrating to the world, that the sons of Africa are capable of exercising the rights of citizens, even in a free, civilized community; […] and you shall see your brethren, who are yet in bondage, before long, emerge from the degradation of slavery, and taking their position by your side in the rank of men, shall be animated by your example to aspire to a noble elevation among the nations of the earth.[14]

In addressing emancipated slaves as Jamaican, as Christian, and as sons of Africa, this letter stakes out a complex terrain of national subjectivity (its appearance on the anniversary of US independence may also be a significant marker of republicanism). Such public discourses presented a model of Christian manhood that required action on the part of the recently freed in order to both demonstrate their manliness and to further the liberty of their African 'brethren' who were still in bonds. Only those capable of exercising their rights can join the 'rank of men,' and only those belonging to that rank are capable of forming a 'free, civilized community.'

Freedom thus required men to act out their citizenship in a way that marked both gender and ethnic difference, and which brought with it benefits as well as costs. The article continues: 'Let the next House of Assembly be men who, instead of wasting upwards of £111, 917 in a cruel and useless scheme of immigration, will apply it to the improvement of native agriculture, the encouragement of native institutions, and the development of the native resources of the Island.' The writer here makes a native versus immigrant dichotomy fundamental to the freed man's exercise of his rights: not only will he take up his free manhood by voting, but he will also protect his native interests. The structure of claims to empowerment in the British colonial political context privileged a loyal, longstanding, British subject. Just as men could assert their freedom 'as men' at the expense of women, so too could they claim British belonging against (and at the expense of) more recent migrants from Africa and India. As much as freedom was about being and acting manly, it was also about laying claim to 'true English spirit' and 'Christian' civility.

By 1847 the British market had been opened to foreign sugar (produced by slaves), sugar prices had fallen, and Jamaican plantations were beginning

to fail. Many laborers were without work. Although 'native' workers mainly directed their anger at the planters and the white-dominated colonial government, they also at times vented it on the indentured workers themselves. In 1847, a riot was reported 'among Coolies on Bogue Estate,' in which they reportedly attacked 'any and all blacks,' who in turn attacked them. There were 15 severe broken skulls and bones, and the indentured workers involved were fined between two and three pounds or imprisoned for 28–30 days with hard labor.[15] A number of petitions in this period called on Britain not to equalize the duties on sugar, which some argued was 'conferring a boon to the [foreign] slave-holder' at the expense of those 'elevated to the rank of free-born British subjects.' This British identity is in marked contrast with the Coolies, and allows the emancipated Jamaicans to make a political claim that sets them apart from both indentured labor and foreign slave labor.[16]

At one public meeting held at the Brownsville Presbyterian Chapel, some laborers spoke about the need to stand behind the plantations, and called on their fellow workers to work longer days and to do two tasks a day if necessary in order to save the failing estates. However, the majority of workers objected to this, including Ronald McArthur, a laborer from Retrieve Estate, who stated that:

> Jamaica ruined for true, and who to blame? …Attorney bring Coolies to take their work and their bread – they make good house for Coolies, but anything good enough for we black nega. – Now Coolie is the ruination of Jamaica – Coolie never can work with we; black people can work round about them; them is the most worthlessest set a people we ever saw, – them can't work, and yet attorney give them fine house and a shilling a day for doing nothing… Send back the Coolies, them robbers that are brought to this country and leave the country to us, and give us fair play and regular wages, and Jamaica will stand good again.[17]

McArthur's words indicate a competition for labor, which also hinged on access to good housing and 'fair play.' The worker counters the planter's call for 'regular labor' with his own demand for 'regular wages,' but asserts his own worthiness by denigrating 'Coolie' labor. He identifies 'we black nega' against the foreign Coolies through the question of who can perform better work. McArthur then called on the others to sign a petition, stating 'I am not afraid to sign this petition, because nobody can take our free from us.' Naming themselves as the 'emancipated labourers of this district of Jamaica,' the act of petitioning became a way of asserting 'our free' as specifically Jamaican.

Such debates simmered over the next decade, and led the Afro-Creole and East Indian populations to distrust each other, a rift that white

planters undoubtedly exploited. When there was an 'apprehended out-
break' detected in the Western parishes in the tumultuous year of 1848,
some planters indicated that falling wages were a major grievance, but also
that work was being given to Coolies and to Portuguese immigrants. In
response, Governor Charles Edward Grey issued a public proclamation
calling on the 'good Subjects of Her Majesty' to 'abhor and prevent the
employment of violence or Threatening Language to others…[and to]
endeavour, by soberness and steadiness of Demeanour, and by Prudence
of Conduct and of Language to shew that they are worthy to sustain the
character of Freemen, and to be the Fathers of Free Families.'[18] The
Governor was closely linking civic participation and a civil society in
Jamaica to men's private character, based on their role in the patriarchal
family. From the white elite's point of view, it remained open to debate
whether black men could claim such a character, and on this hinged their
claim to the rights of British citizenship. By setting themselves apart from
the Coolies, native Jamaican men tried to assert their Christian character
and shore up their claim on British rights. Jamaicans increasingly framed
freedom less as a universal Right of Man and more as a special privilege
and exclusive right of British Men.

HEATHENS AND SAVAGES

Economic conditions were poor enough that thousands of men left Jamaica
between 1850 and 1855, recruited to work on the Panama Railroad that was
being built across the isthmus by a US joint-stock company. They were
offered enticing wages of three shillings and two pence per day, with prom-
ises of food and medical attendance, but many died in Panama, where
worker mortality was extremely high (Petras, 1988, pp. 49, 52). The colonial
elite's supposed desire for 'stable families' could hardly be sustained in such
an environment. The growing lack of well-paid work for men exacerbated
ethnic conflicts in the late 1850 s. When a new Immigration Bill was pro-
posed in 1858, many Jamaicans mobilized in opposition to it. Rev. J.E.
Henderson, for example, prepared two memorials to the Queen from his
congregations in St. James against the Immigration Bill. In it he wrote 'That
the Immigrants it is proposed to bring are Heathens and Savages who will of
course attend to their idolatrous customs in our very midst and set an
example before our young people and children that must be most injuri-
ous.'[19] The missionary project of building respectable Christian families, a
key tenet of liberal ideologies of the deserving citizen, was framed as being

undercut by 'heathen' Indians. Building free black Christian families thus depended on the exclusion of 'savages.'

As Rebecca Scott argues in relation to the very different forms of racial 'marking' in post-slavery Louisiana and Cuba, racial boundaries and meanings cannot be assumed, but come out of 'on-the-ground' relations that are always contingent (Scott, 2000). Subaltern citizens carved out claims to legitimacy in the pubic sphere through a war of words. Black British citizens highlighted markers of racial and ethnic difference to exclude Coolies from a place in British Christian civil society; thus a 'black' Jamaican identity was elicited not only in resistance to the white elite, but also in opposition to 'Coolie' migrants. The above memorial went on to note that 'the proposed Immigrants will not be free men and the disputes which may occur between them and their masters are to be settled on the property where they occur, and not in the public courts of the Island, thereby opening the door for a repetition of all those abuses which occurred under the old apprenticeship system.' A key complaint against the indentured immigrants was that they were both unchristian and unfree, thereby undermining the freedom that native Jamaicans had won. The emancipated laborers of Jamaica, however, could not simply depend on missionaries to represent them; their freedom had to be enacted through masculine citizenship. The rights and privileges of freedom also entailed duties and obligations for men: to earn a living, to support a family, to marry, and to take an active part in politics.

Distancing themselves from savagery and underlining their civility became crucial means for freed men to 'act a part worthy of freemen,' and the family and gender relations within it played a central part in this framework. For example, an 1859 petition to Governor Darling from the 'Mechanics and Peasantries' refers to the Governor as 'a husband, a father, a philanthropist, consequently a good man.' The petitioners indicate a distinctive view of 'manhood' as a foundation of a good society. They speak as 'loyal British Subjects' of the injustice under which 'every oppressive means must be employed to trample and reduce our aspiring to manhood,' and state that they hold Emancipation Day, 'the First of August as dear to us, as an English man does Magna Charter.' The same group also petitioned the Queen in a document with over one thousand signatures.[20] Opening with an elaborate profession of loyalty to the Queen and gratitude to the British nation, the petitioners assure that 'we shall endeavour to use our positions as British subjects and strive to evince by our loyal conduct how much we prize and value our privileges as free people.' Similar to the black insurgent protagonists described by Laurent Dubois in revolutionary Saint Domingue and Guadeloupe, these Jamaicans also 'expressed themselves by speaking

and acting – uninvited – in the name of the [British] nation, and in so doing they [tried to bring about] the declarations that officially made them part of that nation' (Dubois, 2004a, p. 89). They are more English than the English.

Although clearly staking a claim on the nation, they nevertheless also refer to themselves as 'Your Majesty's sable subjects of Jamaica, of African descent.' This is an interesting example of what Jean Besson refers to as African-Caribbean culture-building (Besson, 2002). Re-scripting British political language and giving new content to the ideology and symbols of British citizenship, the petitioners insert their own Jamaican (and specifically African) subjectivity into it. A local official informed the Governor that the people involved were 'more a class of yeomanry than in the ordinary sense of the word a peasantry. Possessing freeholds ranging from 1, 2, 5, to 15 and 20 acres some of them, many can read and write, whose names have been used.'[21] Other reports on the petitioners indicate that they had collected money to form a delegation to present the petitions, and had formed a 'females and juveniles Committee' to sign testimonials of attachment to the Queen. This gender distinction evidences a clear differentiation in the forms by which men and women could partake in politics (and women, of course, could not vote or hold office), but it also indicates a capacity for women to have some public voice.

Crucially, in speaking of their 'political liberty', 'privileges', and their 'rights', these petitioners frame themselves not only as free men, but also as heads of households. They refer to the joy of 'sit[ting] with all that are dear and near to us around our family hearth without fear of molestation, notwithstanding all that have been done to prevent it.' Furthermore, they describe their familial aspirations in these terms:

> To us it is a great deal to have something which we can call our own; something which can keep us employed and from which we may, in consequence derive our honest livelyhood for ourselves and family. All our necessities are in a manner derived from the soil; the Mechanic, or the peasant, who owns a hut and a few acres of land, feels himself contented being certain of a home and food.

The petitioners emphasize the importance of a man's ability to work and to support his family as crucial aspects of their understanding of what freedom means and of how best it is to be lived. The powerful familial narrative of this petition, with its touching homely detail, indicates that it is not simply an empty mimicry of available discourses of patriarchal freedom and citizenship, but is a heartfelt pleading, grounded in the everyday realities of Jamaican life.

Here we see the linkage of the Afro-Caribbean counter-cultural institution of 'family land' (Besson, 2002) to a particular vision of the family and

domesticity, in which the male breadwinner was a central part of an extended family homestead. This ideal was under threat from the low wages, heavy taxation, and labor competition, all of which were associated with the importation of indentured workers. As a Stipendiary Magistrate reported in 1859, the 'rate of wages still averages at one shilling per diem for a Male Adult and from nine pence to six pence per day for a Female.' He also noted that 'on many Estates they employ women to carry canes and trash, etc., work that even in the time of Slavery was usually performed by Mules and light carts.'[22] Women's lower wages and performance of the most undesirable forms of work are suggestive of their dependence on male wage-earners within their households.

Impervious to these realities and following his previous form, Governor Darling refused to see the deputation and informed the Colonial Office to ignore the petitions because their 'genuineness and authenticity' were questionable and he blamed them on 'a few Agitators.' The government instead stepped up its immigration scheme and increasingly excluded 'Negro' subjects from the rights and privileges of British citizenship. When a violent incident occurred in Falmouth in August 1859, Governor Darling described it in language clearly influenced by the reaction to the Sepoy War (or 'Indian Mutiny') of 1857. In reporting that the police shot dead three women and wounded many others in suppressing the 'riot,' Darling wrote:

> I deeply regret to have to acquaint Your Grace, that one of those Outbreaks against Law and Authority, to which the excitable and easily misguided Population of the West Indian Colonies are peculiarly subject has recently occurred in the Town of Falmouth…. the only explanation of the insensibility to consequences whether immediate or more remote, which these deluded people appear to have exhibited, must be sought for I apprehend in their ethnological characteristics; prominent amongst which, are an incapacity to exercise forethought and reflection, amounting practically to an utter disregard of results; and a temperament so excitable as to render it an easy task to arouse their passions to a perfectly uncontrollable pitch. In these two peculiarities, highly developed as they are in the African, whether indigenous or imported from the original country, lie the foundations of nine-tenths of the serious crime and outrage which at intervals (happily not frequent) present a disgraceful contrast to the generally peaceable and loyal demeanour of the laboring classes of our Tropical Communities.[23]

Contrary to Afro-Jamaican men's own claim-making strategies, Governor Darling here notably refuses to recognize their Britishness, and instead marks out the similarities of all Africans 'whether indigenous or imported.' Given such a discourse of African savagery, it stands to reason that the 'peaceable and loyal' laboring classes would emphasize their native British status when addressing the government. An alternative Black Christian moral order placed the family at the center of its ideology of freedom, while

the white elite justified the shooting of women on account of the 'ethnological characteristics' of the populace.

The indentured workers in the same period enjoyed even less political voice and wage-bargaining power than native laborers, and had few means of redress against the planters. They could not claim rights of citizenship as native Jamaicans could, and perhaps had less familiarity with political practices such as public meetings and petitioning, which in Jamaica often grew out of church meetings. A few white sympathizers, such as the Jewish newspaper editor Sidney Levien, spoke out for the 'voiceless' Coolies, many of whom did not speak English. He was unsuccessfully prosecuted for libel, as was Rev. Henry Clarke, who wrote in a newspaper in 1862 that the Coolies were 'cheated, starved, flogged, and murdered.' Clarke observed that 'the mere fact of [an indentured laborer] having complained to me against an overseer is a complete bar on his being employed on any other estate.'[24] In 1866, Thomas Harvey and William Brewin noted that '[the Coolies] have been cruelly treated, have wandered away, exposed their destitution in the western towns of the island, and have died off in numbers, so that now few remain. A faithful history of coolie immigration to Jamaica would be a sad record of human suffering and waste of life.'[25] These foreigners were very much outsiders in Jamaican colonial society.

African migrants also remained 'foreign' and politically marginal. An 1865 petition to the Governor from indentured African laborers in Vere, refers to their being in the island for 17 years, but as 'Foreigners' they can only beg the Governor's 'pity.' The petitioners refer to 'great distress and poverty on account of not getting sufficient work to do so as to enable us to maintain our famil[ies].' 'Our Wages on some Estate this crop is from three to four shillings per week,' they explain, 'which cannot maintain a man and his family for the week.' And they point out that the 'large quantity of Coolies located on the several Estates had caused us to go about wandering for work.' The petition was submitted 'on account of ourselves and family' and signed by 38 men who indicated next to their names (all standard English) whether they had wives or 'housekeepers,' and their number of children. Interestingly, though, the 10 men with 'wife' are listed first (with a total of 34 children between them), followed by 16 men with housekeepers (with a total of 33 children) and a few listed as 'alone' (only one lone man is listed as having children). This would seem to indicate either that marriage carried a certain amount of status with it or, more precisely, that those men with more status could afford church weddings to mark their standing in the community.

They also employ a family discourse of the male provider in making claims on the government. It is possible that their wives and 'housekeepers'

were not earning wages, but it may also be the case that wage-earning was simply not seen as centrally defining women's identities as family members, whereas it was crucial for the men. In any event, the Governor once again treated this subaltern petition as an 'untrustworthy' document, 'purporting to be a spontaneous emanation from the Peasantry, but in reality got up by designing persons to serve their purposes.'[26] At the very least, the fact that they had listed their unwed 'housekeepers' and children in a public document reflected a failure to recognize the bourgeois Christian forms of the British petition. In these subaltern petitions, we see men attempting to represent the needs of their families and communities, using British modes of public address that are Christian, bourgeois, and masculine in design. The petitioners lay claims to a male and Christian identity, but are refused recognition. Even this meager speaking position was not available to the 'wives,' 'housekeepers,' and 'families' for whom these men claimed to speak, nor was it available to the indentured laborers who were excluded from the Christian and independent masculine bases of citizenship.

HEGEMONIC GENDER, RACIAL, AND MORAL ORDERS

Contrary to government aspersions on the character of the free population, these speeches, petitions, and public interventions indicate a strong commitment to family and kin, and a moral discourse founded on distinctive views of the working man's responsibilities to his family, whether or not he was married to his partner. In a famous placard posted just prior to the 1865 Morant Bay Rebellion and printed in a radical newspaper, the people of St. Thomas in the East were called upon 'to speak like honorable and free men at your meeting… Remember the destitution in the midst of your families, and your forlorn condition… You are no longer Slaves, but Free men. Then, as Free men, act your part at the meeting.'[27] Here, reminiscent of the political discourse of the 1840s, freed men's masculinity is elicited as an active performance, a civic duty. Such public acts included speaking at public meetings and signing petitions, practices that the freed men often linked to representation of the interests of their families.

The reported words of James McLaren at a public meeting held near Morant Bay, for example, indicate his kin-based understanding of freedom. He was reported to have said 'myself was born free, but my mother and father was slave; but now I am still a slave by working from days to days.'

He continued: 'I cannot get money to feed my family, and I am working at Coley estate for 35 chains for 1 s., and after five days working I get 2 s.6d for my family. Is that able to sustain a house full of family?' and the people said, 'No.'[28] This indicates how men's wages were understood as something on which the entire family was dependent; other petitions from this period made similar complaints about low wages and the inability of freed men to support their families.[29] However, these documents also attest to a complex mapping not only of male and female roles, but also of evaluative comparisons of differing types of gender performances made across classes, colors, and ethnic groups. A vision of independent free manhood was often contrasted to the state of slavery, still burning in popular memory, but it was also contrasted to the dependent condition of indentured labor.

This speech was just one of many made in the spring and summer of 1865 in a series of public meetings known as the 'Underhill Meetings.' These meetings were called in response to a letter written in January 1865 by the Baptist Rev. Edward Bean Underhill to Edward Cardwell, Secretary of State for the Colonies, concerning starvation and poverty in Jamaica. When Governor Eyre had copies of the letter printed and circulated throughout the island, requesting responses,[30] Baptist missionaries gathered dozens of pages of evidence and called for a government Commission of Inquiry into the state of the island. They reported an increasing use of indentured African and Indian laborers, as well as more use of low-paid women's and children's gangs. People also complained to the missionaries of unfair taxation, laws biased towards the big planters, and lack of justice in the courts.[31] A crucial point of debate revolved around definitions of work and the extent to which Jamaican men were 'idle.'

Governor Eyre's report on the condition of the island in 1865 blamed the peasantry for their impoverishment. It 'owes its origin in a great measure to the habits and character of the people,' he wrote, 'induced by the genial nature of the climate, the facility of supplying their wants in ordinary seasons at comparatively little exertion, and their natural disposition to indolence and inactivity, and to remain satisfied with what barely supplies absolute wants.'[32] To this explanation he added other short-comings, including: 'idleness, apathy, pride, improvidence, night-revels, gambling, social disorganization, and open profligacy.' By linking his explanation to a critique of black families (expressed here in terms of social 'disorganization' and sexual 'profligacy') he was also implying that black men were unable to provide the kind of moral foundation necessary for stable Christian families. In a private letter to Cardwell, Eyre observed that 'the Negroes… live for the most part in such remote out of the way places that they are subject to

few ameliorating influences…. The fact is they have led too isolated and too independent a life without the obligations or restraints which exist in civilised communities and in countries where the population is less scattered and detached.' He wrote in another letter of the need for 'educational or ministerial teaching of a daily and practical kind calculated to humanise and enlighten them.'[33]

At the Colonial Office, Henry Taylor added his own notes to Eyre's report, stating that it is 'at bottom merely a question of whether the Negroe is to be industrious according to the industry of other Countries or according to the standard of industry which he has set up for himself in Jamaica.' Citing Machiavelli and Adam Smith, he added that the 'Negroe Race is I think by temperament volatile and sanguine more than others and he will not exert himself to provide against rare contingencies.'[34] The Colonial Office's official response to the Baptist minister's report was that 'it does not appear that [the people] are suffering from any general or continuous distress from which they would not be at once relieved by settled industry.' Thus, the poverty of black Jamaicans was blamed on their attitudes toward work and their disorganized family life. As Thomas Holt points out, this view of 'the Afro-Jamaicans' ''unfitness'' was coupled with – indeed, was seen to be rooted in – the failure of their households and conjugal arrangements.' If unable to govern their personal lives, the argument went, surely the 'Negroe Race' were also unable to govern their own country under democratic forms of representative government (Holt, 2000, p. 55; and see Sheller, 2000, Chap. 3).

Especially in the aftermath of the Morant Bay Rebellion of 1865, white Jamaicans echoed this charge that the people of Jamaica were not like 'civilized' British people. Lewis Q. Bowerbank, the Custos of Kingston, for example, suggested that the British form of government did not suit the character of the Jamaican people:

> I feel confident that the British Government will be convinced that if Jamaica is to continue a British colony, and as such is to be the white man's home, there must be an entire change in its constitution and form of Government, and we must retrace our steps to the time of the emancipation, and endeavour to build up a constitution suited to the wants of the people, introducing into it much more of the paternal, and less of the free, and give up the mischievous practice of introducing British statutes unsuited to a community not possessing British feelings or sentiments.[35]

Here we see an explicit argument for rolling back freedom and introducing a more 'paternal' mode of governance to protect the 'white man's home.' 'British statutes' are set apart from the Jamaican people, as something they must strive for but which is not theirs by birthright. And 'British feelings or

sentiments' denied to this 'community' are set apart. The desired whitening of Jamaican government was achieved by the abolition of representative institutions, when the 300-year-old House of Assembly was replaced by the non-electoral system of Crown Colony rule in 1866.

The debate about political rights and citizenship in Jamaica from the late 1830s through the 1860s was continually framed as a debate about the character of freed men. On one side stood the white elite's charges of idleness and unwillingness of 'the Negro' to work and hence 'his' failure as a free citizen (with little mention of women). On the other side was a popular discourse expressing pride in working manhood, demanding a reasonable family wage, and reinforcing the rights of former slaves to 'act as free men.' Both of these discourses drew on Christian family values and patriarchal notions of masculine citizenship, however, the working-class articulation of these values was far more likely to embed the free subject in the context of familial relations. The black man's freedom existed as a relation to family members whom he supported and a wider community to which he had civic obligations.

This articulation of 'family values' from a position of subordinated masculinity illustrates the distinctive intersectionality of gender, class, race, and ethnicity in this case. There was a special relation between conceptions of work and conceptions of masculine freedom in post-slavery public discourse. What emerges in popular speeches, petitions, and protests in the post-emancipation era is a close association between conceptions of free labor and an ideal of masculine provision for the family, understood as the basis for British citizenship. Freed men describe their work in terms of a pride in their own labor and a desire to support their families. As an ideal that was most often unachievable, the family wage became the focus of debates over free labor and fair wages in post-emancipation Jamaica. When men spoke of freedom, they spoke of it not as solitary individuals, but in connection with earning a living that would support a family and allow for familial (not personal) autonomy. A man's ability to nurture, protect, and provide for his family became key parts of the popular definition of freedom, drawn in sharp contrast with the inability to do these things under slavery and under indenture.

CONCLUSION: CITIZENSHIP FROM BELOW

By claiming the rights of citizenship before those rights were granted to or bestowed upon them, the enslaved people (and later colonial 'subjects') of

the Caribbean pushed colonial and imperial states towards far more radical political projects than the framers of Western democratic nation-states had originally envisioned. They made our world what it is today by showing just how freedom could and should work – for all.[36] As Laurent Dubois argues, 'the movement that transformed slaves into free citizens gave new content to the universalism that was the centrepiece of Republican political culture' (Dubois, 2004a, p. 28). Enslaved sugar workers and domestic servants, washerwomen and coffee pickers, dockworkers and indentured laborers seized the ideology of universal rights, the language of liberty, and the repertoires of national claim making and made them their own. In making them their own, they also changed them. They seized citizenship 'from below' rather than simply waiting for it to be bestowed upon them.

This examination of popular discourses of masculinity and familial duty in post-slavery Jamaica demonstrates that freedom varied depending on one's position in a racial and gender order through which the rights of citizenship were refracted. Black subaltern masculinity drew on both the liberal ideology of independent manhood and the Christian conception of familial duty, but it also incorporated currents of working-class radicalism and Afro-Jamaican culture-building. Alongside prevailing gender distinctions, however, I have also shown how ethnic divisions and conflicts were used in political discourse to reinforce masculine claims to citizenship and the rights of Jamaican 'natives' as against immigrants and foreigners. Indeed, given the importance of family and kinship in protecting the fragile liberties and rights that freed men did enjoy, it may be that a masculine identity forged through an ethnic/national identity as 'British subject' was preferable to one that excluded women. Insofar as the patriarchal marital family was actually relatively unusual in popular practice, and indentured laborers were a direct threat to livelihood and survival, freed Jamaicans may have strategically shifted the emphasis in the discourse of citizenship *away from* gender issues (instead favoring intra-racial male–female solidarity) and toward ethnic exclusions.

If the limits of 'universalism' in 19th-century Anglo-American liberal political orders can be found at the intersection of contested and contingent gender orders, racial orders, and moral orders, there was still room to maneuver over which kinds of exclusions would prevail at any particular moment. While British colonial governments tried to erect a moral order founded on principles of bourgeois masculinity and appropriate femininity, Jamaicans used Christian discourse in a slightly different way. By imbuing themselves with the moral authority of Christian manhood and familial responsibility Afro-Jamaican men could distance themselves from the non-Christian

indentured laborers who were undermining their labor-bargaining power. Afro-Jamaican women, at the same time, were making claims as Mothers and Queens, as I have argued elsewhere (Sheller, 1998), and through their leadership within the Revival religion and culture-building via the family land institution (Besson, 2002), so were not particularly 'confined' to the private sphere. These counter-hegemonic forms of masculinity and femininity, however, came at the expense of a legitimacy gained by exclusionary attitudes toward 'foreigners' and a kind of popular nationalism that would have lasting effects on Jamaican culture in the post-independence period.

This situated analysis of masculinities-in-practice can complement more general analyses of Anglo-American liberalism with a fuller account of how Jamaican freed men drew on an identity as 'British subjects' to gain political leverage out of a certain kind of masculine identity. In becoming 'black,' 'British,' and 'Christian' citizens, I have argued, freed men marked their proximity to the white elite, but also their distance from heathen foreigners and from male indentured migrants. Counter-hegemonic performances of citizenship depend partly on the reproduction of dominant authorizing positions (such as masculine individualism) if they are to be admitted onto the national public stage at all. However, it would be too simplistic to interpret this as a mere repetition and reproduction of hegemony or worse yet to judge it as an 'accomodationist' strategy. The very performance of subaltern citizenship, in its improvisations and departures from the script, also generates new subject positions and new exclusions.

Although partly constrained by the dominant racial, gender and sexual ideologies of Christian liberalism, free black men nevertheless re-wrote the scripts of citizenship and reconfigured the possibilities for national inclusion. In claiming their status as 'native,' 'free born,' and 'British' subjects, I conclude, Afro-Jamaican men claimed a right to citizenship based more on an ethnic exclusion of indentured 'Coolies' than on a gendered exclusion of black women, who I would hypothesize were crucial allies in the struggle for a freedom that was defined more in familial than in individual terms. This finding has far-reaching implications for research on gender and freedom in the Atlantic world. First, it requires further corroboration and comparative analysis. Do these findings hold true in other British colonial contexts with large indentured populations, such as Trinidad and Guyana? How might these imperial subjectivities be contrasted against the forms of masculinity that emerged in republican settings such as Haiti or the Latin American Republics? And how might they shed light on previous research on the formation of black freedom and subaltern whiteness in the United States in the Reconstruction Era?

Second, the apparent strength of familial solidarity amongst these post-emancipation political claimants may have implications for research on Afro-Caribbean culture-building, in particular the ongoing debates about gender dynamics along the reputation/respectability axis, the existence of the matrifocal family, and the role of unrestricted cognatic descent and access to 'family land' in community building (Besson, 2002). Rather than tracing a stark contest between masculinity and femininity, the argument here suggests that at least in some political moments a 'Black' identity may converge around other boundary-markers, which emphasize intra-racial unity as against inter-ethnic competition. This may go some way toward explaining the particular grounds for feminist or womanist movements in the Caribbean region, which have tended to call for a certain amount of solidarity with subaltern men.

And finally, how do these dynamics of gender, ethnic, and racial distinction intersect with the moral strictures governing sexualities in Caribbean colonial and postcolonial societies? Certainly, the vilification of non-native ethnic groups and the favoring of a heteronormative in-group familial ideology have implications for the surveillance, apprehension, and punishment of national 'deviants' or 'race traitors' (Nagel, 2003). Contemporary heteronormative discourses of loyal national citizenship in the Caribbean, with their exclusions and criminalization of gays, lesbians, prostitutes, and migrant workers (Alexander, 1997) may well have been mapped out in the post-emancipation struggle for freedom. More nuanced understandings of the formation of subaltern masculinities in the struggle for citizenship can help us to understand better the constraints on universal freedom in the Caribbean today, and the ways in which peripheral national projects articulate with metropolitan ideologies and discourses of freedom as both counterpoints and fractal repetitions on another scale.

NOTES

1. A wide range of work is relevant, but one might begin with Pateman (1988), Landes (1988), Fraser (1989), and Phillips (1991).
2. Even before the abolition of slavery, the path to emancipation was already different for men and for women. While men most often gained freedom as an incentive or compensation for military service (i.e. during the Haitian Revolution, the Latin-American Wars of Independence, the U. S. Civil War the Cuban Ten Years War, or through service in the British West India Regiment), women were most often emancipated as a result of sexual relations with white men, usually after having worked as domestic servants within a white household. Thus for men freedom might

be linked to a masculine identity forged in military service, which gave them a claim to citizenship, while for women, in contrast, emancipation was more likely to be a private transaction lodged within an economic and sexual trade-off (see, e.g., Peabody, 2005).

3. Research for this article was carried out as part of a larger study, which was originally my PhD dissertation (New School for Social Research, 1997), published as *Democracy After Slavery: Black Publics and Peasant Radicalism in Haiti and Jamaica* (Macmillan, 2000). A different version of this piece is to appear in *Gender and Emancipation in the Atlantic World*, Eds. Pamela Scully and Diana Paton (Duke University Press, 2005), whose editors I would like to thank for comments on an earlier version.

4. On Habermas's linkage of the private family and the political public, see Habermas (1989). For critiques of his uncritical approach to gender and his Eurocentric amnesia vis-à-vis the colonial world see Fraser (1989), Cohen and Arato (1992), Emirbayer and Sheller (1999).

5. For an excellent discussion of these issues in South Africa, see Scully, 1997.

6. For debates on historiography's valorization of armed liberation at the expense of women's 'everyday forms of resistance' see Beckles, 1989; Bush, 1990; and Sheller, 1998.

7. Others have explored the valorization of 'manliness' and a discourse of 'Christian Manhood' among certain post-emancipation communities in the United States; e.g. Kelley, 1996, pp. 23, 65–66, 112–114; Higginbotham, 1993; Raboteau, 1997; Becker 1997.

8. Figures come from PRO 30/48, Cardwell Papers, No.6, Confidential Jamaica: State of Affairs in Jamaica [1853], p. 97, Appendix A: Immigration and Sugar Return. And see also Shepherd, 1987, p. 173.

9. For example, a Wesleyan Methodist at Stoney Hill reported that after 6 months of instruction he had baptized a 'captured African' man named Nelson, together with 'the wife of his youth and the six children she had borne him in Africa', thus underlining the interest in keeping families together and instructing them toward Christian marriage (Wesleyan Methodist Missionary Society [WMMS], West Indies Correspondence, Jamaica, Box 204, letter of John Williams, January 25, 1840).

10. Resolutions of a Public Meeting at the Baptist Chapel, Falmouth, Feburary 21, 1840, in *The Baptist Herald and Friend of Africa*, Vol. 1, No. 17, February 26, 1840, p. 3. Although white missionaries directed these meetings and wrote up the resolutions and petitions, records of speeches given at such meetings indicate some degree of participation by the emancipated population. For further discussion of the use of such 'public texts' in writing subaltern histories, see Sheller, 2000, Introduction and Chap. 7.

11. *The Baptist Herald and Friend of Africa*, Vol. I, No. 31, June 3, 1840.

12. Meeting of Baptist Western Union, Oracabessa, July 2nd, 1840, in *The Baptist Herald and Friend of Africa*, Vol. I, No. 36, July 8, 1840, p. 1.

13. In taking as its motto 'The Spirit of Liberty that strikes the chain from the Slave, binds the Freeman to his Brother', the *Baptist Herald* extended a discourse of freedom pertaining specifically to a fraternity of men. It echoed the abolitionist motto, 'Am I not a Man and a Brother?' without any cognizance of the antislavery feminist appropriation of this: 'Am I not a Woman and a Sister?' (see Yellin, 1989).

14. *The Baptist Herald and Friend of Africa*, Vol. 5, No. 28, July 9, 1844, p. 220, letter signed by T.H.P.M., July 4, 1844.

15. *The Morning Journal*, Vol. X, August 16, 1847.

16. *The Morning Journal*, Vol. X, December 6, 1847, p. 2, Report of a Meeting of the Labourers, Hanover.

