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Inside Institutions of Progressive-Era Social Sciences: The Interdisciplinarity of Economics and Sociology

Marco Cavalieri

Abstract: In the Progressive Era, sociology and institutional economics shared some important methodological principles and theoretical constructs. This study explores some of these similarities, focusing on the ideas and theories of Albion Small and Franklin Giddings, who were the most important sociologists in the United States at the turn of the twentieth century. Since the literature on the history of the interdisciplinarity of economics and sociology is somewhat scarce, this study aims to contribute to this historiography by considering the methodological and theoretical underpinnings of early institutional economics – mainly from the standpoint of Veblenian institutional economics.

Keywords: Albion Small, American sociology, Franklin Giddings, institutional economics, Thorstein Veblen

JEL Classification Codes: A12, B15, B31

During the last decades of the nineteenth century, not only the first original American economic thought emerged through institutional economics, but also different social sciences developed as professions in the United States. Academic journals, associations, and university departments dealing with history, economics, political science, and sociology appeared in the years between 1884 (when the American Historical Association was founded) and 1905 (when the American Sociological Association was launched during an American Economic Association’s meeting).

Despite the fact that the French positivist philosopher Auguste Comte (1798–1857) is credited with inventing the name “sociology,” the institutional, academic, and modern scientific establishment of the discipline is indisputably American. According to the sociology historian Alan Sica (1990), Frank Blackmar (1854–1931) was the first scholar to create a sociology department in the United States – and in the world. In 1889, Blackmar named the department he established at the University

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Marco Cavalieri is an associate professor of history of economic thought at the Federal University of Paraná (Brazil).

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of Kansas “History and Sociology.” However, the leadership during the profession’s early decades would emanate from the powerful strongholds of turn-of-the-century sociology at the University of Chicago and Columbia University. In a volume commemorating the centennial of the American Sociological Association (ASA), Craig Calhoun (2007, 1) commented: “Sociology gained a disciplinary basis at Chicago in 1892 and at Columbia in 1893, some twenty years before Durkheim succeeded in transforming a chair in education into a chair of sociology in Paris.”

The two powerful individuals that dominated sociology at Chicago and Columbia from the 1890s to the 1920s were Albion Small (1854–1926) and Franklin Giddings (1855–1931). Small was the chair of the Department of Sociology at the University of Chicago from its founding in 1892. Franklin Giddings became the first professor of sociology at Columbia University two years after the inauguration of Small’s department at Chicago. While Lester F. Ward and William G. Sumner certainly have a place among the founders of the discipline — mainly as the forefathers of American sociology — the roles that Small and Giddings played were more decisive. Robert Bannister (1987, 10) characterized Small and Giddings as “empire-builders.”

The theories and methodological underpinnings Small and Giddings advocated and developed under the term “sociology” have noteworthy similarities with the works of Thorstein Veblen and John R. Commons. For instance, as noted by Geoffrey M. Hodgson (2004, 225), in 1888, a decade before the publication of Veblen’s path-breaking article, “Why Is Economics Not an Evolutionary Science?,” Giddings characterized political economy as a pre-Darwinian science. Regarding Small, as part of the cohort of American social scientists who studied under the economists of the German historical school, he severely criticized the state of late nineteenth-century economics. Thus, institutional economics and the most important works in early American sociology were born and developed from similar motivations: to overcome the shortcomings of the most prestigious social science at the time, economics.

Since the literature on comparative history of disciplines in early American social sciences is somewhat scarce, here I explore the common underpinnings presented in Giddings and Small’s sociological thought and early institutional economics — largely, the Veblenian version. In what follows, for instance, I show sociologists’ methodological and theoretical constructs aimed at overcoming methodological individualism. I also touch on how the early sociology tried to overcome the economics’ conceptualization of the social individual as an egoistic pursuer of wealth. The enrichment of the psychological design of the individual in social sciences was crucial for the agenda of early American sociology. Evolutionary thinking, emergent properties, and interdisciplinarity were present in the ideas of early American sociologists, too.