17. *Ibid*. The language used in this report is typical of some newspapers of the period, which tried to convey the oral form of Creole through various kinds of transcription. The class and racial distinctions implicit in this linguistic device are indicative of some of the implicit filters on access to a 'public sphere,' even for 'free men.' See Fraser (1989) on the issue of class-inflected linguistic exclusions from public spheres.

18. CO 137/299 Apprehended Outbreak in the Western Parishes, 1848, encl. Report of T.F. Pilgrim, July 6, 1848, and Proclamation of Governor Charles Edward Grey, July 14, 1848.

19. Enclosed in CO 137/343 Governor's Despatched, Darling to CO, January 4, 1859.

20. CO 137/345, Governor's Despatches, Darling to CO, June 9, 1859, enclosing two petitions from Rev. Charles M. Fletcher (of Rodney Hall Post Office, St. Thomas in the Vale) to the Queen and to the Governor, dated March 8, 1859, signed by residents in St. Thomas in the Vale, Saint Ann, Saint Mary, Saint Andrew and Metcalfe.

21. *Ibid*, encl. Samuel Rennales, Custos of St. Thomas in the Vale, April 7, 1859. Approximately 160 of the names on the petition are identifiable as female names. The fact that they appear interspersed with male names is unusual on a British petition, where men's petitions were usually separated from those from groups of 'ladies.'

22. CO 137/346 Governor's Despatches, September 8, 1859, Gov. Darling to the Duke of Newcastle, enclosing Henry Walsh to Darling, July 1, 1859. As Walter Rodney argued in regard to indentured women in British Guiana, 'Discrimination against female indentured workers persisted because planters assigned women to the weeding gang and other low-paying jobs and because women were given less when they performed the same field task as men. Indeed, one of the backward characteristics of indentured labor was the employment of a significant proportion of low-paid women and juveniles – all constrained to undertake arduous and often undignified tasks in order to try and build the subsistence earnings of the family' (Rodney, 1981, p. 42).

23. CO 137/345 Governor's Despatches, Governor Darling to Colonial Secretary, August 9, 1859.

24. *The County Union*, Vol. 16, No. 26, April 1, 1864, 'Report on Special Sessions of the Peace held at Court House, Montego Bay, to inquire into alleged ill-treatment of Coolies'; *Jamaica Papers*, No. 1, Rev. H Clarke to Mr. Chamerovzow, January 6, 1866. Additional reports on the starvation, abuses, and deaths of indentured Indians can be found in CO 137/368 Eyre to Newcastle, No. 97, October 24, 1862, (reporting on Rev. Henry Clarke's allegations about the system of Immigration published in the *Jamaica Guardian*, 6 October 1862), encl. Clarke to Eyre, October 16, 1862; and see Eyre to Newcastle, No. 127, December 23, 1862.

25. Thomas Harvey and William Brewin, *Jamaica in 1866. A Narrative of a Tour Through the Island, with remarks on its Social, Educational and Industrial Condition*

(London: A. W. Bennett, 1867), pp. 43–44. They also indicate that men were paid 1 shilling a day for heavy shovelling, while women lift and carry for 9 pence a day, boys get 6 pence, and girls 3 pence; they also noted that many children were absent from school because they 'were helping their parents to get in the ginger crop, the peeling and drying of the root requiring much labour of the women and children' (*ibid*, p. 39).

26. CO 137/392, Governor's Despatches, Eyre to Cardwell, July 5, 1865, enclosing Petition from African Laborers in the Parish of Vere, May 29, 1865.

27. *The Jamaica Watchman and People's Free Press*, August 21, 1865.

28. *Report of the Jamaica Royal Commission* (London: Eyre and Spottiswoode, 1866), Part 2, evidence of William Anderson, p. 165.

29. E.g., Petition from St. Thomas East, September 5, 1865, in *Further Papers Relative to the Disturbances in Jamaica* (London: Harrison and Sons, 1866), Part III, No. 4, Storks to Cardwell, February 1, 1866, encl. 2.

30. The letter exists in the form of small handbills that were posted in public (NLJ, MS 106, Underhill Letter, copy of CO 137/3.98, Underhill to Cardwell, January 5, 1865). For full discussion of the Underhill Meetings, see Sheller, 2000, Chap. 7.

31. Methodists also reported that many men could not obtain work, and when they did: 'the remuneration is 1 [shilling] per day for a strong man, -/9 [pence] for a woman, and –/6 or -/4 1/2 [pence] for a boy or girl. Job work has for some time been substituted for day labor; but it is said that in many cases, the fields are longer, neglected, and the work greater, and the pay smaller than in former times. On some properties a few are employed throughout the year; but the masses are only wanted about eight out of the twelve months.' (WMMS, West Indies Correspondence, Jamaica, Jon Edmondson to the Secretaries, Kingston, April 20, 1865).

32. CO 137/391, Eyre to Cardwell, no. 128, May 6, 1865.

33. PRO 30/48/42 Private letters, Eyre to Cardwell, November 7, 1865 and October 23, 1865.

34. CO 137/391, Henry Taylor note, June 8, 1865, attached to Eyre to Cardwell, No. 128, May 6, 1865.

35. PRO 30/48/44, Cardwell Papers, Original Evidence Collected by the Jamaica Royal Commission, 1866, Evidence of Lewis Q. Bowerbank, Custos of Kingston, p. 9.

36. See, for example, Scott (1985), Holt (1992), Ferrer (1999), Cooper et al. (2000), Sheller (2000), Dubois (2004a, b).

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EUROPE'S ATLANTIC EMPIRES: EARLY MODERN STATE FORMATION RECONSIDERED

Jeremy C. A. Smith

ABSTRACT

Long established and revisionist approaches to European state formation are put to one side in this article and a turn to the imperial domains of early modern states is made. The rise of Atlantic Studies as a new current of history has drawn attention to transatlantic patterns of colonialism. However, historical sociologists and comparativists have yet to grapple with the conclusions of this field of research. This article points to a possible line of argument that could draw historical sociology and Atlantic Studies together. It takes up the argument that early modern polities broke new ground in the formation of territorial institutions when they turned to transcontinental state building. From their inception, the projects of empire produced conflict-driven institutions. Comparative examination of the Spanish, British, Dutch, French and Portuguese empires reveals that, despite the authority accorded to overarching institutions of imperial government, domestic and colonial patterns of institutional formation diverged considerably. The article explores how developments in European territories took one course in each case, while colonial trajectories in the Americas took others and thereby generated distinct kinds of conflict.

INTRODUCTION: STATE FORMATION FROM AN ATLANTIC PERSPECTIVE

Early modern Western polities are often pictured as either nations or colonies, but too rarely as imperial states that acted as vehicles in the creation of the Atlantic world. Historical sociologies that have focused on the expansion of state power in national territories do one of two things. They single out monarchies and Baroque courts and the networks of patronage around them and treat these as the polity (Elias, 1983). Alternatively, states are cast as proto-bureaucratic formations that steadily marshaled greater powers and resources in long-term processes of monopolization and rationalization (Poggi, 1978; Weber, 1922). In either approach, the national institutions of state constitute central government and were the harbinger of modernity. An impression is left that those early modern states were 'top heavy' centers concentrated in European territories and steadily strengthening rationalized forms of rule. On the other hand, when attention turns to the American theatre, all too often the colonies are studied by historians in isolation from wider imperial structures that come into view only in the context of the rise of the 18th and early 19th century movements for independence.

In this context, the recent strategy of studying the Atlantic world as a whole is a welcome move towards an overview of separate domains of modern state formation (Armitage & Braddick, 2002; Bailyn, 1996; Canny, 1999). It has thrown into relief the larger theatre of early modern state formation. However, Atlantic Studies has been the province of historians and has not yet attracted the attention it deserves from historical sociologists who might be able to develop further syntheses of wider patterns.

This paper takes up the argument that early modern states are better viewed as Atlantic empires that exhibit different though interconnected dynamics in their European and American domains. Once empire is factored in, then national states can be analyzed as more than just supra-provincial institutions. The overarching imperial institutions of government come into full view as do the social conflicts that they had to come to grips with. Early modern polities broke ground in their structuring of national institutions when they turned to trans-continental state building. While Spain, France, Portugal, the United Provinces and England were establishing colonial settlements in the Americas and setting up the means of administration of imperial affairs, they were creating new ways of consolidating the core institutions of the polity. In this regard, state making in the imperial domain

was both an extension of already-shifting domestic politics and a separate set of trajectories. From this vantage point, it becomes possible to set out the different and complex dynamics at work in separate domains of imperial states. The impulse to the centralization of taxation, military force and administration was not the sole logic driving state formation. On the contrary, it was subject to the contestation of domestic and colonial forces and to challenges of heightened inter-state competition in the Western hemisphere.

The main theoretical proposition of the article can be put at this point. Early modern Western state formation was a conflict-driven imperial form that rested on distinct structures of tension in domestic and colonial spheres. In Europe, central authorities depended on provincial and urban elites for support, but did not necessarily enjoy a convergence of interests with them. Strong networks of patronage bound competing elites in relationships that occasionally collapsed into rebellion or resistance, but that normally provided monarchical or republican authorities with the governmental means of integrated territorial rule.

The figuration of tension that emerged with the European seizure of the Americas was different and this article specifies how it was so. Distances across the Atlantic radically modified the capacity of nascent imperial institutions to govern American colonies. Moreover, the web of clientage that was a feature of government in Europe could not be replicated in colonial government with the same effect. Of course, the problem of distance does not only involve the expanses of space. Transcontinental rule combined territories that were not contiguous, but that were still united in transoceanic empires (Mancke, 1999). The extension of the Spanish monarchical state, the Stuart and then parliamentary British state, the Portuguese and French monarchies and the Dutch Republic into the Americas transformed and reoriented existing structures of government and generated new ones. New and separate tensions between imperial bodies and local colonial and Creole interests emerged. They found political expression in competing notions of monarchy, empire and union (Robertson, 1998). Behind alternative conceptions of empire were cumulated historical experiences of the New World. However, these coexisted with strong sentiments of loyalty to the symbols of empire and a sense of belonging to a greater polity. Only if one takes the Atlantic perspective does the full distinction between European and colonial trajectories – that were still contained within singular empires – come into view.

The argument of this article unfolds in the following manner. The next section outlines the contours of the Europe-based figuration of tension

between central and urban, provincial and clerical interests. Recent revisionist histories shed light on how patronage saturated the institutions embroiled in this figuration. In passages that follow, the manner in which distances and the government of non-contiguous territories diffused the authority of metropolitan institutions is addressed. The character of the colonial figuration of tension is described in an analysis of the foundations and trajectories of American colonization. The *colonial order*, as I call it, emerged at this time as a pole of opposition to imperial authority. The contrasts between British and Spanish colonialism are drawn out, notwithstanding the fact that both empires experienced weak and attenuated forms of patronage in their American domains. In the final part, the specific characteristics of the colonial order in Dutch, French and Portuguese possessions are compared. Once again, the pattern appears to be quite the reverse of domestic arrangements in Europe.

PATRONAGE AND REBELLION IN EUROPE

Patronage was the distinctive feature of the Baroque state in Europe (Campbell, 1996). It gave the appearance of strength and solidity, but masked the flux of monarchical and provincial elites. Strategies to manage the tension with sites of provincial and urban independence were enacted through its channels. In the context of states that were expanding influence westwards to encompass new colonies, monarchical cadres were able to autonomize their own institutional positions. Their standing in the networks of patronage grew by dint of the additional authority that accrued to them from the amplification of imperial power. Even the most peripheral elites had to engage in the world of the court in order to achieve essential legal and public recognition in the cosmos of aristocratism. The web of clientele relations was an indispensable medium of control for monarchical heads and an obligatory commitment for nobles. Aristocratic motives for involvement often reflected clan, friendship and factional interests, and this had an impact on the form of their agency. The courts of Spain, Portugal and France encompassed this type of institutional constellation. Similar networks connecting elites are evident in the British and Dutch cases, where absolutism had been overthrown.

What patronage shows up is the state's internal fragility, particularly in France and Spain. In French historiography, revisionism has opened up new lines of enquiry into absolutism. A number are relevant to the current argument. In mid-17th century France, Bourbon prerogative was precarious

(Mettam, 1988). A strategy of compromise and cooptation adopted in the face of the *fronde* undoubtedly strengthened it (Beik, 1985; Collins, 1995). Nonetheless, provincial and urban bodies sustained a remarkable and sometimes conflictual resilience within a more general pattern of regular cooperation (Swann, 2003). The intendancy was introduced by the Bourbon monarchy to curtail this independence. However, it was also compromised by the nexus of patronage, which could be the only basis for the King's men having any authority (Emmanuelli, 1981).

In the study of Baroque Spain, there are some discerning histories that draw into relief the provincial character of monarchical rule. Spain was always challenged externally and from within and can be regarded as a 'weak' state (Herr, 1971) with coercive capacities that depended ultimately on voluntary coalitions of elites (Glete, 2002). The Spanish Habsburgs inherited a territory unified through dynastic marriage. While the monarchy appeared to have absolutist pretensions, its centralist control was not assured. It sought cooperation with provincial nobility. The revolts in 1520 and in Catalonia and Portugal more than a century later revealed the limits of monarchical integration in Spain's peripheries (Elliot, 1964; Martin, 1979). Habsburg rule was defeated externally in the arduous and exacting Dutch Revolt. Its other European *consejos* could hardly rule their respective territories with impunity and were forced to adjust to prevailing legal and administrative conditions. It was limited, to varying degrees, to observing long-standing local laws in its Italian territories. In Sicily, in particular, royal authority had to compromise the monarch's will consistently (Koenigsberger, 1951). This was, arguably, the zone of the Habsburg Empire in which Spanish authorities were compelled to adapt to the greatest extent.

The internal fragility of Western states was evident in other provincial insurrections (Zagorin, 1982) as well as the routinized engagement of elites in forms of patronage. In the English and Dutch cases, the rebellions successfully instigated new states that were realizations of a wider re-composition of social relations (Hill, 1980; Koenigsberger, 2001; Parker, 1977). England assumed a constitutional monarchy after the Cromwellian interlude and brief Stuart recovery. The wider British dimension of England's long civil war oriented the Stuart monarchy to the problem of multiple kingdoms (Bradshaw & Morrill, 1996; Russell, 1990). The long revolution was fought on the frontiers of the state and in different theatres of war on the island. After 1689, this tension within Britain continued and encompassed the American territories in a particular way. The principle of *dominium politicum et regale* confronted the central government when it came to Scotland. It also confronted it with regard to governance of the American territories. This embodied a

compact between England's rulers and local potentates in their dominions comparable to many composite absolute monarchies (Braddick, 2000; Elliot, 1992; Koenigsberger, 1989). The benefits of a wider association with the empire were available to the elites of England's kingdoms and colonies, while local self-government remained in place. The extension of *dominium politicum et regale* to the colonies in America and to Scotland was an outcome of the overthrow of Stuart rule. Meanwhile, the status of Ireland remained a vexed problem. There was therefore a vital analogy between the tension-ridden figuration of local and central authority in England and the imperial–colonial divide that straddled the British Atlantic.

On the face of it, the Dutch Republic seems unique in the early modern period. Its highly independent estates and cities were renowned for the capacity to sustain their identity and to remain outside of any central rule. However, a deeper analysis shows some greater complexity to the operation of government and reveals an important feature that is open to comparison with monarchical states (Davids & Lucassen, 1995). The independence of the estates operated on an imperative of consensus. Consequently, the very functionality of the Republic depended on multilayered processes of negotiation and compromise, as did other states. Patrimonial connections between the regencies, the elites of the trading companies and the officialdom of the urban patriciate meant that the Republic took on the character of a 'familial state' (Adams, 1994a). This not only applied in the states-general, but within city governments also, as the latter depended on a degree of civic peace to ensure the continuation of their own autonomy within the larger confederal figuration. The relative privileges of city oligarchies were at stake and, as a result, care was taken to circumvent the potential for civic unrest. The internal tensions within the corporate monopolies and the contradictions between the actions of the companies and the stadholders deepened the intricacy of Dutch politics (Adams, 1994b). In this regard, the 'Great' and 'Little' Traditions of Dutch rebelliousness can be re-evaluated within a larger analytical frame of the republican polity. Perhaps the most sober conclusion is that they are over-inflated. Instead, it seems that the mechanisms of patronage, outright nepotism and consensus making were the principal features of Dutch politics.

THE BEGINNINGS OF EMPIRE AND THE FORMATION OF CENTRALIST INSTITUTIONS

With this modified view of European states in mind, it becomes possible to vary the scope of analysis in a way that is more alert to the discordant

character of imperial state formation. The Americas can then be brought into view and the transcontinental figuration of tension can be underlined. A dynamic of non-contiguous colonial extension was initiated with the founding of American colonies. Western states were breaking new ground in the way in which they consolidated national institutions, when they turned to transcontinental state building. Indeed, domestic and imperial developments are best understood in relation to each other, where they exhibited a similar dynamic and, more importantly, where they diverged.

The extension of each state generated new problems of distance. The Hispanic thrust into the Americas resulted from the unification of Castile and Aragon. The century long conflict in England gave rise to a more interventionist approach to the colonial ventures established under the Stuarts. French zeal for state building and maritime exploration reached new heights under Louis XIV and Colbert and at that time reached across the Atlantic. Earlier Portuguese claims to the Eastern Atlantic were followed by the slow and interrupted consolidation of Brazil and West Africa.

In many instances, supra-provincial organs of authority had to govern both single territories in which they were domiciled and imperial provinces abroad. Relations with remote colonial elites were complex and amplified by distance. I characterize this as a relationship between the transatlantic imperial apparatus and the *colonial order*. Many governors and high administrators based in the colonies were removed from the immediate presence of the court and the representative and juridical bodies of the imperial state. Provincial and urban elites back in France, England and Spain had a nearer presence and were bound by the strong links of patronage. Settler communities and colonial governors were often more remote and had little access to the privileges and influence of the metropolis. This is not to say that metropolitan-based imperial elites would never pay any heed to colonial interests. Officials mindful of the internal discordance of early modern states drew up imperial directives carefully. Not only would they have to consider the weighty influence of military commanders, leading manufacturers and parliamentary or judicial factions; they had to take account of the views of colonial authorities and leading merchant groups. However, for officials stationed in America, who were responsible for colonial governance, it was the communities of colonists that were even more potent constituencies. The colonies were far removed from the European government and depended on separate networks of influence and sponsorship. Distinct sets of American interests coalesced early and were, in turn, reflected in colonial administration. Where the elites of colonial institutions objected to the empires' cadre or simply defied them, or even where they merely performed the formalities

of passing gubernatorial or vice regal ordinances, they distinguished them-
selves as leaders of structures that were separate from the metropolitan
apparatus.

DISTANCE AND TRANSCONTINENTAL RULE

Many of the difficulties faced by imperial and colonial administrations
stemmed from the sheer tyranny of distance. To a great degree, distance
dictated the terms on which the supra-colonial authorities of Spain, France
and Britain could capably superintend their domains. The problem of gov-
ernment from afar consistently confronted imperial bodies responsible for
settlement, trade and regal representation. Furthermore, consolidation of a
single locus of command that arched over dissimilar social and ecological
environments furthered the strain on governmentality. The result was a
dissonance of de jure authority and de facto power.

Donald Meinig's geographical typology of forms of transoceanic empires
is useful as a point of departure when it comes to the relationship of distance
and control (Meinig, 1986). He starts from the premise that commonly used
categories of core and periphery or metropolis and frontier do not ade-
quately capture the strategic range of points in the transatlantic transect; a
premise now shared by other historians (Greene, 1994). Colonization did
not establish cores and peripheries so much as a zone of interaction. In-
teraction is defined by the character of the dominant colonizing activities:
exploration leads to casual contacts, while establishing outposts and impe-
rial colonies leads to articulation of different areas and stratification of new
nuclei settlements. Casual links between different points in the Atlantic
transect develop more formal attachments, 'the axis between port and
court.' The number of transoceanic connections multiplies and 'thickens'
until numerous sites on both sides of the Atlantic, and on the islands in it,
are involved. The sites are characterized as types: hinterland, Indian core
area, outpost, frontier entrepot, colony and port.

Apart from a concern about Spanish mercantile monopoly, Meinig mostly
confines his analysis to the British Empire. I will apply this typology against
the Spanish experience to illustrate the comparable problems that con-
fronted the Habsburg and Bourbon monarchies. The consequences of dis-
tance were well defined for the Spanish Indies (McAlister, 1984). Spain's
center seems to be obviously Madrid. However, Seville and Cadiz were also
centers due to their privileged near-monopoly status as the conduits of
trade, as well as ports. Seville housed the main mercantile institution, the

Casa de Contratacion, and so was subject to imperial regulation. The hinterland was less important compared to English regional production. In addition, the existence of different layers of trade brought many locations of supply into the trade networks. Slavery and contraband diversified economic activity, while at the same time undermining the Crown's regulatory regime. The Canary Island trade was itself another layer. Without doubt, it was an outpost, as Meinig would have it. But it also traded directly with the Caribbean and was governed by a separate body of regulations.

Colonial ports were many and more widely spread. Havana and Santo Domingo, Vera Cruz, Cartagena, Panama and Buenos Aires were major economic centers in their own right. Many were also seats of colonial administration. The colonial outposts were mostly mining zones, although these too were another kind of center (Johnson & Socolow, 2002). The outposts fed Mexico City and Lima as frontier entrepots. The production hinterland was comprised of communal economies working according to subsistence values, but also delivering surpluses to Spanish or Creole agents. The Colombian Choco was this type of mining zone, although its combination of African and indigenous slave labor was quite unique (Sharp, 1976). Unlike the North American hinterland, it was not incorporated into Atlantic trade. Instead, it was part of interregional exchanges.

Meinig's typology has some limitations, but it does point to the problem of distance. Links across space in the Spanish Indies were tenuous, more so than even for the English colonies to the north. A greater proportion of trade had to go through Caribbean ports, which were subject to extensive piracy. The great landmass of the southern continent was under Spanish and Portuguese jurisdiction. But much of it was not exploited. Also European settlement was sparse compared to the Caribbean, the British North Americas or the St Lawrence Valley. Put simply, Spain's colonies were further removed. Moreover, the major production zones on the southern continent were remote and their hinterlands produced mostly for regional markets. The connections between miners and local merchants in the outposts to regional agents and officials in the frontier entrepots and to transatlantic commerce conducted from Havana or Vera Cruz were more threadlike. On this basis, it is argued here that the bearing that geography has was more deeply felt in the process of Spanish imperial state formation than in British North America.

Distance confronted all the Atlantic empires. The sheer size of the recognized world by Europeans grew. Between Columbus' first voyage and the turn of the 16th century the sum landmass that Europeans were aware of

doubled (Bernstein, 2000). By 1525, it had tripled. It became possible to think in planetary terms and the elites of the court state began to do just that. The unfolding of the American New World – in fact, an old world for its indigenous inhabitants – and its subsequent capture introduced Europeans to the problem of ruling across continents, that is, ruling over large transoceanic distances. British, French and Spanish institutions were formed in the context of the relatively closed territories of the European continent. Although many were charged with imperial responsibilities, they were more suitable for European rule. Transoceanic conquest tested existing bodies of government. Other institutions were formed with exploration and conquest. Further development coincided with their imperial extension and produced transatlantic instrumentalities.

The distance across the Atlantic routinely undermined imperial rule, as the apex of regal authority was removed from the American hemisphere. A different institutional cluster emerged around the organizations that settlers maintained hegemony over. This is the colonial order, and I delineate it negatively and positively. In negative and residual terms it can be conceptualized as communities that are subject to the distant government of the court state whose bodies were headquartered in Europe. Positively, it can be discerned in the capacity of communities to actively fashion their own institutions, outlooks and connections with each other. They differentiated their own autonomous positions. The manner in which this occurred varies in two ways. Firstly, it differed considerably from French Canada to the British North Americas and between the Caribbean, the southern Spanish viceroyalties and Brazil. There are also marked differences over time, for example between the early experience of the *audiencia* and the corporate colonies of the 16th century and the quasi-federation of assemblies in the Thirteen Colonies in the late 18th century. Where common zones of interaction retained comparatively open access for provincial and urban authorities in the domestic territories, American elites found access to metropolitan centers closed. Their own institutions – or centers, if you will – were frequently compelled to defy, simply undermine, modify or directly confront the functioning of their imperial overseers.

The tension between the high ministerial apparatus concerned with imperial affairs and the colonial order was, in all cases, amplified by distance. Ideals and legislative enactments that were based on a remote continent often conflicted with real and perceived institutional needs in the colonies. The conditions of European life, polity and economy could not therefore be simply reproduced in the colonial setting. In many areas, the institutional ambitions of empires often ran ahead of their organizational capacities

(Greene, 2002). Consequently, metropolitan perceptions that guided decisions often were for the consumption of Europeans, far removed from the New World. Distance not only problematized the governability of the Americas, it also skewed imperial perceptions of it.

Distance across the Atlantic amplified difference separating Western Europe and the Americas. European colonists confronted a geographically distant and radically unfamiliar environment. They endeavored, in the context of a civilizing goal, to forge American social structures, administrative and economic forms and patterns of consumption and fashion that approximated the European world. To the extent that this was held as a goal, it was a naïve one. A complex relationship existed between the aspirations of French, British and Peninsula settlers and their experiences of migration. The complexity involved the distance from the homeland cultures that immigrants came from and the colonial towns and frontiers of the lands that they occupied. Of course, the presence of anything that seemed European represented a reduction of the social distance and difference between the two continents. However, in the New World, reminders of radical alterity in the environment and conquered civilizations regularly complemented such familiar traits. Identification with the cultures of empire – whether it took the form of French aristocratism in Montreal, Dutch colonial piety, Hispanicism in cities of the south or reclaimed ancient English liberties – hedged against the impositions of America's diverse environments.

The historic challenges posed by distance can now be summarized as four generic problems of sustaining an empire. Firstly, the Atlantic empires represented colonization 'in its true sense' (Fieldhouse, 1982). The early waves of conquest and genocide of the indigenous inhabitants dissolved these social formations and, in their place, implanted settler–colonial communities. Such immigrant societies can be distinguished from later occupied states of Asia, the sub-continent and Africa that were more common in an era of the so-called High Imperialism. Secondly, the Atlantic empires encompassed vast territories that they could never fully administer. The means through which the problems of distance could be tackled effectively did not develop easily in the Americas, or at least could not be developed under the auspices of vice-regal and gubernatorial authorities. Some imperial bodies were extended and modified to suit the new demands of cross-Atlantic government; for example, the Council of the Indies was a body akin to other *consejos* responsible for other Spanish domains. Others were invented afresh to tackle the cross-oceanic character of the burgeoning Atlantic empires. However, these were not always successful. Local institutions with a Creole or settler influence were more operative in the organization and regulation

of colonial life. The urban *cabildo* in the Spanish provinces, the Brazilian *municipio*, the town-based meetings of British North America and the Chambers of Commerce and Agriculture in the French Caribbean all represented organized colonial interests. To the extent that they exercised autonomy from vice-regal representatives, it was partly due to the distance from the centers of monarchical authority. Consequently, through to the 19th century, cross-Atlantic distances would always trouble the European administrations of the five empires.

A third feature can be delineated and relates to the early development of modern capitalism. The transatlantic empires created spheres of mercantilist regulation intended to augment the benefits that accrued to states from accumulation and trade. All five imperial contenders in the Atlantic zone jealously guarded different types of monopolies in shipping, trade and finance. The economic forms particular to each empire gave rise to different regimes of mercantile governance. The extractive economies of the Spanish Indies promoted an annual traffic of gold and silver carried by large flotillas. They were organized by the *Casa de Contratacion* as a monopoly and required significant naval protection. Slavery was a major feature of mining and African slaves were acquired and used more and more under the instrument of the *asiento*. The great trades coexisted with an intra- and inter-colonial commerce. Contraband was an abiding feature of this other economy and could not be tackled effectively by either imperial or municipal authorities. Without question, distance hampered efforts to halt trade with other colonies or, indeed, other European powers.

The two coeval economic forms made piracy, smuggling and the *asiento* significant issues in treaty negotiations with other powers. It also meant that they became a preoccupation of Spanish statesmen and their diplomatic corps. Portugal approached its shipping monopolies by concentrating on a more clearly demarcated triangular pattern of trade. Its extraction of raw materials from Brazil was far more limited than the extensive Spanish trade, at least in the 16th century. As both the exploitation of Brazil (particularly in mining) and the passage of slaves increased, the focus became Atlantic. Its principal concerns were relations with other imperial powers and its interest in developing colonial Brazil was secondary. Maintaining its maritime monopoly did not prove as difficult, except when it was at war with the Dutch. Its colonial endeavors were at the mercy of larger imperial maneuvers and vacillating alliances with Spain and later Britain.

The Dutch built a fully fledged commercial empire. Its small settlements were part of a transatlantic network under the auspices of the West Indies Company. The Company's responsibilities were colonial, naval and

mercantile. Its ideal of commercial monopoly was disrupted by the realities of distance and by Spanish and English rivalry. The war with Spain exposed its failings. After the peace settlement, the Company surrendered its military functions and sought greater participation from private merchants. Matters of empire were debated at the center in Amsterdam for two reasons. Firstly, they were dictated to by the needs of war. Secondly, they had to be balanced against the demands of other companies. The East Indies Company was preeminent and normally exercised greatest influence on the estates. Decisions over the Dutch Atlantic were the prerogative of the empire's home base.

Settler agriculture was the economic form of British North America. It was mainly left to colonial authorities to govern it. With the growth in imperial and inter-colonial trade in the 18th century, it became subject to greater and more diverse taxation. Differentiation in the Anglo-American economy allowed greater complexity in the mercantile regime that governed it. Defense of the colonies was necessitated by the struggle with France and set up the conditions for conflict between the Thirteen Colonies and London. The Caribbean possessions were to one side of this, and are considered here to be a second British Atlantic. Their plantation economies connected them directly with imperial commerce, and their vulnerability to attack rendered them deeply dependent on naval protection. Despite extensive trade with the mainland, they did not develop the independent economic dynamics that the continental colonies did. Moreover, the merchant–planter elite there exercised far greater and more direct influence in domestic politics in Britain, perhaps because of their essential part in imperial trade. In all, they were tightly integrated into the Empire.

The French established the *pacte colonial* to govern the commerce in fur, fish, sugar and tobacco. Mercantile regulation was modestly effective in its Caribbean possessions and was meaningful in the eastern ports of New France. While imperial trade was robust, the economic zones beyond Montreal and Quebec were another world and could not be controlled in the same manner. Efforts to transform the fur trade and establish agriculture through a seigniorial reform of the land faltered, as the social relations associated with seignioriality could not be established there. Each empire generated and tried to manage distinct economic forms.

Finally, Europe's American empires were inter-continental and oceanic. Mastery of the Atlantic and its trade routes was the prize sought by the Euro-American empires. The control of sea-lanes was a great challenge and this stimulated the development of maritime imperial expansion. The American territories, on the other side of the ocean, were remote and

non-contiguous. The Spanish, British, Portuguese and French attempted to structure their colonies as imperial territories domains. As inter-state relations became the subject of more complex negotiation – after Westphalia – the international dimension figured more in domestic politics. In turn, political life in the colonies, especially in Anglo-America, acquired an acute awareness of domestic developments on the other side of the Atlantic as a result.

The imperial capture of the Americas by European states can be summarized as follows. Through conquest and expansion, European states established conflict-driven imperial forms marked by a more pronounced structural tension between European bases and the colonies. In the metropolitan perspective, institutional primacy lay mainly with imperial bodies. However, the license to govern was diffused by the distance between different regions of rule and by the colonial autonomies that emerged in New World settings and from the structure and shared understanding of power. Mediating institutions created or captured by the colonial order were recurrently at odds with the rule of imperial bodies.

FOUNDATIONS AND TRAJECTORIES OF ATLANTIC COLONIALISM

Comparison highlights divergences in imperial power, but also similarities in the conflicts of imperial and colonial authority that emerged. This section addresses divergences and parallels by briefly plotting the direct precedents of conquest and expansion and then by proceeding to examine the foundations of American colonies.

The conquest of America had historical precedents that served as paradigms for their execution. There was an inherited common memory of Rome. What Rome signified varied from one state to another. The Portuguese believed that they succeeded to the Roman heritage due to the size of their empire and the excellence of their sciences. The French incorporated Roman art into 16th century ceremony and legal codes into juristic theory. In turn Roman legal principles supported the claims of lawyers that the monarch was an imperial figure. English understanding of Roman colonial settlement furnished leading adventurers with a paradigm of civilizing to follow and experiment with (Canny, 1998). The establishment of white colonies abroad drew on a familiarity with Irish plantation that also echoed Roman precedents. All the Atlantic powers built empires with variously

projected images of Rome in mind and laid claim to the universality of their sovereignty over land and sea on the basis of Roman ancestry. In addition to the influence of the Roman example, there were four more specific traditions or models: medieval Christian colonization (Bartlett, 1993), the Hispanic *reconquista*, English colonization of Ireland (Canny, 1976, 1998; Quinn, 1991) and Portugal's earlier encroachments on the East Atlantic.