It is noteworthy that the work undertaken by institutional economists in trying to extract common principles from original institutionalist authors and other social scientists is important to the relatively unexplored history of interdisciplinarity between sociology and economics. Research on the quest for common principles of institutional and evolutionary economics not only advocates a specific approach within the discipline of economics, but also has a crucial historiographical value.
The History of Interdisciplinarity Between Economics and Sociology in the Progressive Era

As noted in a recent study, comparative history of economics and sociology remains understudied (Geary 2010). This research gap in comparative history probably results from the tendency of scholars to write histories confined to the boundaries of their own fields. In one of the few existing studies, Charles Camic (1995, 1006) termed what he perceived to be a characteristic of the historiographic work on the history of social sciences as “disciplinary separatism.” In reality, both Daniel Geary (2010) and Charles Camic (1995) attributed the “disciplinary separatism,” at least to some degree, to the fact that professionals themselves are the writers of these histories — in fact, they are the majority of historians of the disciplines. However, even in a historian’s tour de force piece on the history of American social science, such as Dorothy Ross’s (1991) The Origins of American Social Science, there are conspicuous boundaries between economics, political science, history, and sociology.

Concerning the origins of social sciences, among the few works on comparative histories of American sociology and economics, that of Cristobal Young (2009) certainly stands out. Young argued that the decline of institutional economics and the rise of middle twentieth-century mainstream economics ended the collaborative period between the disciplines and initiated the disengagement between economics and sociology in the United States. Using empirical evidence on joint annual meetings and departments, Young (2009) divided the time of association between sociology and economics into three periods: sponsorship (1880–1906), collaboration (1906–1936), and disengagement (1930–1950). During the first period, sociology existed “under the wing of economics.” According to Young (2009, 99), the absence of competition and conflict marked the sponsorship years, even though economists and would-be sociologists understood that sociology was different from economics. Given this general scenario, Camic (1995) and Young (2009) considered it essential to detail the relationship between the two disciplines at the most important centers of early American sociology – Columbia and Chicago.

At Columbia University, the interdisciplinary interaction between economics and sociology during the sponsorship years was remarkable. Indeed, the interdisciplinarity between the social sciences at Columbia was a hallmark of the institution — as the use of statistical methods would become in the early decades of the twentieth century.

Franklin Giddings began to deliver lectures at Columbia in 1892, when he was still a lecturer of politics at Bryn Mawr. He terminated his association with Bryn Mawr when Columbia appointed him a professor of sociology in 1894 — the first professorship of sociology at that university (Furhman 1980, 101). His professorship of sociology was an initiative supported by Columbia economists, notably so by Richmond Mayo-Smith, for whom Giddings substituted from 1892 to 1894 (Camic

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1 Giddings’s importance to Columbia sociology is aptly captured by Bannister’s words (1987, 75): “From 1900 until his retirement in 1928, Franklin Giddings was Columbia sociology.”
When Giddings arrived at Columbia, he already had a reputation among both marginalist and historical economists because he had coauthored, with John Bates Clark, *The Modern Distributive Process* — a small collection of articles, which had previously been published in the *Political Science Quarterly* (Bannister 1987, 67). Thus, the first sociology professor at Columbia had worked on economic matters alongside one of the most reputable intellectuals in the field.

Likewise, institutionally considered, the departmental organization at Columbia certainly had impact on the interdisciplinary character of social sciences at the university. The department of economics was a graduate department under the Faculty of Political Science, which also included history, public law, and — from 1904 onward — sociology, a subject that had gained a semiautonomous status within the same faculty (Rutherford 2004). However, there is a noticeable effort in Giddings’s writings, mainly in those from his early period as a professor of sociology, to demarcate what sociology should do in contrast to economics. He designed his sociological theory, heavily influenced by evolutionary theories and based on the concept of “consciousness of kind,” as a more general social science than he considered economics to be. Developing this theory was Giddings's driving ambition during the early years of his career. Bannister (1987) described how Giddings’s ideas changed in his later days, when he gradually abandoned such concepts as “consciousness of kind” and delved further into the defense of an empirical, statistics-based sociology and scientistic behaviorism. I focus my analysis here mainly on Giddings’s early period since I consider that his initial attempts to formulate a sociological theory were based on the flaws he identified in political economy. This was also a time when Veblen constructed his original approach to economics.

At the newly founded University of Chicago, interdisciplinary work seemed to be prevalent, too. As Camic (1995) reported, the boundaries between different disciplines were usually ignored, and openness to interdisciplinary work was the norm both in the social sciences and at the university in general. The hiring policy conducted by the first president, William Harper, focused on employing prominent intellectuals rather than filling predetermined departments with specialized professors. Steven Diner (1975, 515) stated that if Harper could not find a department in which someone of interest to the university could fit, he created a new one. This was precisely the case with Albion Small, who had been educated at Colby College, Leipzig, and Berlin, under economists from the German historical school, and completed his Ph.D. in history under Richard Ely at Johns Hopkins University. At the time Harper contacted Small, the latter was a professor of history and economics as well as president of Colby College (Dibble 1975, 2; Hayes 1926, 670; Young 2009, 98). The Department of Sociology at the University of Chicago was created specifically for hiring this widely learned intellectual, who was neither a historian nor an economist.

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2 Regarding Clark and Giddings’s book, Mary Morgan (1993, 576) showed how Veblen’s view on the nature of cutthroat competition, leading firms to pool their interests, was antecedent by Clark and Giddings’s analysis on the same matter.
In this well-funded university, Small’s position as the Department of Sociology’s chair, according to Bannister (1987, 32-33), made him the “unofficial dean of the profession from the mid-nineties until the outbreak of the war.” Small’s editorship of the American Journal of Sociology (AJS) certainly played an important role in positioning him at the center of the profession. As Andrew Abbott (1999, 103) observed, the journal was not only a vehicle for sociology, but it “made the discipline” in those years.

Even with Small’s background in German economics and the openness of the university to intellectuals who cut across disciplinary fields, the interdisciplinarity between economics and sociology was not a hallmark of the University of Chicago’s social sciences (Young 2009, 93, 99). Small was always much more critical of economics than Giddings. Camic (1995, 1021) observed how Small, in trying to establish and define sociology, argued that a new science should be created precisely to overcome the shortcomings (as well as the narrowness) of economics and political science. Ross (1991, 222) stated that “Small’s sociology had been forged as a challenge to classical economics.” Thus, being a critic of classical economics, Small fitted the role of an antagonist to the chair of the Political Economy Department very well. James Laughlin was probably the most traditional (i.e., classical) among his generation of American economists (Barber 2010; Dorfman 1949, 271; Rutherford 2010).

Therefore, it should be no surprise that Small-headed AJS published very important articles by Veblen. A noteworthy reminder is that Veblen explicitly wrote “The Instinct of Workmanship and Irksomeness of Labor,” “The Beginnings of Ownership,” and “The Barbarian Status of Women,” to demonstrate his evolutionary-institutional approach, as well as to criticize conventional assumptions of economics of his time (by presenting the analysis of the instinct of workmanship and the origins of such institutions as private property). Veblen was also trying to overcome the narrowness of the then dominant view in economics. However, he was trying to do so from within economics itself. He was an author largely recognized in the field of economics. For instance, when reviewing The Theory of the Leisure Class for the AJS, Lester F. Ward (1900, 831) — an acknowledged founding father of American sociology — clearly stated that Veblen’s “point of view is strictly economic” and “he deals with a subject within his own specialty.”

Thus, institutionally considered, in contrast to Columbia, Chicago cannot be viewed as a place where the interdisciplinarity between economics and sociology was a defining trait. Nevertheless, from the point of view of fighting the narrowness of economics, Small’s sociology and institutional economics certainly shared many methodological and theoretical aspects. If one accepts Abbott’s (1999) opinion that

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3 However, as the chair of the Political Economy Department, he assembled a pluralist group of economists at Chicago.

4 Veblen’s critical objective came to light at the very beginning of these articles. Veblen (1898a, 187) stated: “It is one of the commonplaces of the received economic theory that work is irksome.” In another work, Veblen (1898b, 352) wrote: “In the accepted economic doctrines the ground of ownership is commonly conceived to be the productive labor of the owner.” Veblen did not mention the word “sociology” in any of these articles.
AJS was instrumental in creating the discipline of sociology at the turn of the twentieth century, then the publication of certain authors and works in AJS serves as evidence of the interdisciplinarity between (a type of) economics (what would become early institutional economics) and sociology. From a list of fifteen prominent economists of Veblen’s generation, only three were published in AJS during its first decade of existence (1895–1905). Not surprisingly, they were Commons (who published A Sociological View of Sovereignty in a series of eight articles), Veblen (published “The Instinct of Workmanship and Irksomeness of Labor,” “The Beginnings of Ownership,” and “The Barbarian Status of Women”), and Frank Fetter (published “The Subsidizing of Private Charities”).

Departments, associations, and personal careers are at the forefront of the historiography of both sociology and economics. However, in the history contained in works intended as contributions to heterodox economics, principles and ideas come to prominence in spite of institutional considerations (such as Hodgson 2001, 2004). I consider this history of crucial importance because it points to the much necessary contextualization of the emergence of American social sciences. Moreover, an approach, such as Hodgson’s that cuts across disciplines, better reveals how sociology and economics deeply interrelated in the early period. For instance, Hodgson (2004) extensively analyzed the connections between Veblen’s institutional-evolutionary concepts and Ward’s sociology.