Experiences in crusading and conquering informed the advance of Europeans into the Atlantic zone, and the colonies that each state founded assumed distinct trajectories. English-American colonies were established during the reign of the Stuarts as private corporate ventures. Companies and colonies chartered by the Crown did not involve the state in their formation, but were, nonetheless, instruments of foreign policy (Mancke, 2002b). Hispanic claims to hegemony over the Atlantic were not openly contested until the mid-17th century. Until then, missions of reconnaissance and exploration and the consolidation of existing claims to settlements on the northeast coast of the continent constituted a more subtle challenge. The early colonies were therefore a part of an undeclared imperial struggle (Mancke, 2002a). The colonies were eventually legitimated by monarchical grants of charters. Crown land in America was considered part of a royal largesse. After the 1688 Revolution, the Privy Council and Parliament took over the supervision of Crown lands. Until that time, many colonies were established as acts of patronage, lending this form of colonialism a corporatist character. The logic of colonial autonomy established at this time would remain an enduring feature of Anglo-American colonization from inception until the American Revolution.

These origins established a colonial pattern. Corporatism suited fiercely independent Protestants. Founding settlers furnished the colonies with values of possession and an ethos of industry (Seed, 1995). They deployed existing English models of social organization that stressed the integration of families. With these values, colonists began to transform the land by posting fences and tending gardens and agricultural plots. Enclosure symbolized ownership and values that inhered in the land that had been 'improved,' where it had previously lain 'idle.' In this way, private colonies subdivided into private farms and all fitted into an integrated colonial matrix. When corporate colonies gave way to royal sovereignty, this blueprint of private possession that derived from agrarian capitalist social relations remained.

The Empire that developed after the Stuarts and the constitutional settlement of 1689 inherited the North American colonies that were on this trajectory (Bowen, 1996). Imperial agents and agencies drew from the same

general fund of cultural images as the settlers, one that animated agricultural industriousness and notions of discrete ownership. In politics, however, Protestant influences produced particular models of empire building for the British Government that varied from the types of plantation developed by separatists and Puritans. Protestantism never provided a unified ideology for the British Empire (Armitage, 2000). John Locke's intervention at the end of the 17th century swayed conceptions of property towards the settler model (Arneil, 1996; Pagden, 1998). Arguing against government concepts of aboriginal sovereignty and against the opponents of colonial plantations, he claimed that natural right to the land inhered in its 'improvement' and in agrarian settlement. This introduced into English debates of the 1690s a notion of private ownership through agricultural cultivation and rested on a lack of recognition of the proto-federative character of northern aboriginal political societies and their mode of production. The cultural bedrock of the empire that claimed sovereignty in Atlantic America was, by necessity, tolerant of competing variants of Protestantism and with it a broad and diverse spectrum of views. The agencies of the Great British state had to be especially lenient towards the remote colonies whose foundation and trajectory during the 17th century were based on flight from England. By the beginning of the 18th century a pattern had emerged: the state apparatus was claiming overarching institutional authority to the extent that it realistically could. Meanwhile, the colonies enjoyed the generalized principle of religious liberalism.

British colonial communities were polyglot formations. The outstanding features are the intensity and diversity of migration and urbanization on the coast and around eastern estuaries (Canny, 1994). Two periods can be distinguished (Games, 1991). Between 1580 and the middle of the 17th century, migrants came principally from England, Wales and lower Scotland. English migration to the Caribbean and the northeastern seaboard far outstripped that of the French and Spanish, more than doubling the Spanish at one point. In the second period, Irish, Africans and continental Europeans composed the majority. After the Treaty of Utrecht in particular, the pace of migration increased rapidly (Langley, 1996). The genocidal depopulation of indigenous societies was completed in the Caribbean and after 1660 continued at a faster pace on the east coast of North America. Those that survived were marginalized and pushed westwards or moved around. The import of slaves to the islands was higher than for the northern colonies until the late 18th century. Still, growth in the black population on the continent nearly doubled population growth amongst whites in the 17th century.

Settler communities gelled around port towns and then on the frontier. The towns, cities and regional jurisdictions they chartered were based on familiar English standards (Meinig, 1980). The terms to describe these connoted equivalents in England: *manor*, *hundred*, *parish*, *borough*, *precinct*. What they signified in the homeland was highly variable. Their application to the landscape of the North American east coast similarly varied. Some had no discernible precedent in England that could be readily drawn upon. The municipalities were original, in a way. The formation of colonial communities was more haphazard in English North America and no two colonies were replicas. The pre-eminence of town and city resulted not through a strategy of Baroque design, as in the Spanish Indies, but through demographic concentration and a pragmatic application of known settlement methods.

Between 1700 and 1770, the northern colonies grew eight-fold, while the population of the West Indies trebled (Bailyn, 1986; McFarlene, 1992). In general, German Lutherans, Dutch and Swedes, Scottish and Irish immigrants and French Huguenots were included. Africans and their enslaved heirs constituted almost one-fifth of the populace by 1770 (McFarlene, 1992). As their numbers rose, so did segregation; racial boundaries became thicker. The subordinated Indians and bonded Africans were grouped by compulsion. Settlers, Indian nations and slavery all remained more distinctly dissociated than in Spanish and French America.

Against this forming and inconstant demographic background, it is possible to view the formation of identities in the colonial order as a consolidation of a vision of civility. Style and manner varied most in England's North American colonies. Economically, they were all agrarian and commercial colonies and not dominated by extraction or ranching. Close inspection shows up diversity in style, in social hierarchy and in the immediate relationship with the gubernatorial apparatus. This variety can be characterized as a provincialization of gentility, 'a local form of Englishness' (Braddick, 2002). Life amongst the Puritan settlers of New England was relatively egalitarian in the North compared to the sharply defined hierarchies of East Anglia that some migrants might have remembered. In contrast to this northern pattern, it was villa life that was cultivated in the Carolinas and Virginia over a long period of time. In these colonies, social rank tended to mirror England more closely. Large plantation owners were at one pole with tenant farmers and indentured servants at the other in great numbers. In Virginia, the southern gentry pursued aristocratic habits and were loyal to the Church of England, consistently rejecting radical Protestant experiments in theology. Slaves were appendages in this world.

The Middle Atlantic colonies developed a polyglot population drawn from a greater number of sources in Europe. Dutch origins and Quaker influence shaped a more insular, but egalitarian, community orientation. Frontier America produced strong-willed individuals who did not entertain robust notions of community nor automatically defer to the rule of imperial law. This contrast left its imprint on the social boundaries between imperial officials (and those around them) and the large settler communities. Northern and middle-eastern settlements were communitarian and juxtaposed their social worlds with those of their remote governors. Where social inequality was greater and found expression in style, manners and custom (as in the South), imperial rule might seem more 'natural.' But the South and the frontier could also be most antagonistic to imperial authorities. Central authority might have seemed the bane of slave-owning southerners and law-resistant frontiersmen. This does not signify that there was no porosity between imperial administration and the colonial order in British North America. Both had independent access to the means of production and they shared elemental features of a common culture and to differing degrees identified with that culture. The compulsion to incorporate settlers into the community of empire was always there and a feeling of belonging to the imperial community was widely evident.

Where British America incarnated a degree of autonomy, Spain's colonies had different origins and directions. Colonialism built on extensive participation in the *reconquista*. The notion of a new Roman empire, the ideal of the 'Universal Monarchy', provided legitimacy to the Crown's efforts and to its legal pronouncements. Although Spanish unity was mainly dynastic in its early years, it did embody monarchical ambition that reached beyond the range of possibilities for 15th century Spain (Quesada, 1989). Of the five Western states, Spain had the closest and most complete interface with Amerindian civilizations before the 18th century. Consequently, Spanish power was well versed in the practices of cultural confrontation and cultural assimilation.

The form of colonialism was centralist, but the Spanish were accustomed to independent self-administration also. What resulted was a colonial order, a self-appointed *encomiendero* elite that was embroiled in low-level conflicts with the vice-regal governor. Its members spread Hispanic civilization in the Americas, even as they remained quite ambivalent in their relationship to Spain. The ambivalence was founded at the inception of the colonies and lasted through to independence. Over time, and in adaptation to the American world, Creole identification with the land, with a style of life, and a sense of history echoed through the administrative colonial order (Bodmer,

1992). That outlook gained political expression in two institutional areas dominated by Creole Americans: the *encomienda* that overlooked the settled hinterlands (Fabregat, 1989; Zavala, 1973) and the intensely hispanicized coastal cities (Phillips, 1999). They were a part of colonialism's march, but also a force branching off independently from it. They were Hispanic, but declared the land theirs as the spoils of a just war (Pagden, 1995). Spanish-Americans cultivated an Americanized subjectivity that was conditioned by an abiding sense of Hispanic attachment.

Demography and the class relations of slavery and race complicated this conflictual arrangement as it shaped the Spanish-American population. Miscegenation was a policy of sorts. During the 16th century, just less than one quarter of a million Spaniards emigrated to South America and the Caribbean following the conquistadors. The rate scarcely increased in the years up to independence, so the immigrant peninsular population was never too weighty. Until the 1590s, Spain's imports of slaves ran well below the rate of peninsular migration. Between 1595 and 1640, however, there was a spectacular reversal of this trend as Spain experimented with the slave trade (Blackburn, 1997). The ethnic variations that this process produced led to a proliferation of organizational interests. The offspring of inter-mixing were classed as *mulatto*, *metis*, albino, *morisco*, *lobo* or by other regional designations. The aim was a so-called pigmentocracy (Morner, 1967). Spaniards hoped to rule through a fragmentation of the Indian and African slave populace. It was ineffective inasmuch as other social catego-ries of inequality overtook the fundamental conflict between Indians and conquerors. Class divisions assumed greater importance rendering deliber-ate miscegenation a superfluous strategy of divide-and-rule. Its unforeseen consequence was a diverse range of ethnic groupings where the divisions between them were relatively fuzzy.

Portuguese America's origins were unspectacular. The sovereignty of Brazil came to the Portuguese after the 1493 Papal Bulls divided the New World between the Spanish and the Portuguese. The Vatican's gesture was valuable for both the Spanish and the Portuguese because it demarcated new international lines of control. However, Cabal's reconnaissance of Brazil was not followed by directed settlement. The northeast of South America was neglected for the first three decades of the 16th century; it was 'back-stage' to the lucrative eastern empire (Lang, 1979). The rest of the empire consisted of forts and trading ports, a military garrison that protected commercial interests.

Brazil had started out as an economic enterprise. It was a warehouse of materials in the 16th century. The development of slave-based sugar

production in the latter part of the century and extensive plantations in the 17th transformed the character of the Portuguese Empire. The slide in Portuguese commerce in the Indian Ocean shifted the weight to the Atlantic theatre where the imperatives of settlement and exploitation of the land were the chief conditions. Their previous experience in settling the depopulated Azores and Madeira Island that were not dominated by recognized powers furnished them with the device of the colonial captaincy (*donatarios*). This was an organizational form that was applied to Brazil once the monarchy focused more firmly on the American sphere of its worldwide empire. It consolidated coastal regions for the exploitation and trade of raw materials. However, settlement was slow and confined to coastal territory.

Inter-state rivalry shaped the contours of Iberian intervention in two further ways. First of all, attempts by Dutch and French forces to capture parts of Brazil compelled colonial development. The raids dismayed settlers, merchants and the thin layer of royal officials. But they were also a stimulus to colonialism. The captaincies mostly had a precarious and threatened existence. In 1580, Portugal entered an expanded and more powerful empire after the Union with Spain. But as the Dutch War with Spain turned in favor of the United Provinces, the latter began to harass the Brazilian settlements and build a competing colony. They seized part of Northeastern Brazil in 1630, not long after they had chased Portugal out of Angola and Benguela. The New Netherlands colony lasted until 1654. Its extinction required considerable exertion on the part of local forces, but the victory demonstrated that the Portuguese had developed an enduring connection with their patrimony (Boxer, 1969).

Secondly, the competition of empires drove the Atlantic slave trade for the Portuguese more than any other power. Here, the union with Spain proved especially favorable as slaving provided cover for a greatly expanded contraband trade with lucrative Spanish markets (Lang, 1979). Sugar, tobacco and slavery swelled together as a rich transatlantic commerce that compensated for some of the losses in Asia. Africa was most important to Portugal's American empire and arguably it was the European state that was most dependent on the integration of the transatlantic nexus. With much of the monarchy's attention concentrated on its Brazilian possession in the 17th century, its efforts in West and southern Africa acquired an international significance. Brazil prospered when Portuguese slaving was surging; conversely, things were harder when the Dutch made inroads.

Slavery was the base of population development in Portuguese Brazil. From 1570 onwards, the import of slaves increased dramatically and achieved the greatest concentration of any in the whole continent. Miscegenation was

more widespread than in the Spanish viceroyalties. It gave the population a diverse multi-ethnic profile. Past claims that the outlook of the Crown was color blind are simplistic and misleading (Boxer, 1969). Slavery itself conditioned the social hierarchies that developed in colonial society and the cult of purity of blood defined grades in social status. On the other side of the race axis, European migration was steady (except during the period of Dutch incursion). Perhaps it was low, however, given the extraordinarily favorable opportunities available to migrants compared to the dry plains of Portugal (McAlister, 1984). After the demise of the New Netherlands, emigration increased in volume and diversity. In the 18th century, a differentiation of zones separated more established coastal areas from outlying the backlands, which had been penetrated by miners and ranchers. Social life there was less densely institutionalized. The patriarchal family was the most solidifying institution and led the social organization of life in hinterland areas. The strongest of those families, predictably, was found amongst the slave-owning class. Brazil's powerful patrimonial families aggregated capital and were the nodes of patronage networks. In this manner, the leading families can be described as monopoly institutions for the wealth and the influence that they wielded. Slavery was the precondition of this colonial social form.

The founding of the Dutch empire is a different matter altogether. The United Provinces originated in the long war with Spain. Its sudden ascendancy in oceanic and regional trade also stemmed from the break from the Habsburg Empire. At its foundation, the republic was a new form of state, a confederal polity of estates. Its small size belied its capacity. As a seaborne empire, it was a commercial creature that could back its expansion with considerable naval power (Boxer, 1965). Like the Portuguese, its primary focus in the early modern period was on forts and factories, rather than settlement. The American colonies were something of an exception to the trading logic of this imperial form, although not to the extent that it was for the Portuguese Atlantic world. Its Atlantic empire extended from southern Africa to the South American continent and then to small and short-lived possessions in the north. Slave bases in Africa were seized from Portugal, small islands in the Caribbean from Spain, while settlements in Guinea, New Amsterdam and New Netherlands were attempts to colonize more fully following the immigrant–settler pattern.

Dutch colonialism relied on corporate monopolies whose oligarchic character sometimes put them at odds with the Stadholder leadership of the Republic. They were creatures of the estatist regime, to be sure, as they were conceived in the image of the estates (Adams, 1994a). Still, as vehicles for colonial exploitation, their strategic goals often ran against those of the

state. This was played out politically, but in the meantime, there was never any question of the fundamental support of the state for these ventures. In the eastern trade, the East Indies Company (VOC) predominated and was highly successful. It drew extensive support from the Republic and its shares were heavily subscribed. Similarly, the Baltic trade continued to enjoy political backing. The West Indies Company was formed in 1621 after the expiry of the 12-year truce with Spain. Its purpose was to break into Spanish-American trade and it specialized in piracy. This company experienced worse fortunes than the VOC and received far less support. Nonetheless, it was an important commercial instrument that was granted diplomatic autonomy. The States-General structured it along the lines of the VOC and established a directorate with one representative of the stadholders. The West Indies Company initiated Dutch entry into the Atlantic competition (Fieldhouse, 1982). Early successes gave it fishing bases in the north, some basis for plantation economy in the Caribbean and most of Brazil to exploit.

By 1640, the United Provinces was the major beneficiary of two dynamic industries: the triangular transatlantic commerce in slaves and Brazil's sugar production (Israel, 1989). They had become the main carriers in each, aided by erstwhile neutrality and private merchants. By this time, however, the directors were at complete variance with the government and the VOC. The political tide started to turn against colonizing interests in the Americas. In addition, the VOC harbored great suspicion of their western counterpart's admiration of Portuguese methods of colonial development (Boxer, 1965). The Company's advances began to fall prey to the counter-offensives of other powers. The Portuguese reclaimed Brazil in 1654 after a revolt could not be suppressed. The regency failed to provide sought for naval support to help hold the Company's major gain. Other toeholds in Africa and Caribbean also slipped away in time. The first iteration of the West Indies Company ended in 1674 as a financial failure and the colonies reverted to the state. The loss of Brazil set the score for the Dutch. That had been the main opportunity for extensive settlement and it had passed, in no small part due to the absence of resolve to hold it on the part of the state. Dutch endeavors in the Atlantic would come to converge more closely on commerce. The corporate form would be reintroduced in a second phase with some modifications intended to better negotiate imperial rivalry.

The intense competition between states contextualized the development of the French-American Empire also. French reconnaissance in the 1580s led to the early development of the fur trade. Also, at this time both English and French vessels were fishing off the northeast coast and up the St Lawrence River (Ryan, 1996). French colonialism suffered a series of 'false starts' at

this time, many of which were Huguenot initiatives (Eccles, 1972). There was, as well, certain interest in the *vielles colonies* of the Caribbean (Slattery, 1978). In 1608, Quebec was established and it survived, although its early years were difficult, miserable and precarious. This was a period of tentative steps. Huguenot persecution, civil conflict and then the Thirty Years War preoccupied France's rulers and their commitment to American settlement was constrained at this time. As the expanses of American continent became apparent, a scramble for colonial possession began. The impact on the French was profound and has perhaps been underestimated.

It was a Colbertian regime that confronted American possessions with its own particular dynamic. Colbert ended the charter colonialism that had barely sustained the settlements in New France, and brought colonies under the auspices of the Crown with his compact colony policy (Boulle, 1981). Richelieu's earlier efforts had great ambition, produced modest achievements (Quinn, 2000) and really were, in a way, 'refined…and amplified' by Colbert (Allain, 1984). The stated goal was not only the glory of the monarchy, but also the profitable exploitation of the new colonies. Consequently, the mercantile regulation of shipping associated with the *pacte colonial* began. In its origins, there can be little argument with the claim that the French empire was a purposeful enterprise built on early exploration. It was, I have argued elsewhere (Smith, 1996), a deliberate imperialism.

Nevertheless, an important distinction between three French Americas is necessary. Demographically, they were opposites. New France's sparse settlements isolated white pioneer communities from daily encounters with the Huron. Despite guided emigration, the overall intake was low (Choquette, 1991). New France still had only 3,000 settlers in 1660, most from northwestern France (Morgan, 1997). They had not emigrated as families and there was no financial incentive or religious compulsion for them to do so. Colbert subsequently charged the Ministry of Marine with responsibility for recruiting emigrants. The population doubled within 10 years of it being declared a royal possession (Quinn, 2000). This optimistic interlude belied a more general pattern, however. Seven out of 10 settlers returned to France disappointed, it seems, by the experience (Moogk, 1989). The pattern makes sense when the fact that population policy was markedly hesitant is taken into account. French mercantilism cultivated a fear of depopulation. Instead a policy of further populating the settlements with military men was enacted (Eccles, 1964). When the British took Canada, the total population had only grown to around 70,000 or about 5% of that of the English colonies.

In New France, a homestead style of life developed along the river system, in spite of Colbert's best efforts to establish villages modeled on agrarian

France (Eccles, 1972). In contrast, elites housed in Quebec and Montreal aspired to the ethos of the French nobility. This was a second Canada, wedded to the original implantation. Montreal and Quebec were the most densely populated ports in North America. They were inhabited by a would-be *noblesse* whose military commissions, connections in trade and membership of Parisian milieu led them to simulate an aristocratic lifestyle. This class was imperial in orientation and identified strongly as Francophones. The personal wealth required for such a life was not available in the North American colonies. As compensation, many obstacles to ennoblement were removed. The stigma attached to commerce in the old world was also absent. Many sons of wealthy traders could afford to buy commissions and military status. For a small and distinct minority, it was a means of becoming conspicuous in an urban world set apart from the frontier of the *coureurs de bois* and *habitants*.

The thin distribution of colonists contrasted with the situation in the Caribbean. In all, around 200,000 whites migrated to the French Antilles during the 17th and 18th centuries. Imports of indentured servants primed demographic growth (de Lemps, 1991). After the supply slowed, slaves filled the gaps and then exceeded them. Between 1687 and 1737, the slave population grew 10 fold (Eccles, 1972). The consequence was a group of island societies in which a highly stratified white minority had to govern itself and then had to govern an enslaved African majority. Confrontation was inevitable and features prominently in the history of the islands. But daily inter-racial interaction did not always involve conflict or acts of repression; far from it. Racial mixing was unavoidable. Few women figured in French emigration to the Caribbean. Slave concubines were common for immigrant men. Also, French colonial strategy deliberately focused on fostering a freed African community (Aldrich & Connell, 1992). The lower level of white settlement prompted this development as a safeguard against of social unrest. Even free black militias were formed in the mid-18th century.

In spite of their social proximity, the overwhelming presence of free and enslaved blacks heightened awareness of cultural separateness amongst French colonists. This seemed to sharpen the distinction between *grand blancs*, other whites, freed blacks and slaves (Eccles, 1972). French colonials monopolized positions in local administration and law. Positions in the colonial order brought little official remuneration and officials easily succumbed to 'influence' (Boucher, 2002). Such positions held attraction for the already enriched, sharpening the distinction between themselves and those below them. Like their Montreal counterparts, they looked to France. They became enthusiasts for science and their sons and daughters

assimilated the works of the *philosophes* (McLellan, 1993). Paris and Versailles were their centers and they became political actors in the French court. The structure of oppression that they resided over left little by way of status symbols to other white colonists, except their skin color (and the social and economic advantages that went with it). In the late 18th century, the *petit blancs* of St Domingue agitated successfully for the exclusion of blacks from public employment and campaigned against inter-racial marriage. They were able to re-capture some privileges to maintain status distinction. That this was a bitterly fought issue serves as a reminder of how important distinctions of status were. An advantageous economic position was vital for the small and large planters (and indeed the military-merchant elite of Canada). But the markings of what was seen as French civilization were an obligatory expression of privilege. They also connected elites to the old world.

THE CONFLICTS OF EMPIRE – HOW COLONIAL AND DOMESTIC TRAJECTORIES DIVERGED

The Contrasts of Spanish and British Power

Each empire grappled with its own particular structures inherited from these foundational experiences Formal arrangements posited peak bodies as the decisive nodes of economic and administrative exchange. It was the needs and demands of imperial authorities that were, to varying degrees, considered to be the chief imperative. More generally, the tension of European state formation, the character of the colonies' origins and trajectories and the types of social relations that prevailed in Europe, set the circumstances in which the Spanish, English, Dutch, Portuguese and the French projected their extant structures into an imperial form.

It was the structures of the Spanish Empire that most faithfully mirrored this general figuration. Spain constructed an imperial apparatus that endeavored to replicate the society and culture of Castile. The centralist impulse of Hispanic absolutism was brought into the American world (Veliz, 1980). The Habsburg Empire was the 16th century amalgamation of Spanish, Austrian and other European kingdoms united under six vice-regal councils (Koenigsberger, 1971). The Council of the Indies was exceptional amongst these inasmuch as it commanded its own administration. In theory, it represented and assisted the monarchy in management of the colonies, whilst

more practically it was granted more authority than other councils. Around the Council coalesced a distinctly Spanish state apparatus. At its head was an aristocracy-dominated chancellorship supported by a large bureaucracy of *letrados*, attorneys who had extensive powers and a crucial social role. In collaboration with the monarchy, the Council legislated in all major spheres of imperial and colonial life. It was meant to subsume a number of responsibilities under its auspices: legal enactment, jurisdiction, taxation, ecclesiastic appointments, papal responsibility, trade duties and governance of the indigenous peoples.

Spain's involvement in the New World meant that this ideal structure would always be modified in its practices (Lang, 1975). The priorities of the large composite monarchy would see to that. The wealth extracted from South American mines in the 16th century underwrote the Habsburgs' domestic strategies (Herr, 1971). Wars in Central Europe and against France, the Ottomans and the Dutch were possible because of the flow of precious metals. The monarchy endeavored to spread the stability of rule that it enjoyed in Castile to its Iberian kingdoms and to the remainder of its European territories and it used the wealth hauled out of its American inheritance to do it.

Spanish mercantilism was designed to render the economic sphere of the Americas an instrument in this fight, especially the mining sector (Gonzalez, 2002). It was institutionalized in the *Casa de Contratacion*. Ideally, the Spanish could rule the Americas through two bodies, the council and the *Casa* and their respective hierarchy of offices: viceroyalty, general captaincy, provincial governorships, district judges (*oidores*), *audiencias* (viceregal courts), town councils (*cabildos*) and town mayors (*corregidores*). The last three institutions were the only ones in the structure in which regional representative autonomy was invested. The cities housed part of this principle of representation. They duplicated some aspects of the social constitution and corporatism of their Spanish equivalents. Royal officials intended the charter of cities to be an especial foundational act that would lead to a Hispanic civilizing of the American terrain (Baudot, 1992; Doering & Villena, 1992). Paradoxically, in the original consent granted to found cities, there was a marked investment of autonomy (McAlister, 1984). This was realized in proto-democratic forms with the election of municipal representatives. While the Crown always recognized the political role of the *cabildos* and related institutions – and had to as they were the vanguard of its civilizing mission – it labored to reclaim administrative duties for higher functionaries. There was less room for the strategies of accommodation and cooptation available in the Iberian domains.

The separation of *peninsulares* from the Creole community raised the stakes in the American colonies. Spanish functionaries identified strongly with the imperial apparatus that they were part of (Burkholder & Chandler, 1977). University training as *letrados* enhanced their internal solidarity. Their loyalty was given added impetus by military and economic competition between the five contending empires in the Americas. Dutch and French raids in the 17th and 18th centuries engendered a degree of dependence on the imperial structure. The elite *peninsular* classes of the colonial communities were small, though powerful, and consequently were ever concerned about unrest from within. They keenly sensed their reliance on the imperial order and articulated this with a sense of belonging to a wider Hispanic community. Imperial identity was fed by ethnic and cultural encounters, which were more intensive and came earlier than for French or English-Americans. It was fuelled by their experiences of a foreign America. Journeying furnished imperial officials, in particular, with the experience of encounters with geographic and cultural contrasts. Familiarity with all sectors of government gave *peninsular* elites privileged insight into Spain's Indian dominions. The passage of officials through diverse social, cultural and administrative settings fuelled the self-identification of the personnel of the imperial state with each other as privileged Spaniards. Benedict Anderson's idea that the community of absolutist functionaries was grounded in the interchangeability and experiences of journey has some relevance here. His salient point is that the absolutist functionary:

> …encounters as eager fellow-pilgrims his functionary colleagues, from places and families he has scarcely heard of and surely hopes never to have to see. But in experiencing them as travelling-companions, a consciousness of connectedness (Why are *we…here…together*?) emerges, above all when all share a single language-of-state. (Anderson, 1991, p. 57)

This insight can be applied with some salience to the colonial settings of the Americas. There, the interchanges of bureaucratic functionaries had greater resonance, as they were less densely concentrated. The paucity of imperial administration relative to the size of the Americas quickened the transfer of skills and interchangeability of *peninsular* functionaries. The experience of journeying in the Americas, albeit in limited regions and encounters with associates encouraged an affinity with the community of bureaucrats.

Dependence thus took a cultural form. The replication of the old world in the habits, behavior, appearance and lifestyle reinforced Hispanic identity. Creole Americans, who had more ambivalent loyalties, sought autonomy and captured limited political power. In the early decades of colonial

growth, their grip on governmental bodies was greater. The *cabildos* system of elected council government operated with little restriction throughout the 16th and most of the 17th centuries. At the height of its authority, the councils were crucibles of political conflict. Indeed, the institutional autonomies of the colonial order appear to be concentrated in the urban structures. Cities were administrative centers with territorial responsibilities that became politicized. It was not only large cities, such as Mexico and Lima, which ordered themselves as centers. Others were nodes of trade and production (Altman, 2002).

With the decline of the *encomienda*, many cities increasingly became a political battleground for *peninsular*, *indio* and Creole communities. This should not bring surprise, as they accommodated the administrative autonomy of the settler communities, even though they were preordained the incarnation of Spanish power. Through the mechanisms of urban government, settler interests could gain a foothold in the edifice of sanctioned imperial authority in institutions beyond the immediate control of the court state. Thus, the *audiencias*, the figures of the *corregidor* and the *alcalde mayor* (town magistrate) alongside the *cabildo* made up the colonial order's legal and administrative infrastructure of cities. Creole hegemony coalesced in these official nodes of administrative power. Positions below these proliferated. Control of municipalities was of considerable consequence as their geographic jurisdiction was extraordinarily large. The stakes were often high.

Habsburg rule in Spain collapsed at the end of the 17th century. The dynasty lost its European wars. The succeeding Bourbon dynasty was determined to restore Spain to its former position. In the Americas, the most assertive *cabildos* started to subside and imperial authority gained ground. The lively political intrigue of Spanish-American cities faded, with the exception of crucial mining centers (Cornblit, 1995). Afterwards, it was supplanted by limited vice- regal patronage and a competition for offices began. Patronage did not have the effects that it did in the main European domains. It acted to solidify the colonial order as much as give it a stake in the stability of vice-regal rule. Furthermore, it more sharply defined Creole grievances about the exclusion of the American-born from administration. The expansion of the towns and the *peninsular* assertion of monarchical authority led to the sale of positions in local government, which then became hereditary during the 17th century (Andrien, 1982; Marzahl, 1974). Eventually, all offices were sold or filled by appointment. Many still remained in the domain of the colonial order.

Thus, the belief amongst city-dwellers that they held a separate set of interests did not diminish over time. Also the holders of municipal office

identified with numerous local interests: landed aristocrats, merchants, small traders and landholders and some professional groups. The links of 'patronage, marriage, god parentage, property ownership and friendship bound the Creole bureaucrats to the Creole nobility…of which they were indeed members from birth' (Campbell, 1972, p. 19). Calls for enfranchisement at the level of regional government were responses to the conflict-lade tension between the monarchical empire and the colonial order. The municipalities remained the major repositories of settler politics and constituted a position of relative independence from vice-regal representatives.

The Bourbon monarchy brought a transformation to the Indian viceroyalties. Its domestic strategy was centralist and this would, after an important delay, be articulated with imperial strategies. Early initiatives only went to matters of reorganizing the top administrative apparatus, the navy and imperial commerce (Liss, 1983). In time, new offices decreed with greater powers of intervention replaced some older ones. They were applied to already-consolidated vice-regal jurisdictions, in which municipal autonomies had some lingering vitality and constituted a sphere of local administration. The formation of the Viceroyalties of New Granada in 1739 and La Plata in 1776 helped to reorganize imperial jurisdictions and was recognition of new economic and political realities. It was also a move to diminish the influence of the forceful *audiencia* in Lima and municipal authorities in Buenos Aires.

The new measures compelled more direct government of the colonies. In pursuing this course, Madrid's *letrados* and functionaries broke with Habsburg methods. The centerpiece of the new approach was a system of intendancy (Brading, 1973; McLachlan, 1988). In the 1760s, Bourbon ideologue Jose de Campillo conceived a program of reform that included the *visita general* (inspection) and the appointment of regional intendants with sweeping powers. However, it was Jose de Galvez who was inspired by his experience as a *visitador-general* in New Spain to entrench and expand the system of intendancy (Garcia, 1995). Salaried bureaucrats answered to Secretariats of State, Treasury, Justice, the military and Navy and the Indies. The *vistadores* had the authority to implement immediate changes, swinging the balance of decision-making towards the Crown's agents. Although aroused by the problems of governing New World territories, the reforms took hold in Spain only. Their introduction into the Americas was delayed due to domestic division. Imperial intendants were introduced into the American viceroyalties only in the 1780s.

From that time, the expanded monarchical bureaucracy endeavored to tackle colonial autonomy. Alongside the outgrowth of the imperial court

apparatus, vice-regal officers had been attempting to significantly alter the composition of colonial government personnel. The appointment of Creole and even indigenous servants to colonial office was fairly common. This trend continued during the early Bourbon years, until Charles III instituted the program of re-centralization in the 1760s. Filling colonial offices with *peninsular* personnel displaced some Creole and native civil servants. Their traditional paths to government were increasingly blocked; the purchase of offices became a less common practice and their appointment to the positions of *intendencia* and *oidor* rare (Campbell, 1972).

Redirection of the empire in the second half of the 18th century brought to light the partial exclusion of Creoles (Burkholder & Chandler, 1977). Increased centralization of administrative decisions and the displacement of local administrators provoked Creole opposition as the political position of Americans was weakened by the intendants. Ideology also separated the Bourbon-cultivated elites from the colonial order (McLachlan, 1988). A perception of rationality derived from the Spanish *ilustracion* (Enlightenment) guided innovation. Reform itself was legitimized on different terms. The authority of the state could no longer rest on appeals to tradition. It had to justify itself on the grounds of interests served, rather than honor. This introduced a new tension between the legitimation of dynastic continuity and the encouragement of individual subjects to pursue material gain. Elements of physiocratism, liberalism in trade arrangements and mercantilist vigor in the exploitation of resources were combined in the renewal of the state apparatus. The Spanish *ilustracion* was the creed of the new centralist program, which was viewed more and more by Creole leaders as incursions on local autonomy. The judicial language of the empire's constitution spoken by Bourbon ministers betrayed a different attitude to the Americas. Creole-Americans had grown accustomed to thinking of themselves as part of a transatlantic empire, the Universal Monarchy. Spanish officials spoke increasingly and incessantly of an empire now divested of its European territories, as divided between the 'metropolis' and the 'colonies.' The ideological and linguistic shift was important, especially given the purposeful and programmatic character of the Bourbon interlude in Spain's imperial state building. It set higher stakes in the conflict with regional and local Creole interests.