Hodgson (2004, 225-226) also explored how Giddings’s sociology (mainly from Principles of Sociology [1896]) presents the concept of an emergentist social theory, at least in a rudimentary state. In addition, Hodgson (2004) argued that Giddings’s approach was decisively interdisciplinary since his early approach should be built on the most up-to-date psychology, and that psychology should be based on evolutionary biology. More importantly, these links between disciplines should not imply any form of reduction of one discipline to another. Giddings did not advocate any reductionist perspective for sociology. As for Small, Hodgson (2004) referenced him as part of the “dramatis personæ” of the period when Veblen was formulating his version of institutional economics. However, although Hodgson (2004) noted Small’s critique of the then dominant economic view, he only did so in passing. Similarly, the only other work in which Small was placed explicitly within Veblen’s intellectual context is that of Rick Tilman (2007, 306).
In the following sections, I attempt my own contribution to the historiography of the interdisciplinarity between American sociology and economics from the same point of view as Hodgson’s (2004). My main interest is in showing how these very important early sociologists, mainly in their early careers, endeavored to develop a social theory resembling much of what would become Veblenian institutional economics.

**Franklin Giddings**

As mentioned earlier, Giddings (1888) published an article criticizing political economy for its “pre-Darwinian” character. Clearly, the classical school, mainly in the Millian version, is the focus of Giddings’s critiques. He presented John Cairnes as the prototypical pre-Darwinian political economist. The problem with Cairnes’s method of political economy was its advocacy of a sharply deductive economic science based on an acritical acceptance of few premises. Among these premises, political economy would take for granted — from “other branches of knowledge” — “certain mental feelings and certain animal propensities in human beings,” as well as “political institutions.” Drastically, Cairnes ([1875] 1888, 50) suggested: “For the discovery of such premises no elaborate process of induction is needed.” Giddings observed that to take for granted such premises would be to take for granted the direction of human activity. Thus, the narrow and limited character of political economy came from the assumption about a fixed human nature that was not affected by the social level. As Ellsworth R. Fuhrman (1980, 104) observed, for Giddings, “the primary fact of human nature was its malleability and sociability.”

In Giddings’s sociological theory, the central concept was the “consciousness of kind,” a “feeling” of resemblance and reflective sympathy for other individuals who responded to like stimulus in a like manner. Cooperation and conflict result from how individuals perceive other individuals as pertaining to their “kind.” Thus, the consciousness of kind, as I interpret it, is a gregarious impulse responsible for grouping individuals of the same kind in the same group. According to Fuhrman (1980, 105), an important consequence engendered by the consciousness-of-kind concept is to provide a different basis for the explanation of the origins of society. For instance, adopting the existence of a consciousness of kind essentially means that societal origins are not contractual, but derived from a datum contained in the nature of individuals. Giddings arrived at the consciousness of kind looking for a first principle, from which to derive his sociological theory (Bannister 1987; Fuhrman 1980; Gillin 1926; Northcott 1918).

The origins of the concept are important in order to fully understand its place in Giddings’s sociology. On one hand, as Giddings acknowledged, consciousness of kind comes from Smith’s sympathy in “The Theory of Moral Sentiments” (Giddings 1909, 8

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8 As Ross (1991, 128) stated, based on a letter Giddings wrote to Ward, Giddings “moved toward sociology in the hope that he could ‘[p]ut the Science of Political Economy into a philosophical form and broaden its method’.”
On the other hand, it has an instinctual characteristic (Giddings 1911, 6-7). Even though Giddings defined the concept in a behaviorist way, establishing that it is based on the perception of other individuals’ responses to stimulus, consciousness of kind has a very similar place in Giddings’s theory as instincts have in Veblen’s institutional economics. It is a natural impulse toward association, a characteristic in individuals that impels them to act in a certain way — specifically, to associate with their kind and to distinguish themselves from others. Like the instinct of workmanship in Veblen’s theory, consciousness of kind sets individuals in motion. The important point to stress here is that consciousness of kind was conceived as a first principle from which sociology should derive results. However, Giddings was not proposing any kind of methodologically individualistic social theory, whereby social phenomena are deduced from a single psychological principle. In the processes of social causation devised by Giddings, the actions of the individual are continuously affected by consciousness of kind, but, at the same time, consciousness of kind is conditioned by the social level. Thus, I consider that Giddings’s theory could be classified as a theoretical structure containing reconstitutive downward effects — from the social structure to the individual agent. Moreover, Giddings’s theory has an undisputable evolutionary character, with selection operating on the individual and social levels. Finally, as Hodgson (2004, 225-226) noticed, between the social and the individual realms, Giddings’s theory conceived of emergent properties, whereby properties at one level are not reduced to those at another. This constitutes my basic and general interpretation of Giddings’s theory of sociology. In what follows, I examine Giddings’s writings to find instances in support of my interpretation.