The structure of the British Empire differed clearly from the Spanish case. The initially non-monarchical projects of English colonialism gave way to imperial involvement, as charters were ceded and unofficial colonies incorporated into constitutional ones. However, there was significant indeterminacy and uncertainty before consolidation occurred. The Cromwellian

Protectorate faced great domestic instability and was incapable of fully aiding English Americans. Colonists were divided over the Civil War to some extent. A web of interests had linked many planters in the Caribbean to the parliamentary cause, while others had allied with the King. Moral hesitancy about the foundation of enslavement plagued the interregnum, which in turn created uncertainty in Barbados, Jamaica and Virginia (Blackburn, 1997). The Restoration appeared to confer greater independence and increased security for the Thirteen Colonies. Accordingly, this event was received with cautious relief on the American continent (Sosin, 1982). Colonists perceived an ongoing economic, political and cultural dependence on England (Bliss, 1980). Dependence could be favorable, as they saw it, and ensured their political and territorial protection.

English imperial interest and involvement in the American colonies then began in earnest. An increase in the rate of emigration to the colonies, the failure of American joint-stock companies and the abandonment of colonial charters cleared the way for the development of an English form of regulation of colonial affairs. A national division of powers between the executive and legislature loosely connected structures of national and imperial government. The new institutional make-up of imperial government was multifaceted in comparison with its competitors. The legislative corpus of this constitutional state included successive Navigation Acts, the codification of customs and duties, the Acts of Trade, and support for institutional regulation provided by the Board of Trade and the Bank of England.

In addition, the devolution of different roles to many ministerial and other state bodies spread the overall responsibility for colonial affairs relatively thinly (Bowen, 1996). The Treasury was notable for its role in collecting duties, excise taxes and postal revenues. Secretaries of State accumulated greater authority after 1689, which they duly shared with the Board of Trade. Parliament was well known for its opposition to royal prerogative. However, when it came to imperial affairs its role was minimal and limited to mercantilist legislation. Its main contributions to the colonies' affiliation to Britain were additional Navigation Acts and the Acts of Trade, which enhanced Britain's economic interests. Constitutionally, the Privy Council had executive jurisdiction over the empire that it dispensed through a series of committees. In spite of the separation of governmental functions between Parliament and the Privy Council, both endeavored to engineer imperial activity to augment British interests. Imperial rule was thus conducted through a series of channels. Authority was thereby entrusted to a range of mercantile, naval and regulatory bodies accountable in principle to

Parliament and the Crown. This arrangement was geared to an empire that was simultaneously commercial and martial in its enterprise.

The 18th century brought growth to British American society and an escalation of tension between the imperial apparatus and the colonial order. Colonists enjoyed an increased concentration of ownership and wealth over the first half of the century. An enriched settler capitalist class competed more directly with British merchants, although rivalry was confined to American markets. The only avenues for export were through the imperial system of mercantilist regulations, narrowing the options available to many American merchants and blocking their competitors. Parliament made and maintained the Navigation Acts that regulated colonial shipping and its authority was controversial in the eyes of colonists right from the beginning of the 18th century (Marshall, 1998). London maintained a monopoly on credit.

Such measures also found their counterparts in Spain and France's American empires. But the British confronted more robust and densely populated communities (Sheridan, 1984). British America's communities amassed in lively urban centers that proved to be vibrant incubators for the accumulation of colonial capital. Mercantile regulation had helped in the development of the colonies' internal market economies. Indeed, there were market communities clustered around the bottlenecks of American exports that were part of the official export sector and which, from the 1740s onwards, continued to look favorably upon imperial connections. Merchants in Plymouth and Boston may have contested mercantile controls silently by evading them, but their New York counterparts, and others besides, championed them.

The impact of the Seven Years War prolonged the tension between colonial institutions and British authorities (Anderson, 2000). Britain's mid-century wars set the expectations of colonists at a distance from metropolitan goals (Shy, 1998). Perceptions and expectations diverged even more emphatically in the British colonies in the wake of the Treaty of Paris and the Stamp Act. The British gained Canada as its spoils. This brought relief to English settlers keen to gain more land and it raised their expectations of enrichment. Already imbued with the culture of frontier economy, they thought that they could reasonably expect a further aperture of the colonies' western boundaries. Their hopes extended to a possible relaxation of the economic constraints inherent in mercantilism, or at least a return to the 1756 status quo ante.

Behind this was a colonial impression of what the Empire was, or should be (Gould, 2000). The societies and institutions that colonists had developed were the political right of the colonial order. Taxation was the privilege of their assemblies only. Trial by jury and habeas corpus were Common Law

norms. In the eyes of British Americans, defense of the colonies was their responsibility up until that stage and there were few compelling reasons for that arrangement to change. Such views were based on what was perceived as the enduring rights of Britons under the ancient constitution. Any perceived encroachment on them was ranked metropolitan despotism. Such complaints were reminiscent of 17th-century expressions of disquiet, which had also concerned fiscal matters and liberties. Around the time of the 1660 Restoration and the 1688 Revolution, Anglo-Americans had deliberated on their status as provincials (Bliss, 1990). They considered themselves English and viewed events in Britain as critical to the development of the colonies. The 1688 revolution exemplified this relationship and divisions between the Whig opposition and Stuart rule found a similar symmetry in the colonies in the confrontation of the proponents of 'English liberties' and the governors. In turn, the reaction in colonial America did strike a chord with the parliamentary opposition in England. Local inflections were also evident in the dispute, as North American English-ness was buttressed by inter-state rivalries across the American continent. Autonomy, expressed as a desire for liberties and self-administration, was regarded as foundational to English colonial life.

In the 18th century, Anglo-Americans, who were accustomed to the constitutional notions of natural right and Common Law precedent, saw in their own institutions, customs and historical practices a part of an undeclared imperial constitution. Throughout the century, colonists sought a 'regular' constitution from London (Greene, 1986). They were steadfast in the point of departure with metropolitan authorities: they were English and therefore governed their own affairs by right. These perceptions sharpened after the Seven Years War as opportunities for expansion and consolidation of the colonies materialized. Autonomy was the foundation of this possible future – in their eyes, at least – and their internal tax regime, which had never been challenged by parliament or the Crown, was an indispensable component of autonomy.

At the summit of imperial government, the view of the 1763 Treaty reflected a very different impression. The chief considerations were strategic and extended over all of Britain's imperial concerns (Mancke, 2002a). The Treaty presented an opportunity to prune the financially stressed empire. The French threat had subsided. Metropolitan intervention in colonial affairs could be reasserted. However, opinion in England was divided, reflecting a deeper disagreement about constitutional arrangements (Bowen, 1997; Liss, 1983). The parliamentary majority interpreted the relationship with the colonies through the prism of the domestic constitution. The constitution, however,

gave little direction on the place of the colonies, leaving great latitude for interpretation. As far as parliament was concerned, the colonies were dependent on the Empire and should remain that way (Greene, 1994).

The question was still unresolved for the government in the 1760s and confusion reigned. Parliament, the King's ministers and the Privy Council each entertained different interpretations (Greene, 1986). Britain's diverse imperial interests were also a source of contention. It was clear to some that Britain had separate interests in its American territories and needed other approaches for its enterprises in Africa and Asia. Some added their voices to the debate by arguing for an out-and-out integration of the Empire. By necessity, a large garrison of British troops was maintained in North America to deter future French hostilities. There was little question in Grenville's mind that the cost of colonial defense was a colonial responsibility. This necessity shaped his view of imperial arrangements. He was consequently unambiguous about the prerogative of the monarchy, as he was also about his directions to the governors. As far as he and the cabinet were concerned, there was no middle ground when it came to the constitutional sovereignty of the empire: imperial sovereignty reigned over that claimed by the colonial assemblies. This meant that the status of the colonies could be constitutionally remodeled to keep the powers of the assemblies in check.

The 1763 Treaty exemplified the tensions that were intrinsic to the imperial state. The Treaty moved British statesmen to pursue in full an oceanic empire. Many colonists held to a contrasting vision of a territorial empire. Of course, Britain's American empire was still at the peak of its prosperity. Growth in trade, in British manufacturing and in British exports of capital was a sign of its economic ascendancy (Engerman, 1994). But this success did little to diminish the divide between the British government and its North American colonies and amongst colonists themselves; in fact it may have exacerbated them. It was becoming more apparent to the government in London that colonial privileges and indemnities did not serve its interests. International competition of a military and economic nature, and opposition in the Thirteen Colonies acted on the process by which decisions were made. The 1760s and 1770s were decades of accelerated conflict in the crucible of British North America.

Fringe Formation? Dutch, French, and Portuguese Colonies Compared

The Dutch Empire in the Americas entered a new phase after the loss of New Netherlands. The West Indies Company was re-launched in 1674 as a

holding operation for a number of interests. It had a devolved structure of Chambers, each one being responsible for one colony. Financially, the Company still struggled to turn an overall profit (Israel, 1989). It did oversee some rewarding enterprises. Sugar exports from Surinam and some of the Caribbean outlets were not insubstantial at a time when the price was increasing. Other aspects of trade were falling off, however. The flow of gold began to dry up towards century's end. Also, their forts in West Africa and the related slaving operations were increasingly challenged by English and French forces.

By 1700, the company had lost all but three remaining Antillian possessions, along with the Guinean colonies and its African factories. Outside of Guinea, it is hard to find colonial society that conforms to the current argument sufficiently to allow measured comparison. Surinam resembled other Caribbean islands in its social hierarchy (Boxer, 1965), but it is a lonely example. No general allowance was made in the Company Charter for constitutional rights for colonists, a curious negation of the liberalism found back in Holland. This was consistent with the absence of settlement strategies in the West Indies Company. Without settler colonialism, it is difficult to generate the kind of conflictual relationship with a colonial order that is found in other Atlantic empires. A colonist politics did not develop on a wide scale throughout the United Provinces' possessions. Guinea was a minor exception. Free settlement was substantial there and colonists were accustomed to constitutional liberties. They had to be granted. This was far from a robust colonial order. However, the fact that concessions were necessary in the Guinean possessions suggests that one-dimensional company rule was not the only political form to develop in the colonies, even if it was the primary one. In this figuration, colonies were not the centers that their counterparts in the British, Spanish, French and Portuguese Empires were. They were, in a way, peripheral, not in fact to the metropolis in Amsterdam, but to the traffic of trade that was the real heart and strategic preoccupation of Dutch colonialism.

The commercial character of this colonial form limited its capacity to systematically settle and hampered its efforts to take advantage of potentially longer-term holdings. Ongoing rivalry with the VOC had an impact domestically in the United Provinces themselves, as firm and favorable policy-making was hindered by squabbles amongst officials and stadholder representatives, many of whom had vested conflicting interests in the protagonists (Adams, 1994b). Longer-term issues of the Republic's status in Europe and beyond were irresolvable and could not even be squarely addressed by these patronage-laden estates. Commerce could still be lucrative,

but the colonial edge was lost to rivals. The growth of competitors was encroaching on the Dutch presence right through the Atlantic and the state of the United Provinces' metropolitan apparatus and its colonial-corporate satellites meant that a strategic response was not forthcoming. The Treaty of Utrecht saw a major political setback as Holland had tried to block the Bourbon accession. Britain's newfound position in Europe was now visible, partly at the expense of the Dutch. This is not to say that defeat was comprehensive. Some American interests were protected by the new Anglo-Dutch nexus that was forced upon the estates-general by the negotiations (Speck, 1995; Israel, 1989). But it was clear at this time that Dutch ascendancy was over. Its colonial agent, the West Indies Company, managed to hold on until 1791. From that time, it became an Eastern affair, not an Atlantic one.

In Portuguese Brazil, no legal distinction was made between the colony and the metropolis. Portugal's American prize was a part of its broad patrimony. Public (and later private) monopolies set the contours of imperial economic activity and, over time, were intended as a means to commercially exploit the Brazilian trade for the Crown (Boxer, 1969). In this vision of mercantilism, there was little place for an independent merchant class. The monarchy launched centralism through the device of the captaincies, but it ran up against external and internal limits during the 16th century. English, Dutch and French competition constrained the colony's development. It necessitated the presence of the Crown's representatives, but also hampered the full exploitation of resources.

In Brazil itself, only a small cadre force of *corregidores*, governors-general, judges and financiers could be maintained. Due to the size and make-up of the royal officialdom, control was confined to Bahia, even though sovereignty extended over the whole country. The high court, the most significant governmental institution (Lang, 1979), was caught between the Scylla of local interests and the Charybdis of royal authority. On one hand, its appointees depended on the monarchy's patronage for their position. On the other, they were often nested in familial networks and therefore dependent also on powerful planters and merchants. Their position was ambivalent, despite the interim efforts of the Habsburgs to work the court as a check in colonial administration. Deep connections with business could lead the position to favor the fragile colonial order. Colonists gained control by penetrating the bureaucracy, carrying out litigation and petitioning higher Crown bodies in Portugal. In return, the monarchy had the backstop of judicial review as a counter-measure. The High Court in Bahia was effective; elsewhere, the families were more formidable.

Direct conflict with local institutions was contained through the drawn out juridification of relations between the King's agents and local influences. Consensus could be made through the mutual restraint of both royal and colonial power. Arguably, there was comparatively little resentment on the part of Brazilian-Americans towards Lisbon (Fieldhouse, 1982). However, there was a separate institution that held out some autonomy for colonists: the *senados da camara*. This was the architecture of Creolism, and the *cameras* were responsible for local affairs from the distribution of land to the regulation of prices to the maintenance of municipal infrastructure (Boxer, 1969; McAlister, 1984). They mirrored the structure of the Lisbon council. However, most towns were isolated and largely left to their own devices. Over time, they developed their own local inflections as a result. Annual efforts by the local plantocracy to keep their composition white and Christian were far from successful. As a result, these bodies played a serious and more-or-less representative role and at times could be rebellious. Their right of direct access to the King was exercised on many occasions and provided the monarchy with a colonial check on royal officials, while also giving local Creole interests with an outlet for their grievances. Loyalty to imperial Portugal was tested in a few uprisings. One of the more violent was the War of the Mascates led by planters and frontier *paulistas*. It was suppressed, but it had sent a clear signal that a coalescent colonial order did exist and that there was an axis of conflict, albeit a faint one.

The period of liberalization under Pombal reveals something of the character of imperial relationships in this figuration in which relationships became inverted. Economic prosperity and diversification in the 18th century put Brazil in a strong position vis-à-vis Portugal. Mercantilism had acted, paradoxically, to foster commercial interests in Brazil quite independently of any design on the part of the regime. The boom in slavery, the expansion of inter-colonial trade, the gold rush and the growth of the hybrid merchant–planter class made Brazil into a de facto equal of sorts with its European parent (Lang, 1979). In fact, it was a relationship in which Brazil enjoyed positive terms of trade, a pattern that bled Portugal of further bullion reserves. It had become an Atlantic empire of two domains, rather than a metropolis center that dominated a colonial periphery. Portugal itself was peripheralized in the European economy as it acted as a conduit for the flow of bullion while steadily losing its imperial power (in a way that was comparable to Bourbon Spain). Active British support for Brazil became visible to all imperial powers after the Seven Years War, but that did little to favor Portugal's position. Likewise, Pombal actively nurtured the colonial order, much to the chagrin of the elite in Lisbon. With the Napoleonic invasion,

the monarchy decamped to its American territory in a move that must have seemed natural and it was broadly welcomed there. The imperial center had shifted to the American continent and perhaps this occurred before the royal household moved there. While the colonial order was visible, there was no decisive revolt motivated by proto-nationalist sentiment, as there was during this period in the Spanish Indies. The development of constitutionalism in Lisbon and the steady loss of Portugal's position in the competition of imperial states combined to bring about the break-up of the Portuguese Atlantic Empire.

France's imperial structure was marked by a paradox. Centralism reigned at the apex of the state apparatus, and in France maneuver was reckoned more strategically important than colonial growth. Imperial officials felt caught between maritime ambitions and aspirations suited to a land-based empire. Either objective was bound to be expensive. The cost of the American empire to the royal purse was substantial and outweighed any real or prospective revenue returns. Even by questionable contemporary calculations, it is clear that state revenues could not have been the motivation for colonial enterprises. Fiscally, the Empire was expensive and a direct burden (Desbarats, 1997). On top of this, colonial companies were consistently able to shift some of their costs onto the state right up until the 19th century (Boulle, 1981). It was the strategic priorities set at the French court that ruled the attentions of royal government.

The paradox lies with the contrasting situation at the furthest limits of the French Empire. In North America itself, the state's influence was extremely faint. The arc of French presence reaching from the mouth of the St. Lawrence to the delta of the Mississippi was more a network of colonial footholds than full possessions. After Louis XIV and Colbert, there were fresh waves of migration. French emigrants to Canada more typically hailed from France's trading cities and their immediate hinterlands and not from more sedentary rural areas (Choquette, 1997). They were the embodiment of modernity and not tradition, as has often been thought. The numbers increased, but the growth was dwarfed by the spectacular flow of migrants to the British seaboard colonies. Aside from Montreal and Quebec, mainland Canada remained a series of thinly spread military and trading outposts as much as a conglomeration of colonial settlements. Furthermore, the spread of French Americans throughout the continent over a long period of time, assumed a diasporic character.

Economically, the French were not able to seriously command the northern half of the continent. French strategy produced a combination of economic forms, rather than a straight subjugation of the indigenous economy.

Relations with the indigenes were marked by an economy of exchange and by military alliances punctuated by sporadic clashes (Paquet & Wallot, 1987). Outright subordination was not possible (Eccles, 1998). In its place, the fur trade generated an economic alliance of traders and trappers. It called traders west and drew them deep into the interior.

Three zones of participation were evident by the mid-18th century (Meinig, 1986). Surviving indigenes around the banks of the St. Lawrence River were greatly reliant on the colonial economy. Beyond that, however, lay a region of articulation and inter-dependence where the Micmac, Abenaki and Iroquois engaged in economic relationships established in common with one another and with French-Americans. In a third area of European participation and reverberation, the fur trade was quite lively. The boundaries between the three zones would eventually shift with calamitous consequences for the indigenous nations. This division was relatively stable, however, during the era of greatest imperial rivalry.

In New France, the relationship of colonists to the land was inconstant. A great and neglected tradition of migration traveled with colonists to New France's river empire. Those accustomed to movement across regions were able to adapt to the mobility demanded by the fur and fishing trades (Morissonneau, 1983). Mobility sat in tension with a more sedentary lifestyle in the settlements along the St. Lawrence River. Until the Seven Years War, it was mobility that dominated. Nomadism was less conducive to a colonial reconstruction of space in both cultural and economic terms as it was land that dominated the settlers, rather than the construction of townships and forts that could dominate the landscape.

Where land in Europe was scarce and highly valued, it seemed endless in North America. It did not acquire the same social and economic meaning that it had in France (Gibson, 1978). The traits of rural life could not be transferred to this environment as intended. While a system of de jure seignioriality prevailed, the material and social underpinnings that sustained it in France were absent (McDonald, 1971). It became a means of clearing the land and not a reproduction of the social relations of the old world, although historical evidence suggests that it did not always lead to the hoped for widespread clearing (Miquelon, 1987). Land was plentiful and free to till, placing potential tenants in a strong position. Seigniorial dues were low and tenants were as likely to pursue the more profitable trades in the townships, which promised greater returns than their landed rents (Choquette, 1997). Instead of producing a country of villages clustered around local churches, seignioriality, on one hand, opened up territory and, on the other, concentrated settlement on the St Lawrence River, where economic traffic was

greatest. Therefore a single colonial relationship to the land remained un-defined as long as the mobile industries of fur and fishing led colonial con-cerns. This was the situation until the 19th century.

The extremely limited re-shaping of the North American world stood in stark contrast to the pattern of exploitation in the Caribbean. The French Antilles were more deeply colonized. Although European colonists were in a minority overall, they constituted a self-legislating colonial order. In many respects, the French Caribbean more closely resembled Spanish and British American colonies on the mainland. Of course, what was exceptional about it was the 'systemic slavery' that was its predominant form of labor (Black-burn, 1997). Land and labor were everywhere firmly in the hands of French planters. The thrust of imperial possession was far more complete here, partly because of the profitable character of the slave and sugar trades of the 18th century. The French West Indies were the richest colonies in the world at this time. Indeed, they surpassed their British rivals in efficiency. Due to the unparalleled productivity of the plantation economy, the merchant–planter nexus constituted a formidable force in the French imperial struc-ture and lent some weight to the colonial order in the Caribbean.

The actual reach of French possession in the Americas was therefore fairly limited. Sovereignty was held in the huge Canadian wilderness, but French rule was, de facto, severely curbed by Iroquois power. In contrast, imperial command in the Caribbean was firm, but the possessions were small. French sovereignty was most closely guarded in those colonies of great strategic and economic value, and the empire generated transatlantic institutions that concentrated on these colonies. In the early 17th century, private companies and the *marine de guerre* jointly sponsored colonial un-dertakings. Over time the weight of responsibility was assumed by the latter as the former subsided and then dissolved. The reforms to the French gov-ernment of the 1690s added considerable numbers of new offices to the institutional edifice and stabilized it until the Revolution (Rule, 1996). Col-lectively, these had the authority to govern the empire. A Council of Com-merce and Secretariat of the Foreign Office were instituted, bringing greater superintendence to colonial affairs (Schaeper, 1983). It brought together merchant interests, representatives of the Crown and leading administrators of the trading monopolies in a negotiating forum. The colonies were subject to its regulation of trading companies and its resolutions on tariffs and trade policies. It lasted only until 1716 and after a period of abeyance, its func-tions were taken up by the *bureau du commerce*.

The *bureau* dovetailed with the interventionist tenure of Maurepas who took charge of the Ministry of Marine in 1725. Maurepas acquired extensive

responsibility for the Atlantic colonies and developed a philosophy of commerce that accorded colonial activity equal status within the mercantile system (Filion, 1972). Many of his projects, launched with the support of Cardinal Fleury (Campbell, 1996), drew heavily on this atypical premise. Other changes had implications for the colonies. A Director-General for fortifications was appointed. The admiralty was rendered an office that was independent of the King. The reforms of this period were a response to internal dynamics at court and in the bureaucracy, although fear of an Anglo-Dutch alliance compelled the restructure of the Marine (Pilgram, 1974).

By the 18th century, overall responsibility for colonial affairs had passed to the Ministry of Marine. The Marine was in a decrepit state by this time and was substantially restructured (Miquelon, 1987). The new State Secretariat of the Marine was handed jurisdiction of trade and colonial matters. The Ministry was subject to ongoing reorganization during the early decades of the 18th century. The new Minister, Jerome de Pontchartrain, created the *bureau des colonies* in 1710 to take specific command of colonial affairs. The Marine's authority in Canada was tenuous. For much of the century, the lines of ministerial demarcation remained unclear.

Direct administration was the dual responsibility of colonial governors, some of whom held the title of *intendant*. Governors were military aristocrats appointed because of their proximity to the King more than anything else. Some *intendants* were legal functionaries. They were supported by a small number of officials, including *ordonnateurs* responsible for finance. At times, there was friction between the offices of *intendant* and governor, often a reflection of dissonance between royal government and its colonial representatives. The long-running conflict between Colbert and Frontenac exemplifies this (Eccles, 1964). Colbert endeavored to boost the intendancy and the *counseil soverain* to check Frontenac's capricious governorship. More typically, the governorship and the intendancy simply remained distinct offices and not conflicting ones. In this unique arrangement, governors focused on affairs that would concern the Crown, while the intendancy regulated legal institutions.

Governors' powers were not open to local challenge. While colonial government was firmly located in the hands of French agents, their role was far from despotic. In matters of taxation, the colonists were largely left alone. However, in other governmental matters, centralism reigned. Unlike the Spanish Empire, colonial autonomy in legal matters was precluded, except at the margins where colonial jurisdiction may have applied. The sale of administrative offices to local inhabitants never occurred; that avenue of

enfranchisement that was important to Spanish-Creoles was not available to New Frenchmen. Centralism surged after the loss of Canada in the settlement struck with Britain in 1763. After that time, the imperial state supervised defense more closely and more warily in its remaining strongholds.

Battles with the British navy became commonplace in the Antilles. From below, the threat of insurgency boomed. Defense became the French state's most demanding imperial concern. The importance of the Antilles became magnified in the eyes of European statesmen in the latter part of the 18th century, as slave-based trade and production grew. Also, the American War of Independence, the French Revolution and the Haitian revolt all increased the strategic value of the islands. The British cast jealous eyes over French possessions and imperial vigilance increased as a result. The Caribbean basin became an especial field of war during a century in which the general scale of conflict was enlarged.

The high water mark of the development of the French colonial order was reached at a juncture when the remaining colonies were seen as crucial in the deliberations of French strategy. The position of the colonial order in the face of intrusion into colonial affairs and threats of slave revolts (both real and imagined) was augmented by the turmoil in the region. It seemed able to stave off the threat of slave revolt against imperial administration. It played off the Spanish, the British and the Royalists against the Republicans and small slave-owning mulattoes against slave battalions. In early 1793, slavery itself was not questioned fundamentally by any of the contending parties. But British blockades and a circling Spanish presence ensured that the situation remained unstable. The instability was sufficient to allow the great revolt against slavery to succeed in St. Domingue (Blackburn, 1988).

The remainder of the decade featured ongoing warfare between the British and the French in a fight over possession in the region and over the labor regime of slavery. The conflict of the two states – the Spanish were deeply involved also – remained highly visible. Warfare across the whole continent had made the Americas itself a theatre in what were becoming multi-continental wars. The Seven Years War can be regarded as a world war in this sense. Open confrontation and frequent skirmishes in the Caribbean were an extension of disputes in Europe and elsewhere. The transatlantic empires had to manage instability within and challenge from without in order to keep hold of the remaining colonial possessions. They relied on a colonial sense of vulnerability and a degree of identification with the home states to sustain the legitimacy of imperial rule. In the 18th century, this gave way, in varying degrees, to encroaching governmental autonomy in the colonies. The pre-conditions for the wane of the Atlantic empires had coalesced.

CONCLUSION

The article explores the differences that empires made to European state formation. They can now be briefly summed up. The construction of empires compelled European state elites to orient not only to the Atlantic as an oceanic zone, but to the Western hemisphere as a transcontinental world. Over time they created institutions of government, seized lands (often by killing, displacing or marginalizing the indigenous inhabitants), moved peoples, set up towns and cities, exploited resources and founded matrices of production, trade and consumption. Back in Europe, governments were involved in the business of ruling their share of this world. Colonial commitments influenced decisions on national development, colonial protection and international competition of states. The Atlantic empires meant that they had to deal with all three arenas at once taking into account domestic interests, colonial advocates and international, military and diplomatic considerations. When it came to American territories, imperial administration had to confront an evident relationship of tension with the colonial order. Governing an Atlantic state also meant that most departments of government had a more extensive scope of operation. Above all, the technologies and organization of war were designed to hold territories on many continents and patrol sea-lanes to keep secure access for transport and trade. In all these ways, Western state power turned Atlantic in governing domains whose possession generated different problems to those encountered at home or in Europe.

Having empires directed those who governed to multi-territorial challenges, not the least of which was the oppositional pole that they encountered in the colonies. In this context, sovereignty itself was posed as a question of political debate and eventually the character of possible republican alternatives did also. It was spectacular in the case of Anglo-America and the debates were cross Atlantic ones. Of course other countries also produced lively works in political philosophy that influenced public affairs. In all events, many ideas found their way into circulation in Europe's new public spheres. Modern political discourse grappled also with the questions of clientage and influence. Patronage came to matter when the example of how differently it functioned in New World societies was held up. Likewise, loyalty and belonging were more sharply posed by the deepening conflicts within the colonies.

How government of an empire shaped each of the states under consideration varied. Portugal discovered another seat of power through its historical experience of empire-building. Brazil turned out to be a dynamic

state in its own right and seemed a natural place for the Portuguese to de-camp to during Napoleon's occupation. The large Spanish empire made national unification a project. Even though Habsburg and Bourbon efforts ultimately failed when it came to defending Spain's position, they always aimed to complete the union of Hispanic territories under a single regime of Castilian institutions and culture. As its fortunes declined, its empire stead-ily slipped away and the provincial identities of its heartland domains sus-tained themselves regardless of 300 years of Hispanic endeavors. The Dutch had acquired a power in commerce that far exceeded the size of their homeland even before their revolt against Spain was completed. Most of their international exploits ended up being commercial in character and colonizing lands in the Western hemisphere proved to be a flawed strategy for them. However, the efforts to maintain rudimentary colonies still pro-vided an impetus to fashioning imperial organization. Even after they had faded, the demands of trade still required extraordinary vigor in empire building. Britain and France adopted worldwide horizons and became the leading European powers in the competition of states. They were distin-guished by the naval, maritime and economic institutions that they had to develop in response to the impulse to imperial expansion. Both went from government by territorial monarchies concerned mainly with guarding their immediate sovereignties to being global powers.

The analysis here also opens up other possible avenues for further his-torical sociological research. I have advanced the argument that the nexus of patronage was less evident and less significant in the colonial domains of each empire. Without doubt the question needs more penetrating analysis. Colonial office holding is well researched. However, it has been treated in terms of the competition between American and European-born administ-rators for the major offices. How patronage might have developed as a series of networks connecting colonists to each other or more directly to an imperial milieu is not, to the best of my knowledge, well covered. Further comparative analysis of different modes of patronage could reveal some interesting patterns. How clientage might articulate with provincial identity in quite dissimilar circumstances could be a guiding question.

This paper identifies the connections between the imperial order and co-lonial trajectories and articulates them in terms of a conflict-laden structural tension. This approach could be extended and broadened. The impact of developments in the colonies on domestic politics in Europe has been doc-umented. Yet it is clear from this study that there are more openings for cross-imperial comparison that could encompass the manner in which dif-ferent theaters of the Atlantic empires mutually influenced each other. More

generally, there are good grounds for a minor field of comparative and historical sociology of early modern American colonialism. Historians associated with Atlantic Studies have altered the terms of historical research into the Americas. A research agenda in historical sociology that attends to their findings could mount a more far-reaching comparative approach to the five empires. This article and its account of the Atlantic empires is an invitation to further inquiry in this comparative and historical vein.

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THINKING LOCALLY, ACTING GLOBALLY? WHAT THE SEATTLE WTO PROTESTS TELL US ABOUT THE GLOBAL JUSTICE MOVEMENT

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ABSTRACT

The "Battle in Seattle" has been credited with giving birth to a new, more radical phase in transnational social movement organizing; yet evidence suggests it may be misleading to speak of "global" social movements. In Seattle in 1999, the contribution of transnational movement organizations was quite modest compared with that of conventional, nationally based interest groups that focused on local resource mobilization and ideational preparation. This suggests that the basis of the new "global" social movements may be the well-established process of resource mobilization by which organized interest groups provide support for local activist communities.

INTRODUCTION

From November 30 through December 3, 1999, Seattle was gripped by powerful protests that targeted the Third Ministerial Conference of the

World Trade Organization (WTO), a multilateral organization created for the regulation of tariffs and trade. In particular, the events of November 30, the opening day of the ministerial, captured the imagination of activists and scholars around the world. On what activists dubbed ''N30,'' tens of thousands of protesters flooded the streets of downtown Seattle, preventing the bulk of the WTO delegates from reaching the opening session of the talks and bringing business to a standstill. When riot police struck back with batons, pepper spray, tear gas, and armored vehicles, the protests in Seattle presented a picture of urban unrest rarely seen in the U.S. since the Vietnam War era. Undermined by pre-existing conflicts among the member states, unresolved procedural issues, and failing consensus among the most advanced industrial nations, the WTO failed to set an agenda for the next round of international trade liberalization. If politics within the organization frustrated the WTO's neo-liberal agenda, then the protest outside turned frustration into fiasco.

Since the 1980s, meetings of intergovernmental organizations (IGOs) and economic summits by government and business officials have become appealing targets for protest, and activists have built a distinctive protest repertoire. Activists and intellectuals alike have proclaimed the arrival of a ''global civil society'' (Schechter, 1999) in which transnational social movements (TSMOs) and transnational non-governmental organization (TNGOs) are extending democratic values globally and policing rogue states and corporations. In the place of discrete, divided, and occasional opposition to economic globalization, advocates of a global justice movement endorse a ''globalization from below'' to unite progressive forces around the world (Brecher & Costello, 1998; Moody, 1997; Mazur, 2000). Networks of activists have lifted IGOs such as the WTO from obscurity to high visibility, drawing (largely unwelcome) public scrutiny.

Riding the crest of a new wave of protests against high profile IGOs, the unexpected result of the ''Battle in Seattle'' was to change the way that politicians, policy-makers and citizens view the process of globalization. As Nobel prize-winning economist Joseph Stiglitz (2002, p. 3) observed, ''The protests at the Seattle meetings of the World Trade Organization in 1999 were a shock. Since then, the movement has grown stronger and the fury has spread. Virtually every major meeting of the International Monetary Fund, the World Bank, and the World Trade Organization is now the scene of conflict and turmoil.'' It is especially noteworthy that the city of Seattle was the origin point of this new wave of protest. Before N30, the ''high-tech,'' ''Pacific Rim gateway'' city was described in op-ed pages of *The Washington Post* as a ''leading apostle'' of transnational trade whose denizens regarded

globalization not as a threat but as a "marketing opportunity" (July 6, 1997). Just after the protests, by contrast, a *Wall Street Journal* editorial decried the betrayal of the neo-liberal agenda and lamented that, thanks to Seattle, "the WTO will fast become the institution of choice for every activist agenda on the globe" (December 2, 1999).

Certainly, it is also true that among activists Seattle has been credited with triggering a wave of strident protest and giving birth to a new, more radical phase in transnational social movement organizing. Immediately following the protests, a flood of journalistic and activist assessment appeared, much of it lauding the "rambunctious, anarchic, internationalist" "spirit of Seattle" as the cutting edge of a nascent global justice movement (see, e.g., Bosman, 1999; Guillod & Allen, 2000; Finnegan, 2000; Zerbowski, 2000; Kahn, 2000; McClure, 2000; St. Clair, 1999; Cockburn & St. Clair, 2001; Global Exchange, 2000).

Yet what is striking to us is that, in addition to the transnational movement activism that brought attention of the world to Seattle, and the highly visible street theater and non-violent civil disobedience tactics that blocked intersections (alongside, of course, the infrequent if much reported window-smashing and vandalism), how much quite conventional movement organization and tactics explain the success of the campaign. A rally on N30 sponsored by the AFL-CIO – an organization often condemned for its putative conservatism by many activists – drew up to 30,000 labor union members and their supporters to Seattle, while a conference for non-governmental organizations (NGOs) held parallel to the ministerial involved a host of interest groups from the environmental, public health and human rights fields. Moreover, following N30, strident protest continued through the rest of the week that often had little to do with the WTO. Many ad hoc events were organized with a distinctly local cast as community activists protested police brutality and staged demonstrations against the authorities' creation of "protest-free" zones in much of the central business district.

What brought all these forces together for a week in Seattle? The WTO's mandate, decision-making procedures, and specific rulings were regarded as a threat by both transnational and domestic movements and interest groups. The decision to hold the WTO ministerial in Seattle thus provided an opportunity to register this broadly based opposition. For months prior to the ministerial, a consortium of labor, environmental, trade, human rights, and other movement organizations worked to mobilize their constituencies to protest the WTO and frame its policies and practices as undemocratic, anti-environmental, and anti-labor. They staged public meetings, training sessions, debates with WTO officials, and a host of other events, so that by late

November tens of thousands of activists were prepared to take to the streets and to do battle with the WTO.

All of this indicates an easily overlooked feature of the new anti-globalization protest. Large-scale mobilization generally depends on the vitality of local activist communities bolstered by conventional interest groups in large-scale protest campaigns. The N30 protest was well-attended because pre-existing activist communities were mobilized in step with movement organizations that had large regional constituencies negatively affected by global trade liberalization. Many of the issues raised during the week of the WTOs' ministerial were matters of concern because of their resonance for a range of *domestic* issues including the situation of American organized labor, threats to hard-won environmental legislation, and the implications for U.S. sovereignty.

So why do domestic social movement organizations and interest groups target international organizations whose bases of operations lie elsewhere? How and why do diverse constituencies unite in common campaigns? The challenge for social scientists is to move beyond celebrating the spirit of Seattle to an empirical analysis of the campaign that made the campaign possible. Analysis of the structure of mobilization and its principal agents is therefore essential and has clear relevance for the contemporary global justice movement. Accordingly, in this paper we consider recent theories about transnational social movements in light of our study of the structure of the Seattle events, and our interviews with some of the key campaign organizers to focus on crucial aspects of global political activism: Organization, ideational preparation, and constituent mobilization.

We find that much of what has been heralded as a new phase in social movement organizing has been overstated. We contend that the basis of collective action in social movements remains primarily local, and that the key to large-scale transnational action is appealing to domestic interests. In the case of the WTO protests in Seattle, we demonstrate how strategic issue framing and ideational preparation facilitated cooperation among diverse *local* activist communities supported by *national* interest groups that provided the resources for mass mobilization around global justice issues.

SOCIAL MOVEMENTS AND GLOBALIZATION

How and why do social movement entrepreneurs target the largely abstract and extra-local processes captured under the rubric of globalization? How does such a diverse assortment of social movement actors mobilize around

issues associated with globalization? There is mounting evidence that suggests that a transnational political opportunity structure is taking shape and that a new class of transnational movements is specifically targeting them. Social theorists contend that transnational economic, political, and cultural integration can be expected to have an impact on contentious politics because of increasing irrelevance of national political arenas in deciding the fates of local communities. This shift of scale from the national to the transnational stimulates the formation of citizen movements across the globe prepared to act in opposition to new cross-national regulatory mechanisms and IGOs (see, e.g., Castells, 1995; Bourdieu, 1998, 2001; Held, McGrew, Goldblatt, & Perraton, 1999; Giddens, 1990). In short, as the boundaries of political and social life are being stretched between and beyond nation states, a *transnational* movement society can be expected to take shape (Meyer & Tarrow, 1998; Tarrow, 1996).

Expanding on political process and resource mobilization models in social movement research, the consensus in the field is that research ought to extend to emergent global political structures which give rise to their own opportunity structures, organizational forms, discourses, and political practices (see, e.g., Tarrow, 1998, 2002; Smith, 2001; Smith, Chatfield, & Pagnucco, 1997; Della Porta & Kriesi, 1999; Keck & Sikkink, 1998; Rucht, 1999; Kriesberg, 1997; Lewis, 2000; McCarthy, 1997; Snow & Benford, 1999). This is evident in the remarkable growth in the number of *transnational* NGOs and social movement organizations (SMOs) in recent decades. Based on international organization registers, Smith (1997) and Keck and Sikkink (1998) documented more than 600 TSMOs (about 40% of which were human rights and environmental groups) active in 1993, nearly two-thirds of which were formed after 1970. These groups tended to be heavily networked with other NGOs (Smith, 1994; Smith, 1997).

On an expanding scale, network structures of this kind have the possibility of exploiting "weak" inter-organizational ties in the diffusion of information, ideology, strategies, and tactical repertoires across various sectors of the movement. Advocates of a new transnational movement society may overlook, however, that while the weak organizational ties characteristic of TSMOs are efficient in the diffusion of information these ties are less reliable as motivators of collective action. Indeed, in the study of collective action, mobilization is generally thought to rely upon strong social ties arising out of highly salient social identities and interests (Tilly, 1978; Calhoun, 1982; Gould, 1995; Kitts, 2000). These commitment-producing social structures are, as a rule, based on spatial proximity and frequent, face-to-face exchanges. Yet TSMOs are typically small organizations of

movement entrepreneurs, or coalitional structures, rather than membership-based organizations. If large-scale transnational movement mobilization is to occur, then it will likely succeed to the extent that it can piggy-back on the locally based communities that generate commitment and the membership-based SMOs and NGOs that can provide the resources required to sustain campaigns.

Keck and Sikkink (1998) argue that "transnational advocacy networks" are the core of the new transnational social movement field. The primary purpose of these structures is less member mobilization than creating alternative channels of communication and reframing international and domestic issues. These movement networks strategically disseminate information to keep domestic and international institutions accountable, and they exercise leverage against states and intergovernmental organizations. Much of what they advocate may have a "boomerang" quality, bouncing issues from the transnational arena back into *domestic* social contexts where activists can reframe debates, extend norms, and reshape political alliances.

At first glance this seems an odd strategy for many established SMOs, NGOs, and other interest groups given their usual focus on lobbying, monitoring government, and promoting public awareness of constituent interests within the national states that have jurisdiction over their constituents (Minkoff, 1995; Gamson, 1990). Yet, transnational campaigns can in some instances "amplify the demands of domestic groups, pry open space for new issues, and then echo back these demands into the domestic arena" (Keck & Sikkink, 1998, pp. 12–13). Thus, what can be easily overlooked in the discussion of transnational social movements is that rather than disappearing with globalization, it may well be that *local* sources of organization and mobilization actually *gain* in importance. A paradox of the global justice movement is that if it is going to succeed in mobilizing popular pressure against transnational targets, it requires extensive domestic support that looser, transnational advocacy networks cannot provide.

These reflections raise some basic questions about the relationship between transnational processes and actors, and collective action. In an era of transnational political opportunities, how does local activism link back up to transnational campaigns? Why would SMOs and NGOs with over-whelmingly local and national concerns expend resources as part of a global campaign directed at a remote target? Why would a city like Seattle, portrayed as an emblem of the prosperity brought by economic globalization, be such a receptive host?

THE PRINCIPAL ACTORS IN THE ORGANIZATION AND MOBILIZATION OF THE SEATTLE CAMPAIGN

As a first step in understanding the transnational dimensions of the Seattle campaign and transnational mobilization in general, we turn first to case studies of three domestic SMOs prominent in the Seattle campaign. These case studies, focusing on groups that varied considerably in their degree of organizational formalization, sophistication, issue focus, and political goals, were developed in part from first-person narratives and press accounts of mobilization and protest events, and also from open-ended interviews with organizational representatives and participant-observation during the preparation and conduct of the protests.[1]

Our second step is to evaluate the structure of the mobilization in Seattle in order to understand the role of organization and framing. The structure of the mobilization is illuminated by original data describing all publicly announced movement-related events in the Seattle area during the period leading up to and including the week of the WTO ministerial. After assessing case studies and the event data we return to general questions raised by existing theory of TSMOs. We will not offer another narrative of the Seattle events; a detailed picture of the Seattle events can be drawn from several excellent overviews and critical summaries (see, e.g., Smith, 2001; Levi & Olson, 2000; Wahl, 2000; Epstein, 2000) and from valuable documentary collections (WTO History Project, Guillod & Allen, 2000). We concentrate on what the empirical evidence we assembled tells us about how social movements and contentious politics may be changing shape in response to a shifting locus of political and economic power and expanding networks of communication (Ayers, 1999; Epstein, 2000; Levi & Olson, 2000; Wahl, 2000).

The most comprehensive effort to evaluate the Seattle protests so far has been provided by Jackie Smith (2001) who offers an overview of the protest participants and the tactics they employed. Smith pays special attention to new transnational linkages between movement organizations, and constituencies and innovations in protest repertoires and movement frames. Her study usefully categorizes a host of formal organizations and more loosely structured groups that took part in the campaign (*Ibid.*, p. 7). Smith puts considerable emphasis on the novelty of the Seattle events, pointing to adaptations and extensions of existing protest forms, new communication and framing tactics, and extensive electronic activism (*Ibid.*, p. 11).

Our analysis of the Seattle protests follows a different strategy and leads to a somewhat different perspective. The three organizations we study are

the organized labor movement (including the AFL-CIO, the King County Labor Council, and the trade unions), the loose collection of activists organized within the Direct Action Network (DAN), and the public interest group. People for Fair Trade/Network Opposed to the WTO (PFT). In our analysis of campaign events during the protests and in the weeks preceding them, these three mobilizing groups were the most prominent, organizing about one third of all the public events in our sample. Moreover, these three groups nicely suggest the broad spectrum of organizations and activists that composed the Seattle protests, ranging from highly formalized, NGOs (such as the AFL-CIO), loosely structured SMOs (such as DAN), and interest groups (such as PFT). To our surprise, we found that although the constituencies of these organizations were not identical, areas of overlap in issue framing, personnel, and strategy provided opportunities for crosscutting organizational ties and the exchange of information and resources across the campaign.

Organized Labor

The single most important actor in the Seattle campaign was organized labor. Indeed, during the period around the Seattle WTO ministerial, organized labor emerged as the chief standard-bearer of anti-globalization protest (Levi & Olson, 2000). In addition to the public visibility and clout that labor brought to the campaign, unions mobilized tens of thousands of members, their families, their supporters, and sympathizers and brought them to Seattle on N30.

Its prominence in a strident protest campaign might seem an unusual position for the U.S. labor movement, but it reflected a shift in strategy toward greater confrontation with the trade policies of the U.S. government. Opposition to the North American Free Trade Agreement (NAFTA) and presidential "fast-track" authority in trade were a key moments in the late 1990s that shifted organized labor in support of transnational trade campaigns (Stillerman, 2003; Shoch, 2000; Mazur, 2000). The resulting "Greenie–Sweeny" coalition that included the labor movement, environmentalists, and citizen advocacy groups reflected a renewed interest in grassroots activism and global justice issues among labor leaders seeking a new strategy to exert union influence (Epstein, 2000).

In some ways this new position reflected narrowed political opportunities. Confronting falling union membership, the shifting basis of the economy away from manufacturing, a Democratic administration that championed

economic globalization, and uncertain Congressional support for labor's interests, organized labor responded by adopting an "inside–outside" strategy – lobbying lawmakers and taking labor's case to the streets – in an effort to pressure the U.S. government to take trade positions more favorable to unions.[2] To put it in Keck and Sikkink's (1998) terms, organized labor hoped that by focusing public attention on transnational labor issues through protest they would "boomerang" back into the domestic polity and around the numerous obstacles to pursuing labor's political agenda.

The change of direction also reflected grassroots pressure from among the union ranks. Industrial union leaders condemned the WTO's policies for undercutting local sovereignty, facilitating the export of jobs, damaging U.S. wage levels and imperiling living standards. For example, Brian McWilliams, the West Coast Longshore (ILWU) workers leader, warned the national AFL-CIO leadership that failure to stage a major show of force in Seattle would be an unforgivable "lost opportunity."[3] In all, representatives of about 200 labor unions condemned the WTO and called for a labor rights clause to be added to its charter that clearly endorsed worker's rights.

Organized labor framed its opposition to the WTO not in terms of traditional economic protectionism, but rather invoked a "new internationalism" in labor politics (Mazur, 2000). The key demand of this internationalism was that the labor standards established by International Labor Organization – itself lacking enforcement power – be adopted and enforced by the WTO (Olson, 2000). Yet the embrace of the rhetoric of "new internationalism" reflected less solidarity with a transnational labor movement than an effort to appeal broadly across a variety of American industrial sectors and avoid criticism on grounds of protectionism or political nativism. Labor leaders eschewed more radical calls to abolish the WTO prominent in the Seattle campaign emphasizing instead "rules for – not resistance to – globalization" in an effort to widen public support.

Organized labor's direct commitment to the campaign opened up considerable resources for SMOs in the Seattle area that would have been irreplaceable. Thirty AFL-CIO staffers were deployed to Seattle to assist local unions in a mobilization drive and the federation alone spent close to $1 million (U.S.) on mobilizing opposition to the WTO, with the King County Labor Council (KCLC) and area unions expending additional resources.[4] Labor purchased mass media advertisements in local markets and produced and distributed vast numbers of placards, buttons and other materials. In both the United States and in British Columbia, unions sent out field organizers to arrange an "I'm coming to Seattle" campaign. The

AFL-CIO and its affiliates organized transportation for thousands of West Coast members by charter bus and by rail.

Labor's participation in the campaign thus proved crucial for protest mobilization on N30 and in the days that followed. In addition to drawing considerable press attention to its lobbying efforts, the AFL-CIO-sponsored march and rally in Seattle drew somewhere between 30 and 40,000 people. Toward the end of the labor march, which had been diverted from the areas made impassable by other protesters, thousands of marchers ignored the instructions of union officials and joined DAN and other radical protest groups in blockading downtown Seattle. Later in the week, local labor leaders led by the KCLC defended non-violent demonstrators from a no-protest zone and ongoing police harassment and negotiated an end to standoff between protesters and police outside the downtown Labor Temple.

The Direct Action Network

Seattle's DAN reveals how locally organized activist communities can exploit opportunities and resources opened by the sponsorship of well-funded national organizations. But this relationship was symbiotic: In the anti-WTO campaign, local activists provided a way for established NGOs to contribute to a high-visibility campaign involving confrontational protests without risking their own political capital. In fact, DAN and other grassroots movement groups provided much of the disruptive, confrontational protest that garnered so much attention during the Seattle WTO protests. DAN did not require organizational or ideological conformity of its members, insisting only that activists refrain from physical and verbal provocation, carry no weapons, avoid intoxicants during the action, and destroy no property. DAN played a role unavailable to mainstream labor, environmental and human rights groups while benefiting – more often indirectly but sometimes directly – from their considerable organizational and financial resources.

DAN was initiated by a group of West Coast activists to supply protesters with training and other resources for direct action in Seattle and beyond. Drawing on an established repertoire of non-violent direct action that grew out of the environmental and peace and disarmament movements (see, e.g., Epstein, 1991), DAN adopted a non-hierarchical structure that was very appealing to the left-libertarian activists that had prior experience in the environmental movement. A key feature of its organization was the use of

affinity groups. Activists were taught by organizers to form their own organizing groups of 5–20 people to decide upon and implement direct action. Though pledged to non-violent principles, participants in these small groups were empowered to make their own decisions on matters such as protest tactics, level of willingness to risk arrest, and whether they would adopt jail solidarity (no member accepts release from detention until all are released). Affinity groups, in turn, were organized into clusters committed to particular objectives, such as blocking an intersection near the convention center or serving as a "flying group" to respond to pressure points in the blockade of the ministerial or other opportunities for non-violent disruption. The affinity groups, in turn, were coordinated at DAN "Spokescouncil" meetings to which each cluster sent a representative empowered to speak for that set of affinity groups. Global Exchange's Kevin Danaher, one of the figures instrumental in creating DAN, aptly described this model of organization as "lots of lieutenants, no generals" (Finnegan, 2000, p. 45).

This loosely structured organization allowed members to innovate freely, react with flexibility during the protests, and communicate openly with one another. The affinity group model with its emphasis on spontaneity and consensus was well suited to the anarchist and egalitarian elements within the global justice movement that ordinarily avoid working with conventional political parties and interest groups. As one activist explained:

> …our model of power was decentralized, and leadership invested in the group as a whole. People were empowered to make their own decisions, and the centralized structures were for coordination, not control. As a result, we had great flexibility and resilience, and many people were inspired to perform acts of course they could have never been ordered to do… DAN organizers set a tone that valued autonomy and freedom over conformity, and stressed coordination rather than pressure to conform.[5]

More grandly, some DAN activists claimed that their style of organization was a model for the decentralized, egalitarian planet they hoped to create through their resistance to corporate capitalism and political elitism. In the place of highly institutionalized forms of protest, DAN offered a lively and colorful package of music, oversized satirical puppets and inventive signs and slogans. DAN made good use of electronic resources, enabling activists to communicate and coordinate long before arriving in Seattle. Websites and listservs rapidly distributed tactical information, electronic versions of flyers, stickers, artwork, and educational materials.

DAN excelled in coordinating diverse categories of activists with varying levels of movement experience, training and preparation. Thousands were provided with a three-hour course on non-violent ideology and tactics. Groups of activists willing to be arrested during non-violent civil resistance

were identified and trained in jail solidarity tactics. In short, DAN became a clearinghouse of information that fostered the unhindered diffusion of information and tactics across the campaign. One participant explained, "The convergence offered the thousands of activists from around the planet an opportunity to network and collaborate with one another…The total energy of solidarity transformed the week into a semi-religious experience of inspiration."[6]

In its own framing of the anti-WTO campaign, DAN stressed radical opposition to global corporate power, portraying a host of environmental, social, and economic injustices as directly related to the globalization of capitalism. DAN activists decried the WTO as a cabal of illegitimate bureaucrats in pay of transnational corporations and ruling elites intent only on maximizing profits, privatizing resources, and securing worldwide domination. Free trade was decried as a strategy for concentrating power and wealth, undermining democracy and local sovereignty, and crippling popular resistance. Economic liberalism was nothing more than an ideological fig leaf for poverty and ecological destruction. DAN claimed that because the Western corporations had achieved worldwide hegemony, resistance was taking on a transnational character. In this battle, DAN called on activists to take part in an "historic opportunity to halt corporate globalization" right in the streets of Seattle.

People for Fair Trade/Network Opposed to the WTO

The PFT organization was initiated by Public Citizen, the political action and consumer affairs group founded by Ralph Nader. Public Citizen had been involved in the Citizen's Trade Campaign (CTC), a national coalition of labor, environmental, consumer affairs, religious, and other groups concerned with human rights and trade liberalization issues formed to oppose ratification of the NAFTA. The CTC had considerable support from the AFL-CIO and industrial unions, and in the months immediately preceding the announcement of the Seattle WTO ministerial, CTC scored an important victory in defeating "Fast Track" trade negotiating authority in the 105th Congress (Shoch, 2000).

When the WTO announced that it would hold its next ministerial conference in Seattle in early 1999, Mike Dolan, Deputy Director of Public Citizen's Global Trade Watch, began to reach out to fellow CTC members. Previously, much of the work done by the CTC involved legislative lobbying and public information. In Seattle, the CTC players became involved in

direct action when in the late summer of 1999, Dolan established an office under the PFT banner to coordinate activist mobilization. PFT's primary goal reinforced its alliance with labor, aiming to maximize the turnout for the AFL-CIO sponsored march and rally on November 30, 1999. But, crucially, PFT provided support to local activists by providing funding, printing informational materials, running a speaker's bureau, coordinating outreach to Seattle community organizations, and providing support to student groups on the various university and college campuses in the Seattle area. PFT also used its expertise to provide local activists with important services such as negotiating assembly permits with city officials, and posting an online calendar of related local events.

The PFT's part in the campaign was thus to try to combine the sophistication of a national public interest group with the dynamism of local activist networks. Indeed, PFT played a significant part in channeling resources from institutionalized NGOs and SMOs to local activists. As Dolan recounted,

> I had to maintain really good relations with the AFL-CIO, the Sierra Club, the more moderate NGOs that weren't comfortable with the message of the Direct Action Network to shut down and to completely oppose the institution of the WTO. They were still forming their message. They didn't know exactly what they wanted to say yet. The AFL-CIO was working on materials. The Sierra Club was working on materials. They hadn't decided what their message was. DAN's message was very straightforward. Very simple. Shut it down. It's an illegitimate institution, shut it down. So, what I did was "on the QT" [discrete], I gave money to DAN. Ultimately around $6,000.[7]

In this very direct way, PFT provided a bridge between NGOs as suppliers of resources and locally based activist groups. Having no local membership of its own, PFT drew on organized public information events at neighborhood association meetings across Seattle beginning in September that familiarized citizens with global trade issues and the WTO's agenda well in advance of N30.

For PFT organizers, ideological consensus on trade issues was less important than matters of practical coordination. A wide array of local activist groups that were wary of the alleged moderation of mainstream public interest groups nonetheless directly and indirectly benefited from PFT financial and logistic support. In its framing literature, most notably its widely distributed *Citizen's Guide to the WTO*, PFT provided the consistent message that an elitist WTO sacrificed democracy at home and abroad for the sake of corporate profit and would overturn hard-won environmental, labor, and consumer protection policies. It demanded fair trade relations between countries, protection of labor and human rights, and democratic

accountability in all multilateral agreements and trade organizations. This broad critique linked to nearly every sector of the campaign and was meant to appeal to mainstream audiences.

Inevitably, PFT's relations with Seattle-area activists and citizens groups were not without friction. Some activists accused Dolan of using resources to dominate the campaign's agenda. Some deplored the PFT as the work of an institutionalized, Washington D.C. political machine. As Dolan recounted, "It's so funny. I mean, back in DC, Public Citizen's Global Trade Watch, we're the axe-swinging radicals. I come out here and I am reviled as a reformist. I'm a liberal."[8] In the end, the message that PFT broadcast and its evident sympathy for local activists was enough to secure pragmatic cooperation. The critique of the WTO was broad enough to resonate widely across different social movement sectors and constituencies and the WTO was a big enough target that SMOs across the ideological spectrum found ample reason to cooperate in opposing it.

THE STRUCTURE OF THE SEATTLE WTO PROTEST CAMPAIGN: EVALUATING EVENT DATA

Our discussion of the principal groups in the anti-WTO campaign in Seattle, DAN, PFT, and organized labor, shows that groups with very different interests, organizational forms, and tactical repertoires were able to act in concert as part of an effective protest campaign. It appears as if the campaign's success was born of local organizing funded by established actors. In addition to providing the core of the campaign, these groups engaged in carefully targeted issue-framing designed to bridge diverse constituencies and align movement messages (Snow & Benford, 1992). They created broad consensus about the issues that were at stake, despite discord surrounding tactics and goals. Clearly, the WTO, a temporarily accessible and influential foe, provided the necessary unifying element. But, beyond these three groups, is there evidence that the broader campaign had the coherence we observe. Do we find common patterns of organizing and issue focus across the campaign?

To answer these questions, we assembled summary data to describe the Seattle campaign more generally. Our social movement event dataset is assembled from a timeline of events constructed by the WTO History Project at the University of Washington (http://www.wtohistory.org) and supplemented with reporting of protest events that appeared in the *Seattle*

Times during the period from October 10 to December 5, 1999. The WTO History Project's timeline was constructed by reviewing its extensive public archive of materials and coding all WTO-related events sponsored by SMOs, NGOs, and public interest groups. We think that we have captured nearly all publicly announced organized events in connection with the events in Seattle, including many that were organized in response to events on N30. Unfortunately, our data does not indicate the size of the various events and might fail to include some events, particularly those sponsored by small groups or organized spontaneously. Our purpose, however, is not to assess the relative impact of one or another incident or organization, but rather to capture the structure of the WTO protest campaign and the primacy of issue foci within that campaign.

The result of our efforts is a dataset including 553 unique events, 37% of which occurred before November 30, and the remainder between November 30 and December 5, 1999. We coded these events by date, the type of event, its issue focus, and sponsoring organization. Our coding scheme included five main categories of events – informational or educational, training, organizational meetings, fundraising events, and demonstration or protests – a level of detail that captures 92% of all events. The remaining events consist primarily of press conferences, parties and receptions, welcoming ceremonies, and the like (Table 1).

Our data reveal that the clear focus of the mobilization effort, which began in August and continued throughout Ministerial Week, was public education. Informational and educational events comprise about 45% of all events, the largest single category, with an even greater concentration (47%) during Ministerial Week, when much of the mass media's attention was focused on confrontational street protest. The fact that the number of information and educational events far outstrips the number of protests even

Table 1. Distribution of Campaign Events by Type.

Campaign Event Type	Frequency	%
Information/education/debates	249	45
Planning meetings	70	13
Training	99	18
Demonstration/protest	22	4
Fundraising	68	12
Other	45	8
Total	553	100

Table 2.   Distribution of Campaign Events over time.

Weeks before Ministerial	Frequency	%
0	191	34.5
1	132	23.9
2	39	7.1
3	39	7.1
4	25	4.5
5	23	4.2
6	19	3.4
7	30	5.4
8	12	2.2
8 +	43	7.8
Total	553	100

during the height of protest is a stark correction to the impression we might receive if we relied only on television news or newspaper headlines to gain an impression of the campaign (Table 2).

Planning work by the diverse organizations and constituencies that comprised the Seattle campaign accounted for about 13% of all movement-related events in our data set, composed primarily of activities like committee meetings and member coordination. The relatively modest share of fundraising events (12%) may reflect the fact that the Seattle campaign was well funded by national organizations and political interest groups, allowing organizers to focus on planning, mobilization, and ideational preparation.

The data support the information that we have about the priorities of the three key groups that we studied in detail. These groups apparently saw themselves as engaged chiefly in public education concerning the threats posed by globalization or directly by the WTO in an effort to weaken public support for U.S. trade policies and raise awareness of transnational social justice issues.

Accordingly, a large portion of the campaign was dedicated to *issue framing* of trade, environmental, labor and human rights issues and *ideational preparation* of activists and potential supporters for protest participation. Given the very broad efforts at coalition building among multiple constituencies that characterized the campaign and the fact that most of the public knew little or nothing about the WTO prior to the Seattle events, this was probably a crucial factor in the campaign's success. Indeed, the diverse and sometimes competing groups that mobilized the Seattle protests

maintained a surprisingly clear focus on trade and globalization issues across the campaign.

For the 249 education and information events in our sample, we were able to code definitively the issue focus of 221 (89%). We found that nearly half were billed as focusing on the WTO and trade issues, with much smaller proportions focusing specifically on the environment, labor or other issues. Among the host of other potentially competing issues, none achieved higher than 15% of the issue focus of all educational events. The campaign, for all the diversity of its participant organizations and their constituencies, managed to keep the focus of attention on the WTO and related trade issues. Even though critics warned that the WTO ministerial would provide a convenient occasion for a host of radical groups to make unrelated demonstrations of their causes, the focus of the mobilization campaign was remarkably consistent (Table 3).

Despite the attention given to international activist networks in nearly all accounts of the Seattle protests, our data points to how large-scale social movement mobilization in the era of globalization may still rely heavily on locally based constituencies and the resources that can be mobilized in national polities. While exact counts are difficult to construct because of the large volume of event co-sponsorship, organizations based in the Puget Sound area were heavily involved in sponsoring and promoting events and activities during this period. Although transnational organizations made a modest organizational contribution to the local mobilization effort, foreign activists provided a core of highly informed, resourceful activists who were prominent as speakers and authorities on specific issues. Symbolically, this was important for American organizers because it undercut the efforts of the WTO and its corporate and governmental sponsors to portray the WTO as

Table 3. Information/Education Event Sponsor Issue Focus.

Issue Focus	%
WTO/Trade	49
Environment	15
Labor	10
Human rights	9
Third world	2
Other	15
Total	100

Based on a sample of 221 (89%) of education and information events.

a benevolent force acting in the best interest of developing countries and its opponents as nativist, protectionist, and indifferent to the plight of developing countries.

Our event data provide a clear sense of what makes confrontational street protest effective; the success in disrupting the WTO conference was the outcome of careful planning and implementation. Not only was extensive ideational preparation probably important in expanding the ranks of movement supporters, but great care was also taken to provide activists with training in the techniques of nonviolent civil disobedience. Training events, organized by groups such as DAN, accounted for about 18% of all events. In implementing such training, movement, organizers drew on the wider activist community of the Pacific Northwest, much of it already familiar with the direct action repertoire. Activists were well-prepared to disrupt the conference and blunt police crowd control tactics. Despite their evident innovation and imagination, these were not spontaneous demonstrations – they were the result of a broader strategy that drew on an existing community of activists that indoctrinated and trained newcomers. Organizers had developed effective tactics and communication structures in the weeks preceding the conference that gave them real advantages during the ministerial week. We think that this training may explain why the protesters proved so agile in their confrontation on N30 with law enforcement that, by contrast, was ill prepared and inexperienced in confronting urban protest.

Because we followed daily listings of events, we are able to trace the structure of mobilization events over time. In the two months preceding the protests, we observe a steadily increasing number of events. Although the peak of the campaign was clearly the Ministerial Week, this week only accounts for about 35% of events. What is clear is that the events that riveted public attention were long in the making and relied upon a sophisticated, long-term mobilization campaign. As KCLC executive secretary Ron Judd noted, "What happened in Seattle was not an accident. For months, Labor led an effort with allies to educate and inform the community about the devastating impacts of the WTO and its policies."[9]

DISCUSSION

Seattle, Genoa, Quebec, Washington, DC – confrontational protests against IGOs in cities around the world spearheaded by a vanguard of transnational activists have become the hallmark of the public perception of the global justice movement. But the evidence we have presented from Seattle is an

important reminder that the clashes we observe in the streets are only the visible tip of much larger submerged campaigns that probably achieve the greatest success when they manage to harness local organizations and resourceful domestic interest groups to transnational causes. What has been described as the first great manifestation of a global movement might best be understood in terms of a set of variables familiar to students of *national* resource mobilization and *local* activist communities.

We find that in Seattle the basis of collective action was akin to what Tarrow (2002) has called the "rooted cosmopolitanism" – local, and, to a lesser extent regional, activist communities with weaker ties to transnational movements. The evidence we have collected reveals careful organizational and ideational preparation by a loose coalition of SMOs and NGOs designed to inform and mobilize *existing* social movement constituencies. By aligning injustice frames around common concerns, strategic issue framing, and ideational preparation, particularly as accomplished by national interest groups and NGOs, facilitated cooperation among diverse organizations and activist communities. To their surprise, local activists found that their ongoing efforts briefly enjoyed the financial support of powerful allies that decided that the Seattle ministerial provided an opportunity for "inside–outside" pressure to reshape U.S. trade policy.

In short, we find that in the Seattle campaign, nationally based interest groups and NGOs, some of them working in coalition, provided the resources, institutional access, and personnel to fuel local activism. Without the resources and clout of domestic movements and NGOs, the chances of a large-scale protest would have been much smaller. We suspect that wherever large-scale protests are mounted in the movement for global justice, they will be rooted in the local communities that generate robust interests and identities, and rely on established interest groups to provide resources.

This is not to suggest that the Seattle protests do not reflect larger shifts in the social movement field. While there was clearly an international component to the campaign, the domestic sources of mobilization remained the critical factors in popular protest. There were three noteworthy dimensions of transnational relations that mattered. The first was new *opportunities* for contention provided by IGOs. Dissident groups saw the WTO Ministerial as an opportunity to draw worldwide media attention. Labor, environmental, and trade-related interest groups effectively exploited opportunities opened up by the WTO conference occurring in a major U.S. city. As Keck and Sikkink (1998) note, when domestic political opportunities are blocked, interest groups may adopt a "boomerang" strategy by seeking out international targets to try to bring pressure on their government from outside.

The process by which interest groups newly define allies and targets for mobilization points to the second important element of the Seattle campaign: expanding *linkages* between activist communities around the world that made the Seattle events resonate globally. Activists were assisted by information technologies that eased coordination and used electronic media to provide continuous accounts of the Seattle protests that countered unfavorable mainstream media coverage (Eagleton-Pierce, 2001). The ability to diffuse information, tactical innovations, and injustice frames around the world rapidly can significantly extend the influence of transnational movements (Ayres, 1999). Yet the influence of transnational organizations and advocacy groups can easily be overstated. Most have no direct means of influencing policy and must be content with "mobilizing shame against a country" (Olson, 2000). Much of this consists of documenting and broadcasting abuses before a worldwide audience. Activists in the Seattle campaign demanded that the WTO's activities be fully transparent to the public in order to reveal its anti-democratic and exploitative agenda. Juliette Beck of Global Exchange explained of the group's strategy, "that's all we are asking people to do: help us drag these institutions out into the sunlight of public scrutiny where they belong. They'll shrivel up like Dracula" (Finnegan, 2000, p. 51). However, the bulk of the research shows that the effect that movements have on influencing policy through changing public opinion is generally fairly modest (Burstein & Linton, 2002). This too underlines the importance of alliances with conventional interest groups and parties for global justice movements.

The third element in the campaign was *coalition formation* across interest groups, NGOs and SMOs that structured events in Seattle and coordinated efforts across diverse sets of actors. This occurred primarily in the political arena. Our findings suggest that grassroots activists and rooted communities may be the crucial constituencies for international movement campaigns, but they require the support of conventional SMOs and NGOs that provide the resources necessary for resistance to corporate globalization. Careful examination of the labor, citizen's advocacy, and activist constituencies in the Seattle campaign revealed how transnational opportunities may make possible not only new transnational coalitions, but also domestic political coalitions and alliances (see also Levi & Murphy, 2002). It is not clear, however, whether these coalitions will prove ephemeral or a part of reshaped contentious politics.

All of this suggests greater caution in proclaiming a new era of activism. If progressive visions of a "cosmopolitan democracy" (Held, 1995) of transnational movement organizations and citizen initiatives are to be realized,

the principal contributions transnational social movements seem to make is through the generation of publicity. The importance of TSMOs may stem less from their capacity to influence policy outcomes, but rather from their ability to transform the terms and nature of debates surrounding public issues. Much of the discussion of "global civil society" and transnational citizenship tends to overestimate the influence of new communications technology and overlook the continuing importance of the local and domestic contexts of collective action. Our data clearly show that the WTO protests drew chiefly on the strength of *local* activists and *national* interests groups employing conventional resource mobilization tactics (see McCarthy & Zald, 1977; Jenkins, 1983).

It is also worth noting the importance of democratic political norms. Social movement activities in Seattle were largely politics of the *streets and public spaces*. Nearly all WTO-related events occurred in public settings and open meeting places, not only during the ministerial but also in the preceding weeks. Activists used public forums and the resources of the public domain as the chief means through which to express their concerns. The notion of "transnational movement community" tends to obscure the fact that democratic rights and access do not obtain outside of national polities and overlooks the differences between the sorts of links between people that are typically forged through indirect social relations (e.g., the internet) and the locally dense ties that have historically constituted the core of social movements (Calhoun, 1998). What social movement researchers have long referred to as the "indigenous resources" with which collective action is usually mobilized – community organizations, associations, churches, labor unions, clubs, kinship groups, etc. – are generated through face-to-face exchanges in local contexts not easily translated to the transnational level.

The Seattle campaign suggests that TSMOs may be most effective as bridging networks, rather than as more conventional mobilizing structures. What does this mean for the future of anti-globalization movements? Alas, it may be too soon to say. As has been widely noted, in the few years since the "Battle in Seattle," a wave of mass anti-globalization protest hit cities around the world. But changing tactics by intergovernmental agencies and changed political context may break what appeared to be an accelerating cycle of protest. WTO ministerials have more recently been held in countries that lack the basic set of civil rights common to the industrialized democracies, making it difficult for local forces to mobilize or transnational activists to operate.

Furthermore, a new set of conflicts has dominated both the international political and U.S. domestic stages since September 11, 2001. Since then, the

focus of both domestic and transnational activists has shifted to opposition to war and protesting the violation of human rights and civil liberties occasioned by security crackdowns in many Western countries. Domestic policing and public insecurities concerning terrorism and disruption of public order may be inaugurating a much chillier climate for protest (Della Porta & Tarrow, 2001). These factors make it less likely in the immediate future that global justice protesters will enjoy the latitude that made the Seattle campaign possible. Yet what is clear from anti-war mobilization around the world, including in Seattle, is that a new generation of locally minded activists are essential for the cause of a more just global society.

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NOTES

1. In conducting this research, the authors interviewed representatives of the following organizations: the AFL-CIO and its local affiliate the King County Labor Council (KCLC), the Direct Action Network (DAN), Students Against Sweatshops, the University of Washington affiliate of the National Lawyer's Guild, the Rainforest Action Network, People for Fair Trade/Network Opposed to the WTO and the Brown Collective. Most of these interviews have since been incorporated into the WTO History Project at the University of Washington, to which the authors were active contributors.

2. The authors' correspondence with Theda Lee, chief international economist, AFL-CIO, Washington, DC May 8, 2000.

3. See statement in International Association of Longshore and Warehouseworker Union (ILWU), President's Report, May 1999.

4. The AFL-CIO's Lee reported: "We spent somewhere between $500,000 and $1 million, closer to $1million than $500,000. The largest expense was the rental of Seattle's Memorial Stadium, then the ads, and all the materials (brochures, ponchos, etc.). As you know, we redeployed about 30 staffers to Seattle for much of the fall. This figure does not include that spent by our affiliated unions – probably USWA, IAM, and IBT spending the most." Authors' correspondence with Lee, May 8, 2000.

5. Starhawk, quoted Guillod and Allen (Eds), *Voices from the WTO* (pp. 47–48).

6. Mac Lojowsky, Comes a Time, in Guillod and Allen (Eds), *Voices from the WTO* (pp. 12–16).

7. Mike Dolan interviewed by Jeremy Simer, March 3, 2000 WTO History Project, University of Washington, Seattle.

8. Interview with Dolan conducted by Murphy and Pfaff, November 10, 1999.

9. Judd quoted from Guillod and Allen (Eds), *Voices from the WTO* (p. 51).

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APPENDIX

Our data on the Seattle Anti-WTO Campaign was coded from the timeline of events provided by the WTO History Project at the University of Washington (http://www.wtohistory.org) and was corrected by event reports in the *Seattle Times*.

In coding campaign events, we coded nine variables.

1. Date
2. Sponsor
3. Co-sponsor
4. Type of Organization – SMO, TSMO, NGO, TNGO, and others
5. Organization Structure
   1. Networking Organization/Coalition
   2. Single Issue Organization
   3. Multi-issue Organization
6. Organization Primary Locus of Activity
   1. Local – In Seattle
   2. National – U.S. and Canada
   3. International – From outside of U.S. and Canada
7. Type of Event

    1. Informational/Educational
    2. Committee/Planning Meeting
    3. Training
    4. Fundraising
    5. General/Open Meeting
    6. Debate
    7. Demo/Protest/Direct Action/CD
    8. Other
8. Issue Focus
    1. Labor
    2. Human rights/Democracy/Social Justice
    3. Environment/Health/Food/Agriculture/Biotech
    4. 3rd World Issues/International development
    5. Trade/WTO
    6. Other
9. Location of Event
    1. Organization's designated space
    2. Public space/Streets/Public facilities
    3. Private business or residence

PART III:
SCHOLARLY CONTROVERSY:
A DEBATE ON THE SOCIAL
ORIGINS OF CORPORATE
IRRESPONSIBILITY

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CORPORATE MALFEASANCE AND THE MYTH OF SHAREHOLDER VALUE

Frank Dobbin and Dirk Zorn

ABSTRACT

The bankruptcy of Enron in December 2001 marked the beginning of broad awareness that American corporations had left behind the strategy of expanding through diversification that was the hallmark of the 1950s through the early 1980s. CEOs now made it job one to meet the earnings projections of securities analysts, such that by the year 2000 they were, in record numbers, "restating earnings" – admitting that they had cooked the books. Accounting shenanigans were the tip of the iceberg, and what lay under the water was a new approach to running the corporation to produce numbers that analysts and institutional investors would like. Three groups that stood to benefit from the new strategy spun it to investors as in the interest of all. Managers of hostile takeover firms defined their business as setting firms on the path to performing for shareholders. Institutional investors defined earnings management, rather than acquisitions management, as increasing shareholder value and focused management attention on earnings by popularizing stock options. Securities analysts hawked their own profit projections as the reigning metric of corporate performance, and favored easy-to-analyze single-industry firms through "buy" recommendations. These three groups changed the incentives executives faced,

*making accounting shenanigans in the pursuit of earnings management
widely popular and enriching institutional investors, analysts, and exec-
utives in the process. Regulatory changes to end malfeasance have made it
marginally more difficult to perform illegal accounting practices, but they
have not changed the core corporate strategy that has emerged since the
early 1980s. The changes illuminate the rise of groups of business pro-
fessionals in the power structure, for it was not investors but different
groups of business professionals who won the day. The changes illuminate,
as well, the role of the social construction of interest in power relations
among groups – it was by convincing executives and shareholders that a
new corporate strategy was in their own interest, which these business
professionals succeeded.*

THE MYTH OF SHAREHOLDER VALUE

Avid readers of the business press noted a new fad among hot companies
late in the 1990s – the restatement of earnings. Formal earnings restatements
to the SEC had, by a conservative count, averaged 49 a year between 1990
and 1997, but they rose sharply to 91 in 1998, 150 in 1999, and 156 in 2000
(FEI, 2001).[1] In discussing the fad, the business press cited increased reg-
ulatory oversight – in July 2001, half a year before Enron declared bank-
ruptcy, the Wall Street Journal reported "the number of corporate earnings
restatements has skyrocketed during the past three years, driven in large
part by stepped-up enforcement at the SEC" (Weil, 2001, p. 15). We now
know that earnings restatements were becoming widespread for another
reason – executives were increasingly cooking their books to satisfy secu-
rities analysts and institutional investors. They massaged profit reports to
keep their companies on analysts "buy" lists (although we now also know
that analysts seldom recommended anything but "buy" at the turn of the
millennium), and to keep institutional investors pumping new pension con-
tributions in their direction.

Corporate malfeasance took a new form in the 1990s. Executives no
longer looted company coffers and fled to sunny isles without extradition
treaties. They lied about how much money their firms made. This practice
was not new, but the peculiar form it took was new. They lied to make
corporate earnings appear to rise at a constant rate toward an infinite ho-
rizon, and to conform to the projections of securities analysts. They cooked
the books in both directions, withholding news of exceptional earnings as

insurance against a rainy day. Five executives at Freddie Mac, the semi-public mortgage company, were deposed after famously under-reporting earnings by 5 billion dollars between 2000 and 2002.

What produced this change in the nature of executive misbehavior? CEOs revolutionized the core business strategy of big firms in the last quarter of the 20th century, shifting from a focus on diversification and expansion to a focus on ''shareholder value.'' Whereas previous shifts in corporate strategy had come about, depending on whom you listen to, because existing strategies of increasing returns had run their course or because new management factions within the firm sold executives and shareholders on new strategies, this change came about because three groups with new clout in financial markets succeeded in imposing their will on corporations. They redefined corporate efficiency, and realigned the material interests of others.

Those three groups – hostile takeover firms, institutional investors, and securities analysts – each had their own reasons for selling a new corporate strategy, in which ''shareholder value'' (defined eventually as the capacity to meet securities analysts' profit projections) was the holy grail. Those groups succeeded by articulating the myth of ''shareholder value,'' to replace the myth of corporate ''portfolio management'' that had supported expansion-through-diversification as the guiding strategy of the large American firm.

What redirected executive attention were the new rhetoric of shareholder value and a new compensation strategy. Institutional investors encouraged firms to compensate executives with stock options, designed to align executive interest with shareholder interest – with the predictable consequence that executives would fib about profits. The big accounting firms enabled this fibbing by hawking instruments that made profits appear and disappear, and by lobbying against the accounting of stock option grants as expenses. Securities analysts were complicit, for the financial institutions they worked for had vested interests in seeing firms perform well (Swedberg, 2004).

We have two points to make. One is that this new corporate strategy was an idea hatched not by corporate executives, as was the case with previous strategies, and not by shareholders, as mythology suggests, but by professional groups in financial markets. These groups managed to change the incentives that executives faced and thereby to change the behavior of firms. These were not robber barons in cigar-filled rooms, but MBAs and CPAs working within large financial institutions. The idea that the power elite is comprised of capitalists and captains of industry now seems antiquated – knowledge workers who redefined corporate efficiency were the initiators and biggest beneficiaries of these changes. The changes produced huge

windfalls for hostile takeover specialists, institutional investors, and securities analysts, as well as for executives. The second point is that while regulatory reforms now make it harder for firms to cook the books, the fundamentals of the new system have not changed. Institutional investors still control large blocks of shares; securities analysts still project profits; and CEOs are still compensated with stock options. The scandals surrounding Enron and WorldCom led to regulatory changes, but not changes that would alter how the whole system works. The so-called shareholder-value model of the firm unambiguously displaced the growth-by-diversification model, but nothing has yet appeared to replace the shareholder-value model.

Parts of the story were the result of happenstance, to be sure. It was happenstance (the baby boom) that pension investments grew by leaps and bounds and were increasingly put into the stock market, leading institutional investors to control the majority of stock in major corporations. It was happenstance that the high technology boom would replace the conventional metric of corporate success, profits, with the arms-length metric of meeting analysts' profit/loss projections. But the new shareholder value model of the firm was also the result of professional strategizing by groups that were empowered by these historical shifts, institutional investors in the first place and securities analysts in the second.

FROM GROWTH-BY-ACQUISITION TO BEAT-THE-ANALYSTS

The shareholder value strategy is not the first new strategy to sweep across American firms. For Alfred Chandler (1977), the production–expansion strategy was supplanted by the sales and marketing strategy, which in turn was supplanted by the diversification strategy. Each change represented a stage in the evolution toward more efficient corporate forms. Each change was initiated by inside managers and was spread through competition among firms. For Neil Fligstein (1990), these changes came about because marketing specialists, and later financial diversification experts, struggled to win control over firm strategy – not because they necessarily had superior strategies but because they gained executive positions by convincing management and boards to adopt their strategies. Each change represented a new social construction of corporate efficiency. Each change was initiated by insiders and was spread through rhetoric.

The rise of the so-called shareholder value firm was different. Its proponents were located outside of firms, and they succeeded by changing how executives and shareholders perceived their own interests.

From the perspective of the average CEO circa 1975, the best way to get ahead was to "grow the company" through diversifying acquisitions. Most of the money CEOs made came in the form of salary, and the bigger your company, the bigger your salary. There was good evidence that diversifying acquisitions depressed stock price – paradoxically, they typically increased the stock price of the seller but decreased the stock price of the buyer. If executives were looking to serve shareholders, it stands to reason, they should have tried to sell. Instead, they tried to buy other companies because they understood buying as the path to career advancement. After all, CEOs who sold out were put out to pasture, and CEOs who bought other firms stood atop enlarged empires.

Three groups came along to argue that diversifying acquisitions were inefficient, and that firms should instead focus on maximizing "shareholder value," or stock price. Each of the groups had something to gain if firms abandoned growth-by-acquisition and embraced beat-the-analysts. The groups succeeded in institutionalizing a new metric of executive performance – beating analysts' profit projections rather than negotiating fancy acquisitions – by convincing executives that the metric was in their interest. They did this by replacing the system of executive compensation, in which salary was a function of firm size, with a system in which CEOs who could beat securities analysts' forecasts saw stock option windfalls.

The old system of executive compensation was harshly criticized by institutional investors and by agency theorists in economics for serving CEOs but not investors. CEOs expanded their corporations for their own benefit, they argued, ignoring the real interest of shareholders, which was to see the price of stock increase. But the system that replaced it was dysfunctional in another way; it created an incentive for CEOs to put all of their energy into meeting the profit projections of securities analysts – into earnings management. Institutional investors had lobbied to change CEO compensation, and this meant that CEOs were now granted stock options at a given price, which they could exercise after a certain future date. If the stock options were granted at today's share price, and if they could be exercised a year from today, the race was on to produce strong profit numbers and thereby inflate stock price over the coming year.

Another important change contributed to the earnings-management strategy. The high technology boom convinced many that simple stock price was a poor measure of the firm value. The companies of the future were

operating in the red, but by being first-movers they were establishing themselves in their respective markets, or so the story went. Thus, institutional and individual investors increasingly looked to analysts' projections of profits and losses, and to whether firms could meet those projections. Amazon was a good value so long as it lost no more than the experts expected, and hence stock price increased and fell on a firm's ability to meet analysts' estimates. This is what encouraged not simply earnings exaggerations, but earnings management or the smoothing of corporate profits to match analyst projections. Executives hoping to reap regular rewards by exercising stock options, and then selling the stock, had to meet analyst projections regularly to buoy stock price so that profits from newly exercised options could be realized regularly.

The game executives played was not the game institutional investors and agency theorists had envisioned when they promoted stock options, which was of maximizing the profitability of a company executives both managed and held large stakes in. Instead, it was a game of maximizing profits from company stock sold as soon as it could legally be sold. CEOs did not hold onto stock, which would have aligned their interests with those of shareholders. They sold stock as soon as they could manipulate its price upward, with the argument that diversification was more prudent than putting all of your eggs in one basket (Khurana, 2002). Instead of aligning CEO and shareholder interests, the stock option craze produced irrational short-term exuberance.

Growth-by-acquisition had encouraged executive behavior that was sometimes irrational, but rarely illegal. CEOs might acquire firms that would not increase overall profitability, but this was not against any laws. Beat-the-analysts encouraged behavior that was irrational and sometimes illegal. It encouraged legal means of altering profit statements, but illegal means as well.

This was the dynamic that led firms to a new corporate strategy. Now to the three groups that advocated for it. How did three groups of professional managers, sitting outside of major corporations, so dramatically change the course of America's largest firms? The answer says a lot about the changing nature of power in the business elite. If the classical view of capitalism was that factory owners were enriched by the sweat of workers, extracting surplus value from the production process, what we see happening here is something quite different. The business-knowledge elite manipulates the behavior of large corporations, enriching themselves (money managers and institutional investors, securities analysts and bankers, and corporate executives) by skimming profits from the pension reserves of workers and from the investments of the lumpen bourgeoisie.

Hostile Takeover Firms

Hostile takeover firms dramatically reshaped large corporations in the late 1970s and early 1980s by dismantling diversified conglomerates and selling off the parts, demonstrating that diversified firms had low stock prices that did a disservice to their shareholders. Executives at first despised them, but takeover specialists succeeded in making a business case for what they were doing – they increased the value of the firms they took over by spinning off tangential business units. In a short period of time, they gave a bad name to diversification and focused corporate attention on stock price, because they only took over firms that were undervalued and that could be sold off, piece by piece, at a profit.

Before the increase of the shareholder value firm, there was of course a theory of why the diversified conglomerate was a good idea. Portfolio theory, in economics, reinforced the idea that the modern firm should be run as an internal capital market, investing in promising sectors and spreading risk across different sorts of industries (Fligstein, 1990). The institutional economist Oliver Williamson (1975) seconded this idea, arguing that conglomerates could acquire poorly performing firms and improve their profitability by managing them under financial accounting methods. Meanwhile, the major consulting firms – McKinsey, Arthur D. Little, The Boston Consulting Group – had developed technologies that simplified the management of diversified conglomerates. They proselytized, and provided the tools for the strategy of diversification. By the end of the 1970s, 45% of the Fortune 500 had adopted these portfolio planning techniques (Davis, Diekmann & Tinsley, 1994, p. 554).

The inflation of the 1970s, the invention of the "junk bond" and the leveraged buyout (LBO), and Reagan's regulatory changes all fueled the hostile takeover trend. First, the inflation of the 1970s left many firms with low book values, but managers were reluctant to increase the book value of assets because this would put pressure on their profit margins. Returns on assets looked better when assets were artificially low due to inflation, but the result of not adjusting book values was that many firms had low market valuations that made them takeover targets (Fligstein, 2001; Fligstein & Markowitz, 1993; Zorn, 2004). Second, new finance tools such as high yield "junk" bonds and new acquisition strategies such as the LBO made hostile takeovers possible. Third, Reagan's regulatory stance helped takeover firms in two ways. On the one hand, Reagan relaxed restrictions against mergers among competitors, and this allowed buyers of firms to sell off tangential business units to the most interested parties – the direct competitors of those

units. On the other, the courts relaxed controls of hostile takeovers themselves (Davis et al., 1994, p. 554).

The firm of Kohlberg, Kravis, and Roberts (KKR) showed how successful the strategy of buying up large conglomerates and selling off tangential and unprofitable businesses to increase the stock price could be. Beginning in 1976, they bought up over 40 companies and restructured them, including such behemoths as Beatrice Companies and RJR Nabisco. R.J. Reynolds and Nabisco had merged only in 1985, but in 1989 KKR bought the company out for close to $25 billion, and then its head office of a mere dozen professionals ran the company using financial controls (Useem, 1993, p. 35). They often sided with management in these buyouts, in the role of ''white knight'' against external hostile takeover firms. But the results of the ''white knight'' takeover and the hostile takeover were much the same; the diversified conglomerate was broken up and a streamlined firm (with improved stock market valuation) emerged.

Davis, Diekmann, and Tinsley (1994) provide several sorts of evidence of the effect of the hostile takeover movement on Fortune-500 companies. First, they show that in the 1980s, firms that were diversified were significantly more likely to be acquired (and presumably broken up) than firms that were not diversified but were otherwise similar. The new management model led people to try to acquire and restructure conglomerates. Second, they show that about 30% of these corporations received some sort of takeover bid in the 1980s. In a comparable sample, we find that about 11% of firms received hostile takeover bids in the 1980s – so about one-third of all takeover bids were hostile (Zorn, Dobbin, Dierkes & Kwok, 2004). Every large American firm recognized the growing threat of hostile takeover. The phenomenon declined significantly toward the 1990s, partly because two-thirds of large firms instituted takeover defenses such as the poison pill (Davis, 1991). Many CEOs inoculated against takeover by dediversifying their firms themselves.

There is also good evidence that the takeover trend helped to put an end to further diversification. Davis and colleagues show that the lion's share of the acquisitions in the late 1980s was horizontal and vertical acquisitions. Diversifying acquisitions were now rare. In our sample of large publicly held firms, the median firm operated in three different industries in 1968, in five by 1983, and again in three by 1995. This despite the fact that the average firm was much larger, in terms of revenues and employment, by 1995. Firms also became increasingly likely to acquire within their own industries – acquisitions of firms in related fields made up four-fifth of all acquisitions in 1988, and less than nine-tenths in 2000 (Zorn et al., 2004). A firm did not

have to receive a hostile takeover bid to read the writing on the wall, and many CEOs restructured to inoculate themselves.

Hostile takeover firms broke conglomerates up, demonstrating that the component parts could sometimes be sold for more than the previous market valuation – that the parts were greater than the sum of the whole. These firms and their proxies argued forcefully that such break-ups were in the interest of investors, who reaped higher share prices, and ultimately benefited the economy as a whole. As Michael Jensen wrote in the Harvard Business Review in 1984, critics ignore "the fundamental economic function that takeover activities serve." Congress was alarmed at the wave of takeovers in the early 1980s, but that alarm was misplaced:

> In the corporate takeover market, managers compete for the right to control – that is, to manage – corporate resources. Viewed in this way, the market for corporate control is an important part of the managerial labor market… After all, potential chief executive officers do not simply leave their applications with personnel officers. Their on-the-job performance is subject not only to the normal internal control mechanisms of their organizations but also to the scrutiny of the external market for control (Jensen, 1984, p. 110).

Jensen thus legitimized takeover activity as a mechanism for ousting poorly performing chief executives and giving control of their firms to those better suited to run them. In the end, takeover specialists convinced the world that what they did for a living, far from threatening the corporation, was efficient. That it was in the interest of shareholders.

As takeover firms broke up conglomerates whose market valuations they judged to be too low, arguing that shareholders were the beneficiaries, executives became increasingly sensitive to the valuation of their firms by financial market constituents because their compensation was based increasingly on stock options and because neglecting stock price sometimes invited hostile takeover bids that left the CEO jobless. Takeover firms and the LBO faded away because corporate executives took their lessons to heart, dediversifying and focusing on stock price themselves.

Takeover specialists made huge sums of money from takeovers. They succeeded in popularizing the value orientation, and legitimating their own activities, by arguing that they were not just stock speculators. They argued that they were promoting a new vision of how the firm should behave and ousting executives with an antiquated vision. The power of takeover specialists to reshape the American corporation thus came from their ability to frame their activity as in the interest of shareholders – as forcing executives to manage firms to benefit their true owners. This rhetorical ploy worked, and it would be institutional investors and securities analysts who shaped

the particular meaning that a value orientation would have, that of beating analysts' profit projections.

Institutional Investors

As a professional group, institutional investors saw themselves as advocates for the thousands of pension fund participants and mutual fund buyers they represented. As they themselves were paid for the performance of the funds they managed, it was in their interest to encourage firms to maximize stock price – this is what fattened their own paychecks. So they saw their interests and those of the individuals they represented as synonymous. Similar to hostile takeover firms, institutional investors encouraged executives to do what they could to maximize stock price. As it became widely believed that diversified firms had artificially low stock prices, one of the strategies they promoted was dediversification. By focusing on stock price, encouraging firms to pay executives for stock price performance, and encouraging firms to spin off business unrelated to their main activity, institutional investors reshaped corporate strategy.

Driven partly by the explosion of defined-contribution pension plans and the increasing popularity of mutual funds as a form of investment, and partly by the aging of the baby boom generation and the expansion of its pension holdings, institutional investors grew from minor players to the dominant group controlling the flow of money into the stock market (Swedberg, 2004). Peter Drucker's 1976 book, *Unseen Revolution: How Pension Fund Socialism Came to America* and *John Stephens' 1980 The Transition from Capitalism to Socialism* anticipated the change. In our sample of over 400 large American corporations, institutional investors controlled slightly over 20% of stock in 1980 and roughly 60% by 2000. As they controlled more stock, institutional investors made greater demands on corporations. Between the mid-1980s and the mid-1990s, the number of shareholder resolutions supported by pension funds and other investment companies tripled (Proffitt, 2001).

The conventional wisdom ca. 1980 was that if an investor did not like the way a firm was managed, she could vote with her feet, moving her money elsewhere. Institutional investors came to believe that it made more sense to reform management than to sell off stock. Family owners had been the main proponents of management reform before this, but the family that held a significant stake was becoming a rarity (Useem, 1996). Some Hewlett–Packard (HP) family heirs fought to prevent the HP merger with Compaq,

for instance, but this role had become the exception. Now institutional investors with large chunks of stock in General Motors, for instance, preferred to lobby for management changes when stock price languished. Selling off at a low price cost shareholders dearly, and translated into smaller paychecks for institutional investors. They encouraged executives to pay more attention to stock price.

Institutional investors were vocal advocates for replacing the old executive compensation system, which amounted to pay-for-size because the highest salaries typically went to managers of the largest corporations, with pay-for-performance via stock options. They sometimes cited agency theory in economics. Michael Jensen, a finance professor at the University of Rochester who would later move to Harvard Business School and become a principal of the Monitor Group consultancy, was coauthor of the article often credited with popularizing agency theory in financial economics (Jensen & Meckling, 1976). Writing in Harvard Business Review, Jensen (Jensen & Murphy, 1990) argued forcefully that major firms made the mistake of paying their executives bureaucrats, tying compensation to showing up for the job rather than to performing. Jensen and Murphy called for boards of directors to require CEOs to be substantial shareholders, to link compensation to performance through stock options and bonuses, and to fire CEOs when they performed poorly. Boards had some trouble demanding that CEOs be major stockholders, for even if executives exercised stock options to buy stock, they could turn right around and sell the stock. Boards also found it difficult to fire CEOs, partly because CEOs typically staffed boards with their cronies. Boards found it easy to offer stock options on top of regular salary and bonuses, and so this is the advice they most often took. As Rakesh Khurana (2002, p. 191) concludes: "Enormous grants of stock options to CEOs have been justified on the grounds that they link CEO pay to performance. Yet recent research has shown that one of the first actions that new CEOs typically take is to break this link by exercising their options (and selling their shares) as soon as possible."

The single most important change institutional investors brought about was the rise of stock options in executive compensation. As these investors came to be paid for the performance of their portfolios, they saw it as in their interest to make sure that executives of the companies they invested in were also paid for their stock performance. This helped to redirect CEO attention to stock price, and it encouraged CEOs to follow the current advice of dediversifying to improve transparency and value.

The other change institutional investors favored was the abandonment of the diversification model. One reason was that it was their job to build

diversified portfolios for the institutions they worked for, and they could do this better when firms themselves had clear industry identities. Building a diversified portfolio out of firms that were themselves diversified portfolios was a messy business. The other reason is that takeover firms had made clear to the world that diversified firms tended to be undervalued. This may have been partly because institutional investors did not favor them, of course, making the prophesy that diversified firms were undervalued self-fulfilling.

It was not until 1990 that the theory of why single-industry firms were better managed than multi-industry firms was well articulated. Core-competence theory was given its name in 1990 by C. K. Pralahad and Gary Hamel in the Harvard Business Review, in an article titled "The Core Competencies of the Firm." But managers such as Jack Welch at General Electric had since the early 1980s argued for a style of hands-on management and corporate focus that presaged the idea, even if Welch oversaw a diversified behemoth. As Michael Useem (1996, p. 153) argues, "While diversification had been a hallmark of good management during the 1960s, shedding unrelated business had become the measure during the 1980s and 1990s." Institutional investor preference for single-industry firms translated into changes in business strategy. Fortune-500 companies whose stock was held by institutional investors at the beginning of the 1980s were more likely than others to spin off unrelated businesses (1996, p. 153).

Securities Analysts

Hostile takeover firms deconstructed diversified conglomerates and gave CEOs a reason to spin off unrelated businesses themselves; to preclude takeovers that would depose the executive team. They also focused executive attention on stock price, for takeover targets were undervalued firms. Institutional investors discouraged further diversification, for they saw it as their job to create diversified portfolios. They also focused executive attention on stock price, promoting stock options for executives to align executive interest with the interest of shareholders and of institutional investors themselves.

Like hostile takeover firms and institutional investors, securities analysts took actions that both discouraged diversification and focused CEO attention on financial numbers. They also helped to establish the yardstick by which corporations were measured, meeting analysts' projections or "making the quarter."

The role of stock analysts in encouraging firms to put all of their eggs into one industry has been well documented in the studies of Ezra Zuckerman (1999, 2000). The conventional wisdom that shareholders demand that diversified firms dismantle misses a key process. Analysts discouraged diversification because they specialized by industry. Multi-industry firm had fuzzy identities that made them difficult to analyze, and so analysts were less likely to cover conglomerates than single-industry firms of similar size. Firms liked analyst coverage, because analysts could only make ''buy'' recommendations for the firms they actually followed. In the late 1980s and early 1990s, executives in diversified firms responded by re focusing: selling off unrelated product lines, they hoped to benefit from increased share prices (Zuckerman, 2000). Zuckerman (1999) also shows that firms that were not covered by these industry specialists suffer, in terms of share price, relative to their peers. Firms with fewer analysts following them had lower market valuations than otherwise similar firms. Their CEOs, now dependent on stock options for income, suffered as well.

Meanwhile, the analyst profession was booming. Our data show that the typical industry leader was followed by eight analysts in the late 1970s and 18 by the early 1990s (Zorn et al., 2004). With so many analysts to satisfy, more and more executives appointed chief financial officers to communicate with them and to make sure corporate reports would satisfy them. In 1975, 5% of the industry leaders in our sample had CFOs. By 1995, 80% had them (Zorn, 2004).

In addition to promoting dediversification, analysts also transformed the obsession with stock price, which institutional investors had driven home, into an obsession with meeting analysts' profit projections. They did this by publishing profit projections for the firms they covered. The analyst project of inducing firms to pay more attention was fueled by the rise of high technology firms. Just when the number of stock analysts was rising, high technology stock that defied conventional analysis flooded the market. Amazon, AOL, and the likes lost money every quarter, but they were clearly the firms of the future. How to judge which to invest in? As during the heady days of 19th-century railway expansion, prospects for future profitability seemed more important than current accounts. Institutional and individual investors could not always judge a firm by its profits, but did profits meet with expectations? As Harris Collingwood wrote in the Harvard Business Review's June 2001 issue (p. 5); ''There's a tyrant terrorizing nearly every public company in the United States – it is called the quarterly earnings report. It dominates and distorts the decisions of executives, analysts, investors, and auditors. Yet it says almost nothing about a business's health. How did a single number come to loom so large?''

Journalist Joseph Nocera (1998) notes that at Fidelity, the private institutional investment powerhouse, the focus shifted from actual performance in the late 1980s to beating analysts' forecasts in the late 1990s.

> From time to time, young Fidelity hands would rush into (CEO) Lynch's office to tell him some news about a company. They would say things like, "Company X just reported a solid quarter-up 20%." Eleven years later, as I review my old notes, I am struck by the fact that no one said that Company X had "exceeded expectations." There was no mention of conference calls, pre-announcements or whisper numbers. Nor did I ever hear Lynch ask anyone – be it a company executive or a "sell side" analyst on Wall Street – whether Company X was going to "make the quarter" (Nocera, 1998).

Fortune magazine suggests that the emergence of firms making available consensus forecast data, based on the averages of these profit projections, focused executive attention on analyst forecasts and corporate strategy on meeting those forecasts:

> Executives of public companies have always strived to live up to investors' expectations, and keeping earnings rising smoothly and predictably has long been seen as the surest way to do that. But it's only in the past decade, with the rise to prominence of the consensus earnings estimates compiled first in the early 1970s by I/B/E/S (Institutional Brokers Estimate System) and now also by competitors Zacks, First Call, and Nelson's, that those expectations have become so explicit. Possibly as a result, companies are doing a better job of hitting their targets: For an unprecedented 16 consecutive quarters, more S&P 500 companies beat the consensus earnings estimates than missed them (Fox, 1997).

Firms were, by their own accounts, relatively insulated from investor preferences in the 1960s and 1970s. Individual investors rarely had the time to scrutinize the firms they invested in, but with the proliferation of stock analysts and publications covering their projections, investors had more information, albeit often meaningless information, to look at. With stock analysts and institutional investors working full time to evaluate companies, executives became more and more sensitive to investor preferences – or more precisely, to the preferences of their proxies, institutional investors.

With this increase in attention came more volatility in stock price. Stock price began to move more frequently in tandem with quarterly earnings reports and with analysts' buy and sell recommendations. Since stock options now tied executive compensation to stock price, which hinged on meeting analyst expectations, meeting targets became a pre-occupation among corporate executives. As Justin Fox wrote in Fortune in 1997:

> This is what chief executives and chief financial officers dream of: quarter after quarter after blessed quarter of not disappointing Wall Street. Sure, they dream about other things too – megamergers, blockbuster new products, global domination. But the

simplest, most visible, most merciless measure of corporate success in the 1990s has become this one: Did you make your earnings last quarter? (Fox, 1997).

Executives and CFOs responded by trying to game the numbers. CFOs held conference calls and reported updates about sales and costs much more frequently, trying to ensure accurate analyst forecasts. They also began to issue earnings pre-announcements to bring analysts' forecasts into line with their own forecasts. Among the firms we studied, the first did this in the early 1990s, and by 2000 some 50% were doing it. Firms also became more successful at "making their earnings," or meeting analyst forecasts. Whereas no more than half of firms met analyst expectations in the 1980s and early 1990s, by the late 1990s 70% of the firms we studied were meeting forecasts. Of course, the rapid increase in earnings restatements makes clear how some firms did this – where managing analysts failed, CFOs used legal and illegal means of deception.

Earnings management can be seen in other statistics as well. Using data on thousands of quarterly reports between 1974 and 1996, Degeorge, Patel, and Zeckhauser (1999) show that firms are significantly more likely to report earnings that exactly match analysts predictions than they are to report earnings that overshoot or undershoot by even a penny. And when earnings are off, firms are much more likely to slightly overshoot than to slightly undershoot. This pattern could only appear because managers manage earnings in myriad ways. Collingwood argues that CEOs and CFOs used every imaginable accounting trick to "make the quarter." Executives at Sunbeam reported as current earnings, expected future earnings on sales of barbecues at Wal-Mart and Sears. The stock crashed when word got out. Executives at SmithKlein Beecham's venture capital group lost millions in potential profits when their bosses refused to sell a biotechnology unit at the peak of the biotech market, for fear of reporting profits dramatically higher than analysts were projecting. Biotech stock indeed tanked, erasing the paper profit (Collingwood, 2001).

Hence, the job of CFO came to involve not only public relations, but also the development of accounting gimmicks that would allow firms to meet analysts' expectations. The accounting specialist gave way to the spin doctor. As Daniel Altman wrote in the New York Times in April of 2002, the job of CFO had changed. "Once upon a time, window-dressing was not in the job description. 'The CFO back 20, 30 years ago generally came out of the accounting profession,' said Karl M. von der Heyden, former chief financial officer of both PepsiCo and RJR Nabisco. They were glorified controllers… 'In the 90's, the CFO more and more became the partner of

the CEO in many good companies,' Mr. von der Heyden said'' (Altman, 2002). The job became one of managing earnings.

> In the 1990s, men like Mr. Fastow (CFO at Enron) and Mr. Swartz (CFO at Tyco) were paragons of corporate ingenuity for meeting and beating ever-higher revenue forecasts, but those values have backfired. That model made it hard for investors to figure out how much companies are really worth. Now, even many scrupulous companies see earnings statements parsed for accounting gimmicks. In the last decade, as Wall Street demanded more frequent reports of results and more guidance about companies' prospects, chief financial officers became spokesmen and even salesmen, conducting conference calls with analysts and often delegating to others the mundane task of watching the numbers. Companies began recruiting lawyers, investment bankers and consultants as chief financial officers, more for their deal-making talents than for technical expertise or fiduciary integrity (Altman, 2002).

Thus the role of the corporate head of finance had changed dramatically. The vice president of finance had been upgraded from back office accountant to part of the top management troika, with the CEO and COO. The ideal CFO was the CEO's right hand man, with the accounting savvy to produce attractive numbers and the people skills to keep institutional investors and analysts content.

CONCLUSION: THE MYTH OF REFORM

Understanding power relations is not as straightforward under modern capitalism as it would seem to have been in the early days of industrialization in Manchester and Lowell. Karl Marx saw factory girls working long hours under onerous conditions, and factory owners reaping the lion's share of the profits. The control of capital was what separated one group from the other. Ownership of capital is no longer all that matters. Knowledge professionals in business specialties are ascendant, and the owners of capital are more likely to be workers themselves, investing through pension funds.

Increasingly, power depends on the capacity of one group of business experts to alter the incentives of another, and on the capacity of one group to define the interests of another (Roy, 1997). What takeover specialists, institutional investors, and securities analysts managed to do was to change the perceived interests of both corporate executives and shareholders. Executives were now convinced that it is in their interest to manage share price. Stock owners were now convinced that they were better off after hostile takeovers (despite the fact that takeover specialists became millionaires) and that they were better off with firms managing earnings.

They did this not exactly with malice aforethought, in part because these groups of business experts could not have guessed exactly where all of these changes would lead, and in part because they brainwashed not only CEOs and shareholders, but themselves. As in any good contact game, these groups had to make the case compellingly and genuinely that the course they proposed was really in everyone's interest. They conned themselves first and foremost. Takeover specialists convinced themselves that they were ousting inept CEOs. Institutional investors convinced themselves that CEOs should be paid for performance. Analysts convinced themselves that forecasts were a better metric for judging stock price than current profits. This is not to say that the new approach to management is not superior to the old approach. By some measures it is most certainly superior, but one should be skeptical of claims that making the company's focus the management of earnings is in the interest of shareholders. One should as well be skeptical of the claim that focused firms are inherently more valuable than diversified firms – valuations are endogenous to the system, which is to say that if securities analysts had come to specialize by company size, or region, or anything other than industry, they might have favored conglomerates and single-industry firms might have been undervalued.

For the myth of shareholder value to take hold, three different professional groups had to construct their own interests, and the interests of executives and shareholders, in ways that favored a dramatic change in firm strategy. First, hostile takeover firms broke conglomerates up, arguing that the component parts could sometimes be sold for more than the price of the firm – that the parts were greater than the sum of the whole. They insisted that this activity was in the interest of investors, who reaped higher share prices, and that it ultimately benefited the economy as a whole by creating an efficient market for securities. They succeeded in convincing the world that what was originally seen as rank speculation in fact enhanced the economy's efficiency. Second, institutional investors, controlling ever-larger blocks of corporate stock, saw it as their job – not the firm's job – to build balanced portfolios. They saw executives focused on growth rather than stock price, and succeeded in changing the way executives were paid to focus their attention on stock price. Third, securities analysts specialized by industry, neglecting diversified firms. They argued that for themselves, and for the individual investor, it was impossible to evaluate a huge conglomerate operating in six different sectors. This encouraged diversified firms eager to attract coverage by industry specialists to divest unrelated business segments. They also collectively invented a new metric of corporate success, replacing simple profitability with meeting analyst forecasts of profitability.

This change set off a search for accounting gimmicks that would allow firms to report the kinds of numbers analysts liked to see. These three groups had important accomplices, of course. The big accounting firms vetted the profit reports of major corporations and peddled accounting gimmicks that would help them to ''make the quarter.'' Securities analysts working for financial institutions that managed initial public offerings (IPOs) of upstarts recommended that investors buy stock in those very same upstarts (Swedberg, 2004). Many found ways to make out in the new world of shareholder value.

Of course, the shareholder value strategy coincided with a remarkable run-up in share prices, and it no doubt played a part. The bubble did burst, destroying much of the value that had been created. Moreover, the earnings management strategy that became the hallmark of shareholder value boomeranged on many firms. CFO magazine quotes none other than Michael Jensen, the early proponent of pay-for-performance, on the disasters associated with earnings management. As a result of compensation packages that encourage earnings management, ''We've seen the ruination of many firms'' (Fink, 2004).

If paying CEOs a fixed salary and a small bonus every year failed to resolve the agency problems inherent in hiring managers to run companies they do not own, the use of stock options and other ''long term incentives'' did not resolve the problems either. It has changed the specifics of the problem. Executives focus irrationally on managing earnings, rather than on new corporate conquests.

Much-touted regulatory changes such as the Sarbanes–Oxley A prevent some kinds of executive malfeasance, but do nothing to really alter the dynamic of the new system that these groups put into place. They may make it marginally harder for executives to game the profit reporting system, but only until someone comes up with more subtle accounting maneuvers that can pass through new regulatory roadblocks. It is not that nothing has changed. Variable elements, including stock options, as a percent of CEO compensation are down from a high in 2001 of 71% to 63% for 2003, according to Mercer Human Resource Consulting (Fink, 2004). But the practice of misreporting earnings has not come to an end, for the incentive is still there. The Canadian telecom manufacturer Nortel Networks reported 2003 earnings of $732 million in January 2004, only to admit 3 months later that earnings were barely half that (Fink, 2004). The CEO, CFO, and controller were fired on the news. According to the Huron Consulting Group (2005) corporate earnings restatements were up from 270 in 2001 to 414 in 2004, a new record.

What has not changed in the wake of regulatory changes is that CEOs, institutional investors, investment bankers and securities analysts now take

a much greater share of the economy's proceeds than they did in 1980. Whereas the business-knowledge elite used to live well at the expense of wealthy investors, now they live well at the expense of the average American with a pension plan and at the expense of non-profit universities.

What is striking is that we take this as business as usual. When three of Harvard's endowment managers were paid 30+ million dollars each for a year's work, the University's economist-president remained mute, but others defended the pay scheme arguing that Harvard was simply paying the going rate for money management. The idea that the system of remuneration had gotten absurdly out of hand did not seem to occur to them. The ultimate evidence of the ideological power of these finance professionals is that the idea that remuneration in the tens and hundreds of millions, whether for fund managers or executives, is necessary to attract able talent goes un-challenged. Just a generation ago, CEOs seemed perfectly happy to show up at work for $ 1 million a year and now they demand $20 million (Khurana, 2002, p. 190). The cost of living well has not gone up as fast as that.

NOTES

1. These numbers jump to 100, 207, and 157 for 1998, 1999, and 2001, respec-tively, if we include restatements required by the SEC's new ruling on In-Process Research and Development costs.

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ON THE IMPORTANCE OF ANALYZING ECONOMIC SCANDALS AND CONTEMPORARY ECONOMIC INSTITUTIONS: A COMMENT ON DOBBIN AND ZORN

Richard Swedberg

''Corporate Malfeasance and the Myth of Shareholder Value'' is an excellent article that suggests several interesting contributions to economic sociology. The most important of these is clearly the attempt to explain how the notion of shareholder value emerged and how it has come to play such a central role in the current corporate economy. One way to describe the accomplishment of Dobbin and Zorn would be to say that the authors accept and add to Neil Fligstein's suggestion in *The Transformation of Corporate Control* and later writings that the best way to understand contemporary U.S. capitalism is to focus on the large corporations and how their strategies (or rather, how their conceptions of their strategy) have changed over the years (Fligstein, 1990, 2001; Fligstein & Shin, 2004). Fligstein has laid the empirical foundation for this type of analysis by carefully following the development of the big U.S. corporations from the 1990s and onwards; and in doing so, he has relied mainly on the concept of

field (from organization theory and Bourdieu) and on the concept of conception of control (based on a mixture of Weber and March).

Dobbin and Zorn's main contribution to the Fligstein's enterprise is to provide a historical–sociological explanation of how the notion of shareholder value has emerged, and also how the earlier strategy of corporate diversification came to be rejected. They suggest that this process was primarily the result of the activities of three groups: managers of hostile takeovers, institutional investors, and securities analysts. The role of Michael Jensen and agency theory is touched on, but was not assigned major importance. The idea that the boom of the 1990s should have been instrumental to the rise of shareholder value is rejected.

The discussion over the next few years will decide whether Dobbin and Zorn's theory of the origin and development of the notion of shareholder value will hold up to historical scrutiny or not. In relation to what is known today, I think that it will do quite well, even though I would have liked the authors to have more references in their article. Regardless of this issue, Dobbin and Zorn have produced a high-quality article for debate, in the best tradition of *Political Power and Social Theory*.

Besides making a fine contribution through their explanation of the rise of shareholder value, Dobbin and Zorn have some other interesting things to say, and in the rest of this comment I shall elaborate a bit on these. The first part is about the corporate scandals that have occurred since 2001 and which are still going on. Another is the issue of the giant sums of money that CEOs, since the 1990s, have begun to pocket. There is finally also what Dobbin and Zorn refer to as the social construction of interest.

ECONOMIC SCANDALS

Dobbin and Zorn discuss the role that the rise of shareholder value has played in the behavior that led to the corporate scandals from 2001 and onwards, and they also discuss the link between the notion of shareholder value and malfeasance more generally. Their basic argument is that there is a distinct tendency for corporations that are operated according to the principles of shareholder value to engage in corrupt behavior. More precisely, in an attempt to live up to securities analysts' predictions, they will falsify the books. Attempts to stop this type of behavior through legal means, such as the Sarbanes-Oxley Act, will not succeed since they do not eliminate the main reasons why the books are cooked in the first place.

The questions that Dobbin and Zorn raise about shareholder value and malfeasance point, as I see it, directly to the need in contemporary economic sociology to address the issue of *scandals in economic life*: why these occur and how they are played out. Several different theoretical approaches to economic scandals exist, and all these have something to add to a sociology of economic scandals. There is first of all the most popular explanation of all, namely that *greed* is the cause of economic scandals. According to another common theory, economic scandals are *inherent in the economic system*; and attempts to put an end to them through legal measures are consequently illusory. One may finally also argue that economic scandals are the result of *several different social mechanisms* and not necessarily the same in all cases.

The explanation of economic scandals, in terms of greed, is mainly to be classified as a psychological theory and is as such not suitable to occupy the central place in a sociological explanation. Weber had already pointed out in *The Protestant Ethic* that one cannot explain modern capitalism and its dynamics by referring to individual greed (e.g. Weber [1904–05] 1958, p. 17). The impulse to make money is universal, according to Weber, and always mediated through social structures. This is also the case with modern capitalism, which in some ways may even be understood as a way of *suppressing* the desire for short-term profit, to ensure stable and long-term profit (*ibid.*). While greed, to sum up the argument, is present in economic scandals, it cannot in and by itself account for these scandals and how they are played out.

The idea that economic scandals are built into the economic system, and that it therefore is futile to try to stop them, is nearly as common as the idea that these scandals are caused by greed. One version of this type of reasoning can be found in Charles Kindleberger's *Manias, Panics and Crashes* (1978), which draws inspiration from Hyman Minsky's ideas about financial crises. The basic idea here is that there is first a boom, then a mania, followed by a crash. The crash is "intimately bound up" with illegalities of various kinds – and hence we have our scandal (Kindleberger [1978] 1996, p. 66). A similar argument is implicit in much of Marxist literature, where capitalist expansion and greed-induced scandals are equated. Polanyi, finally, speaks of the so-called secondary movement, by which it is meant that radical pro-market measures will always lead to counter measures to safeguard the community – which in turn will lead to a response from the pro-market forces, and so on. There is a path-dependent dimension to this type of argument, but also a tendency to emphasize that the same basic process takes place over and over again. This cyclical tendency in Polanyi's thought, it may be added, plays a key role in the well-known work of Mitchel

Abolafia, *Making Markets*. Abolafia here suggests that the traders on Wall Street are caught in ''cycles of opportunism,'' which can be described as follows: opportunistic trading leads to pressures for restraints; and once these restraints have been in existence for some time, traders will start to behave in an opportunistic way again, which necessitates new restraints, and so on (Abolafia, 1996, pp. 179–181).

The ideas of Kindleberger, Marx, and Polanyi can be described as structural and tends to be mono-causal. They are also macro- rather than micro-oriented in the sense that they all take for granted that there is a tendency for there to be economic scandals in the modern capitalist economy. Dobbin and Zorn's analysis belongs to some extent to the same category, since they argue that there is an inherent tendency to engage in illegal activities, such as cooking the books, in a corporate economy dominated by shareholder value. The idea that for example the legal system can be used to stop the cooking of the books seems to be ruled out in advance.

My own view is that an empirical stance in these questions is difficult to couple with the assumption of inevitability; and to illustrate the complexities involved I would like to point to Eliot Spitzer's various attempts to come to terms with illegal economic behavior during the last few years. Spitzer has single-handedly taken on very powerful brokerage firms and mutual funds; and his behavior is hard to capture with the help of general theories by Kindleberger, Marx and Polanyi. I also would argue that it might be useful to conceptualize economic scandals as the result of several social mechanisms that happen to work together, and not as the result of some inevitable general tendency in a system. One may, for example, analyze the various ways in which the legal system attempts to deal with innovations in the economic system. Sometimes the negative impact of these innovations may be blocked or redirected through laws and regulations, such as conflict of interest legislation. To have the same person in charge of analyzing stocks *and* getting a bonus for selling certain stocks represents a situation with a strong conflict of interest that can easily be avoided through legislation. Regulation Fair Disclosure (according to which all investors are legally entitled to the same information) is another example of how a situation that earlier led to much abuse of small investors has been remedied through skillful legislation. What all of this adds up to, is the question whether it is correct to argue that there exists a distinct tendency to malfeasance in the current economy that cannot be stopped through legislation. In brief, I would like to ask Dobbin and Zorn if it really is (1) inevitable that shareholder value leads to the cooking of books and (2) that legal attempts to stop this will be futile.

CEO PAY

As part of their analysis of the rise of shareholder value and the accompanying tendency to malfeasance, Dobbin and Zorn touch on the issue of CEO pay and how it shot up enormously during the 1990s. On this point I would like to also refer the reader to Roger Lowenstein's (2004) excellent book *Origin of the Crash*, in which the story is told how in the 1980s *one million dollar* was seen as something of a maximum salary for CEOs, and sums in excess of this caused quite a bit of debate since they were seen as immoral. Today, as we know, a number of CEOs made *several hundred million dollars* during the 1990s; and it now became possible, for the first time in U.S. history, to make an enormous fortune without having created your own corporation such as the Fords, the Rockefellers, and so on.

My reason for bringing up the issue of CEO pay in this comment is that I would like to take the opportunity to state that I find it depressing that contemporary stratification experts in sociology have paid so little attention to this issue, which on the other hand has upset the average American quite a bit. Here is a topic for public sociology, if ever there was one. The neglect of CEO salaries in stratification research can also be read as a sign that it is about time that economic sociologists start to move into this field. It is definitely possible to argue that an economic sociology that does not deal with "who gets what and how" is seriously incomplete. Similarly, it is clear that to understand "who gets what and how," you also need to get into the issue of *wealth*, not only *salaries*. It was precisely by granting their CEOs options that corporations in the 1990s succeeded in bypassing the public taboo against excessive CEO salaries. The study of wealth and salaries belong together – in economic sociology, if not in stratification research.

THE SOCIAL CONSTRUCTION OF INTEREST

Dobbin and Zorn assign a key role to *interest* in their explanation of the rise of the notion of shareholder value. The three groups that were instrumental in ushering in this new notion, they argue, succeeded in changing the existing incentives in such a way that shareholders and executives began to view their interests from a new perspective. How this came about is referred to by the authors as a "social construction of interest" (p. 2).

I find the emphasis of Dobbin and Zorn on interests refreshing, since much of today's sociology, including economic sociology, focuses exclusively on social relations and does not address the issue of what drives the actor. The result of neglecting interest is that the whole explanation comes to rest on social relations, something that leads to a lopsided and myopic view of the world.

Interests, it can be added, may be defined in a quasi-biological fashion (''people always have certain interests'') or in a more social manner (''people's interests are defined socially''). As an example of someone who tends to discuss interests according to the former position, one may mention James Coleman; and as an example of someone who has a social constructivist approach, there is Pierre Bourdieu (e.g. Coleman, 1990; Bourdieu & Wacquant, 1992). Dobbin and Zorn clearly follow the strategy of Bourdieu in their article; and I agree that this is the way to go when one analyzes the role of interests in modern capitalism.

Having argued myself for an interest-approach in economic sociology, I am not only pleased to see that Dobbin and Zorn seem to be of a similar opinion, but also note the skill with which they apply this perspective. Their argument is that three groups of business experts helped to redefine the interests of executives and shareholders. They emphasize that these three groups could not possibly have known what the outcome of their actions would be. They also argue that these three groups were so successful in redefining interests because they fervently believed the new conception of shareholder value themselves. Dobbin and Zorn write that ''they conned themselves first and foremost;'' and I think that this is a good description of how people become more successful in persuading others when they believe something themselves. What we have here, in other words, is an example of what Sartre calls ''bad faith,'' and which seems to be quite common in business: you do not so much lie to others as to yourself (Sartre, 1966, p. 18).

The general problem in the type of analysis that Dobbin and Zorn focus on, is described as one that involves ''*the capacity of one group to define the interests of another*'' (p. 17; emphasis added). This is a fine formulation, I think, which is also applicable to a host of other phenomenon, from advertisement to education. According to agency theory, the principal has an interest in having the agent doing something for him/her, but also has to remember that the agent has distinct interests of his/her own. Dobbin and Zorn, in contrast, have put their finger on a somewhat different, but similarly important situation, thereby expanding interest theory.

CONCLUDING REMARKS

By way of concluding this comment, I would like to make one additional observation. This is that Dobbin and Zorn's article in a very successful way takes on *a current economic topic*; and that in doing so, the authors show how powerful the perspective of economic sociology can be. The reason why I emphasize this seemingly trivial fact is that many of my colleagues in the United States, who are economic sociologists, claim that economic sociology should *not* view the analysis of contemporary economic institutions in the United States as its main task. This represents a much too demanding task, they argue, since we economic sociologists do not have resources to take on what is currently going on in the U.S. economy. The key task of economic sociology should rather be to develop new and interesting concepts, with which any economy can be approached, in an economic-sociological fashion.

It is true that these two perspectives tend to merge at one point. Still, if there has to be a choice between the two tasks – and it seems that one does have to make a choice today, given the fact that the resources of economic sociology are small – it may be preferable to prioritize the task of analyzing the ongoing economy as opposed to the task of developing new concepts. One reason for this is that live and interesting sociology tends to grow out of a confrontation with contemporary reality, as illustrated so well by Dobbin and Zorn.

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THE POWER OF IDEAS? THE POSSIBILITY OF A MYTH OF SHAREHOLDER VALUE

Elisabeth S. Clemens

Of late, the business news has battered the reputation of modern capitalism as rational and efficient. As portrayed in the headlines, leaders of industry appear driven by status anxiety and hormones and pride, as well as greed of impressive proportions, rather than the pursuit of efficient production and expanded market share. In "Corporate Malfeasance and the Myth of Shareholder Value," Frank Dobbin and Dirk Zorn explore the sources of this latest outbreak of speculation and fraud. They locate the source in the new power of business professionals, specifically stock analysts, in constructing a metric of value driven by the *expected* earnings (or losses) of publicly held companies. As executive compensation included ever-larger quantities of stock options, executives and stock analysts, along with institutional investors, have become entwined in a system of incentives which encourages the manipulation of these expectations, often at the expense of sustaining a productive and profitable enterprise. Rather than being driven by status anxiety, hormones or greed, financial misbehavior is both rational and rewarding.

For Dobbin and Zorn, the basic causal narrative begins with new ideas, in the domain of Robert Reich's (1991) "symbolic analysts." Informed by agency theory, large institutional investors supported a shift in the composition of

executive compensation; the increased distribution of stock options was intended to align the interests of corporate management and shareholders. Pressured by both a turn from portfolio theories of the firm by professional economists and the distaste of stock analysts for diversified companies with ambiguous identities (Zuckerman, 2000; Lounsbury & Rao, 2004), company executives abandoned strategies of growth through diversification and, instead, entered into a symbiotic relationship with stock analysts. Analysts produced statements of expected revenues; company executives tweaked (and, sometimes, invented or disappeared) revenues in order to meet those expectations.

By locating the source of this financial behavior in a complex of incentives, Dobbin and Zorn provide a valuable corrective to arguments that attribute financial misbehavior to either individual vice or the "bad culture" of the specific corporations as well as the times more generally. They remind us that the social character of markets does not lie only in networks, but also in the cultural templates that organize action (Krippner, 2001). The authors also provide reason for pessimism when it comes to reform. So long as the incentives for analysts, management, and institutional investors are aligned in this fashion, the returns to massaging corporate revenues will persist. In their telling, American politics has little recourse against the increasing share of national income appropriated by these business professionals.

In making a case for skepticism with respect to regulatory reform, therefore, Dobbin and Zorn are also making a more general argument about the changing nature of power, both political and economic:

> [T]his new corporate strategy was an idea hatched not by corporate executives, as was the case with previous strategies, and not by shareholders, as mythology suggests, but by professional groups in financial markets. Those groups managed to change the behavior of firms. These weren't robber barons in cigar-filled rooms, but MBAs and CPAs working within large financial institutions. The idea that the power elite is comprised of capitalists and captains of industry now seems antiquated – knowledge workers who redefined corporate efficiency were among the biggest beneficiaries of these changes (p. 3).

In advancing this claim, Dobbin and Zorn borrow both an established imagery and a handy shortcut from political theory to economic sociology. In emphasizing the role of business professionals, they invoke a cognitive or expert-based understanding of power shared by theorists as diverse as Michel Foucault and Theda Skocpol with her call to "bring the state back in." Yet whereas political sociologists have had to infer the interests of state bureaucrats and professionals from their formal appointments, assuming that they will profit from the increased size or influence of their agencies, Dobbin and Zorn find a ready tool in the basic question: who benefits? The

high salaries and extravagant perks of business professionals constitute evidence of their power or causal significance. Thus their pessimism with respect to reform rests on a sense that this pattern of malfeasance is securely locked-in by generous returns to the individuals involved, making the current organization of financial markets more secure than the public bureaucracies whose modestly paid leadership proved vulnerable to the campaigns of an ideologically driven movement to dismantle the state.

Read in this fashion, contemporary corporate malfeasance takes its place in a long tradition, reaching back to seers and shamans, in which those with special powers or expertise extract wealth from the rest of society. The stock analysts and business consultants are the latest groups to invent a cure-all or revitalizing tonic, or theology that merits lavish rewards. Yet, as Dorothy and her companions recognized in the Emerald City, sometimes one must look behind the curtain in order to understand the different forms of power and their relation to distinctive settings. For Dobbin and Zorn's account of the power of business professionals to construct new definitions of value and gain financial advantage, the challenge is to understand the extent to which these accomplishments represent either power over other actors in the system or a necessary causal role in shifting economic development in a decisive manner.

Consider first the relationship between stock analysts and corporate management. Dobbin and Zorn initially bracket the question of how expectations of financial performance are themselves constructed. Stock analysts would seem to have the upper hand in as much as executives "massaged profit reports to keep their companies on analysts 'buy' lists" (p. 1) or "put all of their energy into meeting the profit projections of securities analysts" (p. 5). Here the claims generated by analysts are treated as prior to the efforts of managers to meet those claims. Yet such an attribution of power must be qualified in light of the fact that analysts who issued unfavorable reports were often punished by the loss of access to company executives (Phillips & Zuckerman, 2001, pp. 396–399). As Dobbin and Zorn acknowledge, firms "began to issue earnings preannouncements, to bring analysts' forecasts into line with their own forecasts" (p. 19). And, of course, some firms and investors continued in their old-fashioned ways: focusing on improving production, increasing market share, and even satisfying their workers and customers.

But even if some firms and investors opted out of, or failed to gain entrance to, the conversation among analysts and managers, many were caught up. Among the different types of business professionals – stock analysts, and corporate managers, and institutional investors – it is difficult to disentangle the dimensions of influence and interdependence in order to

come to clear conclusions about the distribution of power. It's not clear who is gaming whom. Yet, Dobbin and Zorn's broader point about the construction of value holds. In contemporary economies, many of the biggest exchanges involve projected revenues, potential markets, and trajectories of innovation. In an important sense, the most expensive items in the modern economy are virtual, constructions of value. Consequently, a case for the proximate causality of business professionals is compelling.

By focusing so tightly on business professionals, however, Dobbin and Zorn direct attention away from the conditions that make this kind of constructionist or ideational power both possible and potent. The misdeeds of corporate managers and stock analysts make a larger point about the dimensions of political economy. The power that stems from the construction of financial theory is multiplied by – or conditional on – a broader financialization of modern economies that cannot be attributed so directly to business professionals as opposed to other elites endowed with other kinds of power.

Although the stylized legacy of Marx continues to privilege relations of production or employment, studies of economies both past and present remind us that multiple systems of relationships structure the circulation of resources. Credit, partnership, marriage, and neighborhood ties mutually constituted the structure of power in Renaissance Florence (Padgett, 2001); labor, credit, and commodity markets have co-constituted the class politics of the United States (Wiley, 1967). Recognizing that workers may also be owners of stock, particularly through the expanding domain of mutual funds and contribution-driven retirement schemes, some analysts (Drucker, 1976) championed "pension fund socialism," a theme echoed in the references to an "investor society" in the presidential campaign of 2004. Yet socialism for whom? Employees have increasingly been shifted from guaranteed traditional pensions to defined-benefit investment plans, with their less predictable returns, as the basis for retirement. Ownership of equities, even more than income, is concentrated at the top of the distribution of wealth (Phillips 2002, pp. 108–147). Thus, the broader point is that class politics in the United States are increasingly structured through relationships and standing within equity markets. The question of "who benefits?" directs attention to the investor class broadly, of whom Dobbin and Zorn's business professionals are a part, but certainly not the whole. To address the question of power in contemporary capitalist democracies, we would need to consider the other elements of this investment class who acted to establish the conditions – new pension laws, new financial regulation – that made the ideational work of business professionals so very consequential.

Dobbin and Zorn's own language reveals some unease about the relationship between the business professionals in the foreground and the broader politics of wealth.

> It was happenstance (the baby boom) that pension investments grew by leaps and bounds and were increasingly put into the stock market, leading institutional investors to control the majority of stock in major corporations. It was happenstance that the high technology boom would replace the conventional metric of corporate success, profits, with the arms-length metric of meeting analysts' profit/loss projects. But the new shareholder value model of the firm was also the result of professional strategizing by groups that were empowered by these historical shifts, institutional investors in the first place and securities analysts in the second (pp. 3–4).

At stake here is whether we take "who benefits?" to be a decisive indicator of power, either political or economic. Are we to understand business professionals as masters of their own universe or as lackeys well-positioned to sweep up the deluxe crumbs of a massive economy and a polity surrendering the mechanisms that had compressed inequalities of wealth for half a century? A counter-factual may be helpful. Assume that the portfolio theory of the firm remained dominant among financial theorists. Assume that stock analysts cultivated a taste for complex firms with ambiguous identities, a taste that would create a wider field for differentiation or distinction among analysts. Given the rapid increase in the size of the equity markets, driven in part by the financialization of personal savings through mutual funds and defined-contribution retirement programs (Shiller, 2000, pp. 17–43), would we expect to see an increase in corporate malfeasance?

The answer to this question matters for deciding what, if any, are the possible political responses to the current wave of corporate malfeasance. Dobbin and Zorn locate business professionals and their ideas at the center of their argument, but then rightly warn that so long as these ideas remain manifested as a system of incentives, the temptations to bend or break the rules will continue to induce financial misbehavior. Thus, political reform appears impotent unless business professionals for some reason change their minds and advance new theories of the firm. If current patterns of corporate malfeasance are understood as flowing from the broader financialization of American life – and the power relations within the equity market – the prospects for regulatory reform of the investment industry remain bleak. But this reframing does open up a different, if no less daunting, field for political mobilization and challenge to the broader system of economic relationships that structure the American politics and society.

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THE HISTORICAL CONTEXT OF SHAREHOLDER VALUE CAPITALISM

Mark S. Mizruchi and Howard Kimeldorf

INTRODUCTION

Dobbin and Zorn offer a rich and insightful explanation for recent shifts in corporate strategies and incentives that, they argue, left American firms open to the wave of scandals that have filled the nightly news over the past few years. Where once far-sighted corporate leaders trained their eyes on stability and long-term growth, today's CEOs have trouble looking beyond the quarterly profit predictions that constitute the new bottom line in corporate America. Focused as they are on "meeting the quarterlies," institutional investors, takeover artists, and financial analysts have emerged as the new corporate elite, displacing the largest private owners of capital and bureaucratic managers alike.

The argument is made all the more powerful by the authors' deft integration of historical contingency – the "happenstance" of the baby boom generation that empowered institutional investors, and the high tech boom that placed performance forecasts in command of profits – into a powerful and revealing account of the unanticipated consequences of purposive social action in which, according to Dobbin and Zorn, "Takeover specialists convinced themselves that they were ousting inept CEOs. Institutional investors

convinced themselves that CEOs should be paid for performance. [And] analysts convinced themselves that forecasts were a better metric for judging stock price than profits.'' The rise of this new corporate elite was thus not entirely coincidental, and certainly not random, but few could have predicted the particular path of its ascendance, much less its harmful consequences for our ''shareholder nation.''

Although we could raise questions about some aspects of their argument – hostile takeover firms seem more a phenomenon of the 1980s than of the present, for example, and the idea of growth by acquisition remains far from dead (the emphasis has merely shifted to huge within-industry mergers) – we find the general contours of Dobbin and Zorn's story compelling. Our goal in this comment is therefore not to take issue with their argument per se. Instead, we would like to address a question that emerges from their discussion: What were the historical and political conditions that gave rise to and empowered this new class of financial professionals? In particular, we seek to understand the rise of institutional investors and financial analysts in relation to the post-war decline of American labor, the relaxation of government regulation, and the declining influence of finance capital. Our comments are necessarily brief and uneven – brief because of our role as commentators; uneven because of the preliminary and, in some cases, speculative state of our thinking.

POST-WAR MANAGERIAL CAPITALISM

Our story begins in the post-war period marked by the ascendance of the management-controlled, giant, bureaucratic, American corporation. In the now classic formulation of managerialism first elaborated by Berle and Means (1968 [1932]), corporations were seen as having thousands of widely dispersed stockholders, who exerted little if any influence over management. Firms operated in concentrated markets, were highly profitable, and flush with cash. At the same time, the United States had emerged from the war as the preeminent economic power in the world, giving domestic firms a leg up on foreign competitors, most of whom were tied down rebuilding their war ravaged infrastructures. In this favorable environment, the primary goals of American managers were growth and stability – the former because it led to prestige and high salaries, and the latter because it allowed them to maintain their privileged positions.

This system was characterized, and sustained, by a set of institutional conditions that, arguably, were historically unique. First, most large corporations

had come to accept the existence of labor unions. The recent experience of wartime coordination – what some would later term "collaboration" – between big business and big labor revealed a side to unions that had seldom been seen. In the interests of maximizing wartime production, the AFL and the CIO both signed no-strike pledges, disciplined recalcitrant militants, and engaged in limited short-term economic planning. Though their abandonment of the class struggle was only temporary, American labor, especially following the Cold War purge of the Communists, was now sufficiently domesticated to lay a foundation for the post-war "labor–capital accord" which gave organized labor a permanent place at the corporate table – or so it seemed through the early 1970s (Aronowitz, 1973).

Second, unlike the earlier corporatization wave at the turn of the 20th century, the post-war period witnessed the emergence of an expanding and more activist state. Government regulation of business was not necessarily greater during this period than in earlier decades; in fact, the levels of government activism tended to fluctuate depending on which political party occupied the White House. But the state's penetration of civil society, building on the legacy of the New Deal, increased significantly by taking on a wider range of regulatory functions and spearheading a wave of new social legislation during the 1960s. Although many corporate leaders might have preferred a less active state, they also recognized that programs such as Social Security and welfare reduced the potential for social unrest, socialized the costs of reproducing labor, and shored up the legitimacy of the system as part of the ongoing ideological battle between East and West.

A third feature of the post-war world was the changing social organization and growing activism within the corporate elite. New instruments of policy formation, representing the major factions of the business community, appeared at the national level to better coordinate corporate interests both at home (the Committee for Economic Development, and, later, the Business Roundtable) and abroad (the Council on Foreign Relations). The increasing influence of these consensus-making bodies, coupled with the growing participation of financial institutions, whose capital was required by most major firms and whose interests transcended those of particular industries or sectors, created an internal discipline and coherence within the corporate elite, ensuring greater uniformity of action, if not of thought.

This confluence of a strong labor movement, an activist state, and the centrality of finance capital had the consequence, we suggest, of keeping corporations in check. The presence of a strong labor movement generally served as an effective countervailing force to corporate hegemony by partially constraining the enormous power of capital while also providing

another source of accountability for economic decision-making. Similarly, government involvement in the economy, particularly in the regulatory arena, fortified the state with the requisite legislative and enforcement powers, as well as conferring the necessary political legitimacy to more closely monitor internal corporate affairs, such as work safety and environmental practices. And the centrality of finance capital placed banks – with their more risk-averse orientation – at the center of the corporate economy. Although corporate takeovers, particularly those involving diversification, were rampant during the 1960s, they were – unlike the subsequent wave of takeovers in the 1980s – typically encouraged by the leading banks, whose capital they usually required. Individual investors or CEOs who tried to "game the system" or who behaved in ways that the banks viewed as erratic, such as Saul Steinberg and James Ling, were quickly disciplined and brought into line.

This is not to romanticize the post-war corporation as a "soulful" economic citizen, as some have suggested. Illegal and unethical corporate behavior certainly occurred during this period, but any transgression that deviated from a relatively narrow norm was quickly sanctioned, not only by the state and occasionally by labor, but also by the financial community. The result was that corporate malfeasance on the scale of today's Enron scandal was neither imaginable nor, in most cases, possible.

TURMOIL AND REORGANIZATION: LABOR AND THE STATE IN RETREAT

As we moved into the 1970s, however, the system began to unravel. Mounting inflationary pressures, generated by the fiscally impossible "guns and butter" policy of simultaneously placating the domestic population while pursuing an expensive overseas war, took a heavy toll on the American economy, dampening productivity and choking off new investment. The concurrent rise of foreign manufacturing and the increase in the U.S. balance of payments deficit led, in 1973, to the abandonment of the Bretton Woods international monetary agreement, which had fixed foreign exchange rates to the U.S. dollar. American firms, having been insulated from overseas competition, now found themselves unable to compete with the growing power of European and Asian manufacturers whose rebuilt and modernized plants flooded the domestic market with high quality but less-expensive goods – everything from cars to consumer electronics. The

energy crisis of 1974 only exacerbated these problems, with the simultaneous appearance of rising inflation and unemployment, a combination thought to be impossible according to the prevailing Keynesian economic theory. This "stagflation," as it was dubbed, led first to a sharp decline in the stock market, and then to continued economic stagnation throughout the remainder of the decade. A weakened stock market, as Dobbin and Zorn (and many others) note, set the stage for the takeover wave of the 1980s.

With inflation and unemployment both high, and with profits and stock prices both low, the American business community faced a crisis. In the wake of the Watergate scandal, public confidence in the nation's major institutions, including especially business, was at a historical low. The emergence of powerful consumer and environmental movements expanded once again the scope of state regulation with the formation of the Environmental Protection Agency and the Occupational Health and Safety Administration, both of which were signed into law by a reluctant President Nixon.

Having seen enough, the business community mounted a counteroffensive that would dramatically remake the country's political and economic landscape. Their response, bankrolled by wealthy individuals and leading corporations, targeted what many conservatives believed was responsible for the decline of the American economy: a lack of productivity, caused in part by a labor movement whose long-standing work rules purportedly impinged on the flexibility of firms; and government regulation that presumably increased the cost of doing business. Both organized labor and the state were thus seen as obstacles to economic revitalization, making it difficult, if not impossible, for American firms to compete with their foreign adversaries.

The election of Ronald Reagan in 1980 was pivotal in bringing this anti-union, anti-statist ideology from the periphery to the center of American politics. While Reagan certainly deserves much of the credit for mainstreaming the business agenda, the assault on labor and the state had already been launched under the previous Carter administration. Anti-union sentiments, galvanized by the emerging business counteroffensive, were already powerful enough by the late 1970s to defeat or weaken several attempts at labor law reform (Vogel, 1989, Chapter VII), despite Democratic control of the executive and legislative branches of government. Simultaneous attacks on "big government," always a mainstay of Republican politics, also found new life, as business leaders aggressively lobbied President Carter to roll back regulations that were supposedly strangling the economy.

Still, Reagan's election in 1980 was a turning point, particularly insofar as his vision for the country offered a more coherent ideology for the deepening assault on labor and the state. In his view, which has since become a foundation of neo-liberalism, unions, regulations, or anything else that interfered with the workings of an unfettered market constituted unnecessary impediments to economic growth. By freeing up markets and implementing fiscal and tax policies designed to encourage investment, Americans, in this view, would enjoy a level of personal freedom never before experienced under the shadow of big government.

The new president fired his first shot shortly after taking office, when he personally dismissed the nation's striking air traffic controllers. His subsequent decision to hire replacement workers reversed nearly half a century of accepted industrial relations practice, which held that unions should have the right in a democratic society to strike without fear that their members would be subject to permanent replacement. Reagan's action, however, was far less risky than it appeared, since the labor movement, reeling from almost three decades of decline, was in no position to resist. The message was not lost on organized labor, whose members all but abandoned the work stoppage as a weapon of industrial warfare. An emboldened President Reagan then took aim at the legal infrastructure of modern industrial relations, neglecting to enforce legislation that protected worker rights on the job, and stacking the National Labor Relations Board with like-minded appointees, some of whom openly questioned organized labor's right to exist. Following a decade of steadily declining representation elections and union wins, organized labor was no longer capable of exercising much restraint on capital, especially in the private sector heartland of the economy, where unions had been hardest hit (Fantasia & Voss, 2004).

Under the cover of attacking big government, hundreds of loyal foot soldiers in the Reagan revolution waged a relentless campaign against the state's regulatory functions. The Clean Air Act was weakened, although not nearly as much as either the president or business wanted. At the same time, as Dobbin and Zorn note, enforcement of antitrust legislation declined precipitously, and favorable policies, including the ability to deduct the interest on the debt used for acquisitions, created a friendly environment for the wave of takeovers that followed. The growing reliance on markets, rather than governmental oversight, to regulate corporate behavior left the door open for "a wide range of speculative behaviors" that would eventually lead to the scandals of recent years (Prechel, 2003, p. 327).

THE CHANGING NATURE OF BANKS DURING
THE 1980s

With labor and the state in full-scale retreat, the banks were the last layer of defense against corporate malfeasance. Although banks never actually controlled corporations on a wide scale, during the 1970s they exercised what Mintz and Schwartz (1985) termed ''hegemony'' due to their control over scarce investment capital and their leadership role in coordinating complex financing schemes. Given their economic centrality, banks were often able to set limits on the behavior of the non-financial firms that depended on them.

Bank hegemony was undermined during the 1980s by a combination of technological and regulatory changes that enabled firms to reduce their reliance on banks for capital. Increasingly they borrowed directly from other firms through the use of commercial paper. By 1994, the amount of debt in commercial paper equaled that owed to commercial banks, while individual investors turned to mutual, pension, and money market funds, thereby reducing their deposits in commercial banks. The banks responded to these changes in two ways. First, they engaged in a series of high-risk ventures that led to several bank failures and near failures by the late 1980s. Second, they began to shift their focus away from lending, and toward financial services, including, eventually, securities underwriting. In the process, commercial banks came to more closely resemble investment banks. The separation of commercial and investment banking had been legally mandated since the Glass-Steagall Act of 1933, but American banks by the 1990s were challenging Glass-Steagall, claiming that the law unfairly disadvantaged them in the increasingly competitive world of international finance. The law's final blow came with the 1998 merger of Citicorp and Travelers Insurance (which included the investment firm of Salamon Smith Barney). Glass-Steagall was repealed by Congress in 1999.

The upshot of this is that banks lost their formerly privileged place within the social organization of the business community. Davis and Mizruchi (1999) have documented that between 1982 and 1994, the centrality of banks in corporate interlock networks – a virtual constant since 1900 – sharply declined. Because they were no longer corporations' chief (or even a necessary) source of capital, whatever ability the banks had to influence non-financial firms – in particular, the ability to provide internal discipline to the business community as a whole – likely declined as well. Even during their heyday, it is true that banks supported mergers and acquisitions, including hostile ones. But one wonders whether the actions of Michael Milken and

others would have been tolerated had the banks been in a commanding position like they were in the 1960s.

CONCLUSION

Dobbin and Zorn suggest that the power structure of the American business world has undergone a significant transformation over the last two decades. After emerging from a period of managerial capitalism through the 1970s, the American business community experienced a massive upheaval, in which one-third of the 500 largest non-financial corporations disappeared. This shakeout left no one in particular in charge. When Michael Useem (1984) wrote eloquently in the early 1980s about the "inner circle" – the group of corporate leaders whose interests transcended those of the individual firms with which they were associated – he could not have known that this circle would be decimated by the events of the next few years. In his subsequent works describing the siege under which managers operated by the 1990s, whose titles, *Executive Defense* (Useem, 1993) and *Investor Capitalism* (Useem, 1996), provide a good synopsis of the situation he believed they now faced, Useem no longer speaks of an inner circle, or any coherent group of central leaders with responsibility for the overall fate of the business community. Instead, he speaks of a Darwinian world, dominated by financial professionals with no coherent organizing principle, much like the environment portrayed by Dobbin and Zorn, in which firm managers are now forced to operate at the seeming mercy of institutional investors and, especially, financial analysts.

   We have attempted to situate the ascendance of institutional investors and financial analysts in relation to the changing international political economy. Our analysis suggests three main points: First, the rise of institutional investors and financial analysts has occurred in part because three significant forces – organized labor, the state, and the banks – have either abdicated or been driven from their former roles in helping to keep corporations, and corporate abuse, in check. Without the internal discipline provided by the banks and the external discipline provided by the state and labor, the corporate world has been left to the professionals who have the ability to manipulate the vital information about corporate performance on which investors depend. Second, despite the growing power and activism of institutional investors, and despite the machinations of financial analysts, what is striking about Dobbin and Zorn's account is the continued ability of managers to resist external monitoring. The monitors may change, but the

managers – as they seemingly always have – find a way to deceive them. Finally, let us not forget that however much this situation differs from the satanic mills described by Marx, and however many Americans may now be invested in the stock market, the system remains, in all of its most important features, capitalist – marked, in its current form, by an increasing polarization of wealth and life chances between those with and those without any real control over capital.

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THE END OF (SHAREHOLDER VALUE) IDEOLOGY?

Neil Fligstein

Frank Dobbin and Dirk Zorn have admirably summed up what we know about how large U.S. corporations have been governed in the past 20 years. As such, I do not have many quibbles with their story. Instead, I would like to argue that the era of shareholder value has now come to a close. This is for two reasons. First, and most importantly, the methods and practices of financial engineering Dobbin and Zorn describe, have reached an endpoint in their ability to make corporations more profitable. The recent stock market crash is at least in part a result of investors becoming convinced that firms could not sustain the upward profit path. Second, the financial scandals of the early 1980s show the limits of these tactics. Firms like Enron and Worldcom were aggressively pursuing exotic forms of financial engineering with the help of their accountants and the forbearance of financial analysts. They, of course, veered from legality into illegality as they tried to convince investors that their futures were bright. The Oxley–Sarbanes Act has made it more difficult for CEOs to cook their books and it has pushed accounting firms out of the business of selling such advice. Financialization in the pursuit of increasing shareholder value has been given a bad name from which it is unlikely to recover. In this article, I would like to briefly describe why I think this is so. Then, I will briefly illustrate some of this through the Enron case. I conclude with some speculation about the future of the American economy.

The case for my argument is based on the theoretical view that in any given era, there are a set of shared strategies or tactics that produce profits for the largest corporations. These strategies are based on a common understanding amongst managers and owners about "what works" to make money. I have called these understandings "conceptions of control" (Fligstein, 2001). These strategies come into existence, spread across the population of large corporations, and are eventually displaced as they inevitably fail to continue to work as economic conditions change. This has happened in cycles of ~20–25 years for the past 100 years. Political and economic crises such as war, depression, or slow economic growth erode the position of the largest firms. Under these conditions, the old tactics fail and this opens up the possibility for a new group of owners and managers to step forward and produce a new path. These new groups are often outsiders who come along and reorganize the way things work. They begin by growing new or existing firms in some spectacular fashion. Once their tactics are understood, there is often a merger movement that pushes the spread of these tactics across firms. At the end, there is often a recession or depression often accompanied by a long bearish stock market. Then the cycle begins anew.

We have had a succession of these tactics in the past 100 years in America (Fligstein, 1990). During the 1950–1970s, the dominant view was that the large corporation should operate like a capital market. It should have many kinds of products and investments were made to smooth out business cycles. Firms bought and sold other firms in order to exit slow growing businesses and enter fast-growing ones. The extreme form of this approach was the emergence of large conglomerates, which used mergers to grow during the merger movement of the 1960s. That merger movement ended in 1969 and the 1970s witnessed an economic crisis caused mostly by the oil shocks. This crisis produced a decade characterized by slow economic growth and high inflation. These were conditions that eventually inspired some managers and owners to begin to look for a new way to make profits.

In the 1970s, the dominant view of corporate managers was that they needed to adjust to the poor economic environment by trying to make themselves less vulnerable to high interest rates, high inflation, and slow economic growth. They did so by avoiding borrowing and they kept cash on hand to finance their growth. As physical assets (like plants and equipments) were inflating in value, managers tended not to revalue them on their books. Since many of the measures of firm financial performance were based on returns on assets, revaluing assets made their financial performance look worse. The stock market drifted through the 1970s as investors stayed away from stocks and instead invested in bonds which had high yields.

The poor performance of firms brought about a critique of sitting management teams around 1980. Those doing the blaming, not surprisingly, were the representatives of the financial community: institutional investors, stock analysts, and investment banks. These groups argued that managers were not paying enough attention to shareholder's interest. They felt that managers were not using their assets effectively to earn profits and that this explained firms' poor performance on the stock market. They wanted managers to concentrate on raising profits and thereby raising the stock price. By 1980, many managers found that, given the inflated value of their assets and their lack of debt and large hoards of cash, their firms' stock prices were so low that their firms were worth more broken up than as a single entity.

The 1980s and 1990s produced several waves of financial reorganization of American corporations. In the first merger wave from 1979 to 1987, firms were either broken up or unprofitable capacity was shut down. This produced the deindustrialization of America. Managers realized that if they wanted to stay in control of their firms, they needed to work with the newly mobilized financial community, learn to talk their talk, and make their firms look attractive to investors. Managers who avoided being targets did so by engaging in mergers themselves, spinning off unprofitable businesses, and gathering debt. The ''shareholder value conception of control'' that Dobbin and Zorn describe focused managerial attention on making balance sheets look good to financial analysts in order to encourage them to recommend the stock and thus, enhance, shareholder value.

This created huge incentives to engage in financial engineering and to discover how to manipulate balance sheets to get rid of assets and hide any liabilities that might make ratios such as return on capital look bad. As Dobbin and Zorn note, the natural heirs to power in the firm were the chief financial officers (CFOs). Before 1980, CFOs were often little more than accountants or treasurers who played little role in corporate strategy. But as the era of financialization took off, they were the people who could claim to speak to the financial community. By the late 1980s, the relationships between boards of directors, CEOs, CFOs, institutional investors, stock analysts, and the large accounting firms had altered. Accounting firms were offering firms advice on how to make their balance sheets look better while financial analysts were telling CFOs how they wanted their books to look. CFOs followed their proscriptions and engineered the books to produce higher profits for the firms. Boards of directors wanted to be responsive to shareholder interests and if the stock price perked up as a result of using financial tactics, they could claim they were performing their fiduciary

responsibility. Managers who focused on stock prices and balance sheets were seen as heroes.

I would like to make the case that the great expansion of shareholder value has reached its endpoint. As I noted earlier, new conceptions of control emerge about every 20–25 years. The shareholder value conception of control has existed for just about that long. New conceptions of control often appear during a merger movement. This is because a merger movement reflects a reshuffling of corporate assets in line with some new conception of how firms ought to look. The shareholder value conception of control began with the merger movement from 1979 to 1987. The end of a cycle is often indicated by a stock market downturn, which often proceeds or even causes a recession. Markets crash when profit expectations for a particular way of doing business ends. Markets often are prescient in their prediction of economic downturn, because the end of a bull market means people expect there to be slower economic growth in the future. The stock market crash in 2000 was an event at least partially caused by the end of shareholder value. There were, quite simply, unsustainable expectations over the future of corporate profits. One of the reasons that this occurred was because firms ran out of creative ways to do financial engineering and this failure signaled the onset of a market downturn. Not surprisingly, this downturn has been accompanied by an economic recession.

To make matters worse, the crash of the stock market was accompanied by the revelation that financial analysts, CFOs, boards of directors, and auditors had frequently engaged in distorting firms' financial performances in order to boost stock prices. The people who pushed the financial envelope here did so precisely because they had exhausted the easiest ways to make their balance sheets look better. In pursuit of higher gains, they turned to ploys that were illegal. This resulted in some spectacular firm failures and a new piece of legislation, the Oxley–Sarbanes Act. Before turning to the Oxley–Sarbanes Act, it is useful to consider the type of thing that firms who were pushing the financial envelope were doing that was illegal. It is instructive to consider the case of Enron who engaged in complex financial arrangements in their attempt to maximize shareholder value.

Enron was on the leading edge of financially oriented corporations that viewed themselves as primarily in the business of creating shareholder value by raising the stock price of the firm. Enron is a case of the shareholder value corporation run amuck. It is useful to describe some of what Enron was doing in some detail because it gives us a flavor of the kinds of things that financially oriented managers were doing in many companies. One of the main measures that firms use to evaluate performance is return on assets

(calculated as earnings/assets). Now there are two ways to make this number bigger: make earnings higher or make assets lower. Financially oriented managers figured out that taking assets off the books could make firms look better. They could do this in several ways. First, they could lease assets like machines, office space, or factories. These costs would then be expenses which would not figure into assets and thus could help their returns on assets.

But financially oriented managers discovered another way to take assets off the books without having to sell them off entirely. They could spin assets off into subsidiaries and then sell off part of the subsidiary to another firm. This would allow them to book part of the sale of assets as sales and hence have it directly help earnings. Another effect of doing this was also to allow firms to take all of those assets off their books because they no longer owned them entirely. Instead, they owned part of the subsidiary. This would affect the ratio described above by reducing assets. This ploy allowed the firms to play another lucrative game. They would pay money to the subsidiary for use of those assets (thereby providing money to their partner for their investment). They could then use that payment in two ways that helped the balance sheet. Part of the money they paid to use the assets would come back to the main firm in the form of profits from the subsidiary (the subsidiary sold the use of the assets to the firm and it was able to report a profit from that activity). The money could also be booked as a cost from the point of view of the main firm. Thus, a firm could affect its earnings by simply paying itself money it already had and simultaneously making a profit from the subsidiary and subtracting an expense. This ploy would affect both assets and earnings and thus make the ratio rise. Financial analysts observing such ratios would then recommend the stock and the share price would rise. Now, if the reader has followed this discussion, they will be astonished that all of this is legal. But it is. What Enron did was to push the envelope on deals like this (as well as a number of other financially oriented activities) by creating a number of these vehicles that were embedded in one another to create a kind of pyramid scheme. While the executives at Enron used these vehicles in illegal ways, those practices that were legal were widespread amongst American corporations.

The Oxley–Sarbanes Act is an attempt to push firms towards honest reporting of their financial results. It tries to do so in two main ways. First, it forces accounting firms to resume an arms length relationship with their customers. This pushes firms to be honest about their financialization tactics, and if firms are going overboard, puts outside auditors in the position whereby they might discover fraud. Second, it forces CEOs to sign off on the

honesty of the accounting. This means that CEOs cannot look the other way. The Oxley–Sarbanes Act is oriented towards preventing the types of excesses that the shareholder value conception of control encourages. It draws a line at legal and illegal activities and forces firms to change their relationships to their accountants.

The end of the bull market driven by firms attempting to maximize shareholder value through financialization and the sealing of that end by the Oxley–Sarbanes Act, suggests we are entering a new era for firms. Not surprisingly, the past 4 years have produced a shallow recovery in spite of the government running huge budget deficits and the Federal Reserve keeping interest rates extremely low. The basic problem is that firms lack a clear set of tactics to renew the economy.

If we are trying to decipher what those new tactics might be, it is useful to consider the past. It often took 5–10 years for new tactics to emerge. These tactics frequently came from outside the established core of business. And finally, one looks to find fast growing firms with a new way of doing business to see how money will be made. In the new economy, circa 1998, one might have bet on software and information technologies or biotechnology for showing the new way. But, the spectacular failure of the technology sector and the slow progress of biotechnology to produce useful products, suggests these are not the paths to the new future. A more promising set of tactics is the hollowing out of firms through supply chain management, outsourcing, partnering, just in time inventories, and the extensive use of computer technology to manage flatter firms faster. Companies like Wal Mart exemplify these tactics. These are gains that create new businesses (i.e. businesses to teach and help firms attain these gains) and can be generalized across a wide sector of industry. But these tactics do not so far seem to have produced spectacular growth rates (with the exception of a few firms).

The American economy is huge and awesomely diversified across products and geographic space. That some sets of firms will eventually figure out a new way to do business seems likely. The dynamism is there. What seems evident is that the shareholder value focus on stock prices and financial engineering seem to have run out of steam. What will follow is anyone's guess.

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THE PROMISE OF ECONOMIC SOCIOLOGY

Frank Dobbin and Dirk Zorn

These commentaries, from five of the sharpest minds in sociology, confirm our belief that economic sociology is developing a coherent and powerful set of concepts and methods for analyzing major economic and business trends. Economics as a field has not done much to address the most important changes in corporate strategy and structure over the course of the 20th century. The business historian Alfred Chandler recounts the history of the modern firm in a framework that is broadly consistent with the tenets of neoclassical economics, but that is as close as we get to an explanation based in economics. Ever since economic sociologists began to reapply their concepts and methods to the topic, in the late 1970s, we have seen the promise of the discipline to fill a gaping intellectual hole – a comprehensive understanding of where the main trends in corporate behavior come from.

Diane Davis has assembled a superb group of commentaries, from some of the people who have contributed most to the development of the ideas presented in our chapter. In the chapter, we build on the work of these scholars. In their commentaries, each author builds on the synthetic view that we sketch. What is most striking about the commentaries is that each one of them could be pasted, almost verbatim, into the chapter we wrote as further elaboration of the story told there. The promise of economic sociology is that the field has come to such a rich, and nearly consensual, view

of where the shareholder value revolution came from, if not quite of where it is going.

Richard Swedberg's contribution might be incorporated into the theoretical introduction of our chapter, for he elaborates on the importance of the social construction of interest in economic sociology. Swedberg's (2003) most recent theoretical contribution has been to revive the neglected concept of interest in economic sociology, and to show us how it might help to inform current thinking. Building on Weber, Swedberg argues that we should see interest as important but as historically variable. In the case at hand, the key actors in the shareholder value movement redefined their own interest over time. Investors and boards defined an interest in aligning CEO interests with their own economic interests, and stock options were the result. In his commentary on our chapter, Swedberg mentions Michael Jensen and agency theory as important components of the shareholder value revolution, because of course agency theory became the theoretical underpinning for the new compensation system that we identify as at the heart of the change in firm strategy. Here, Swedberg rightly underscores the important role of experts and theorizing in the construction of interest, a role that surely deserves more attention in studies of the groups contending to shape corporate behavior. What Swedberg did not mention was his own fascinating work (Swedberg, forthcoming) that points to the importance of consulting and accounting firms in the rise of the finance-oriented shareholder value conception of the firm, a component largely neglected in our story. Here was one more group that built business strategies in the name of shareholder value that were very much in the group's own interest. We have what might be better called the consultancy-value corporation, if not the hostile-takeover-, institutional-investor-, securities-analyst-, or CEO-value corporation.

Mark Mizruchi and Howard Kimeldorf's contribution might be incorporated into our chapter just after the introduction, as a theory of the precursors to the shareholder value revolution. They provide the prequel to the story we tell, for they show how the existing business elite, with its particular assembly of corporate practices under the reigning theory of diversification, lost power allowing a new elite and new set of business practices to emerge. In the immediate post-war period, strong labor unions, a growing regulatory welfare state, and a strong business elite centered on powerful banks produced a sort of stability in the corporate environment. Those strong labor unions developed strategies based on organizational and movement practices, and thus institutions wagged the dog of ideology just as they do in the story we tell (Kimeldorf, 1999). This all began to unravel in

the 1970s when the dual economic crises of inflation and unemployment undermined the stability of the business elite and its banking system, on the one hand, and of organized labor, on the other. When Reagan came to office in 1981 on a platform of massive deregulation he thus faced little resistance. Deregulation destabilized the conglomerate, not least by undermining the kind of antitrust enforcement that had been the foundation of the diversification strategy. These changes provided an opening for a new financial elite to enter, with new ideas about how firms should be organized. Labor and the prevailing bank/corporate elite were in no position to challenge the rise of star CEOs, securities analysts, and institutional investors. One might expect that the structure of political financing, which has a recursive effect through regulation, changed significantly in tandem (see Mizruchi, 1992). Mizruchi and Kimeldorf thus provide missing pieces of the puzzle, and pieces that fit nicely into the theoretical framework, which privileges the social construction of interest in the pursuit of group power and which allows a large role for historical, and institutional, happenstance.

If Mizruchi and Kimeldorf provide the prequel to the argument we make, Fligstein provides the sequel. As Swedberg points out, our analysis is founded on Fligstein's (1990, 2001) theory of "conceptions of control" and how they shape the evolution of business strategy. Fligstein questions our conclusion that the Sarbanes–Oxley Act, designed to prevent the kinds of malfeasance that Enron became emblematic of, will not change much. The tag line of our chapter is that institutional investors, security analysts, takeover firms, and CEOs themselves have created a new world, and constructed their own interests as consistent with the pursuit of constantly increasing stock prices. We contend that Sarbanes–Oxley has not done much to change that world. CEOs now have to sign off on their earnings statements and accounting firms are more insulated from consultancies and from corporations themselves, but we contend that CEOs still see it as in their interest to game quarterly earnings reports to increase the value of their own stock options. We believe that nothing short of an end to stock options will put an end to this chapter in corporate strategy. Fligstein offers a more nuanced analysis of financialization, suggestion that financialization in pursuit of higher reported quarterly earnings has come to an end. Fligstein thus introduces an important distinction. CEOs may still see it as in their interest to boost quarterly earnings, and it is difficult to see how they would think otherwise so long as they reap benefits through stock options for doing so. But financial instruments, and particularly the complex instruments that Enron used, have proven to be a poor way of boosting quarterly earnings. Fligstein makes a compelling case that shareholder value, as it has come to

be associated with these instruments, has likely come to an end. What he sees ahead is another sort of financial strategy altogether, "the hollowing out of firms through supply chain management, outsourcing, partnering, just in time inventories, and the extensive use of computer technology to manage flatter firms faster." This is clearly already happening in some industries, but it is still so new as to lack a shorthand.

Elisabeth Clemens sketches a sort of coda that might equally well be incorporated into our own chapter. Clemens shows that what is going on in the period is not just a change at the top, but a change in the way society at large is integrated through common (or divergent) interests in the financial system. In her own work, Clemens (1997) has charted the historical emergence of the modern idea of interest, and of interest groups, in America's 19th- and early 20th-century political economy. In this case, not only CEOs, institutional investors, and security analysts see themselves as having vested interests in the system, but also the average worker through her defined-contribution pension plan (in which she assumes the risk her employer used to assume). Which is, after all, managed by the institutional investors who were at the center of this revolution. Who benefits from all of these changes? This is Clemens' key question. In the 1990s, the run-up of the stock market disproportionately benefited CEOs, whose salaries increased 100-fold in many cases. But teachers and bricklayers were seeing their retirement portfolios flourish as well. Clemens thus brings us back to Mizruchi and Kimeldorf's observation that some of these changes were facilitated by the decline of labor as a force for corporate regulation. The defined-contribution pension plan that came to dominate in the last quarter of the 20th century certainly realigned the interests of workers, and one consequence is that their new agents, institutional investors, came to support remuneration packages for CEOs that ran to hundreds of million dollars. Just a generation before, workers previous agents, unions, had fought hard against executive compensation schemes that, in a zero-sum game, diminished worker wages. This strange twist reinforces one of our central claims, that interest is constantly changing and socially constructed, and difficult to read through the lens of neoclassical theory's concept of self-interest.

The sociological explanation of the shareholder value movement that we sketched, and that others expanded in their commentaries, depends on ideas that have been with sociology from its very inception (Dobbin, 2004). Power shapes the social institutions, from antitrust regulations to portfolio strategy, that we come to take for granted as efficient and fair. These institutions, such as the institution of stock options, that gain inertia come to be difficult to disassemble. Groups actively theorize and construct the efficiency of

particular institutions, and they often theorize their own interest at the same time. They become powerful by defining their interests as aligned with society's interests, which these days revolve around progress and equality. In other words groups, be they social classes or the kinds of fine-grained management specialities that held center stage in our story, win in battles over which practices and theories will prevail by defining the institutions they favor as good for everyone, as Marx argued about capitalists and the 19th-century state.

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