The influence of the social level on individuals is abundantly present in Giddings’s writings. Regarding his view about the malleability of human nature, Giddings (1909, 121) thought that “[a]ssociation reacts upon the associating individual and modifies their natures.” Furthermore, in a passage resembling Veblen’s point of view, Giddings affirmed that “[a]ctivity modifies structure and structure gives direction to activity.” In addition, “[i]n the social organism one part of this process is seen in the evolution of institutions through the habitual activities of people. Institutions are, in fact, nothing more or less than certain forms of concerted conduct become habitual and authoritatively sanctioned” (Giddings 1888, 30). Thus, when he was formulating the nature of the mental activity of individuals, Giddings (1904, 146) considered that two sides constitute it. The first is the “institutional life,” defined as “modes of habitual activity among men,” and exemplified by typical formal institutions as governments or corporations, but also by “a group of persons regularly doing certain things in certain ways.” The second side is mental activity that

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9 Comparing different sociological theories, Giddings (1911, 6-7) observed: “The fourth [sociological] conception, put forth some years ago by the present writer, should be classed as a developed form of the instinct theory ... In its simplest form mental activity is a response of sensitive matter to a stimulus ... I have attempted to show that in like response to the same given stimulus we have the beginning, the absolute origin, of all concerted activity — the inception of every conceivable form of cooperation; while in unlike response ... we have the beginning of all those processes of individuation, of differentiation, of competition.”
comprehends “more or less unconscious deeds or experiences,” including “impulsive outbursts and instinctive acts.” While the latter is related mainly to biotic heritage, the former is molded by the interaction of individuals in the social realm. In a semi-popular article published in Science, Giddings very clearly synthetized his thoughts about the molding of an individual by social life:

Thus the individual is always a socius, and not merely because, after reaching adult life, the necessity of cooperating with his fellow-men compels him to adapt himself to them and to modify an original egoism by the cultivation of social habits, but because, from his earliest infancy, his own development as a self-conscious person has been incorporating social elements and creating within himself a social no less than an individual point of view. (Giddings 1899, 17)

In his “Principles of Sociology,” Giddings devoted a whole chapter to the analysis of the “social mind.” Contrary to the style of many of his contemporary authors, Giddings filled the chapter with references to anthropology and psychology, carefully showing that the then modern science did lend support to his conceptions. Using Gabriel Tarde’s La Logique Sociale and Gustave Le Bon’s Psychologie des Foules, Giddings (1909, 134) defined the social mind as “the phenomenon of many individual minds in interaction, so playing upon one another that they simultaneously feel the same sensation of emotion, arrive at one judgement and perhaps act in concert ... It is therefore a product of what [Gabriel] M. Tarde has called a social logic, which binds the products of individual logic into more complex wholes.” Imitation and sympathy are the elements that give rise to the existence of a social mind. Within the social mind, for example, lies social memory, or tradition, which is comprised of ideas, usages, and relations that have undergone a process of selection, surviving because they are intrinsically useful. Nonetheless, the set of traditions interacts with actual public opinion, which is also part of the social mind, thereby creating new elements in the social realm. Interestingly, Giddings (1904; 1909, 145) defined the “general standard of living” as a product of traditions and current economic opinions. This standard of living then “regulates desires and controls conduct.” In addition, individuals influence the formation of the elements of the social mind, and Giddings observed how “a few leading minds” are capable of decisively influencing the social (collective) mind (Giddings 1909, 139).

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10 Another illustrative passage is one in which he conceived a task for political economy if it were to overcome its classical narrowness: “The comparative study of economic institutions and customs as we find them, constitutes the first part or division of the science. The second part has to do with the activities arising from economic desires and taking channels determined in part by economic institutions and customs” (Giddings 1888, 39).

11 Without analyzing the issue in detail, Bannister agreed that Giddings considered the influence of institutions on individuals crucial. In Bannister’s (1987, 67) words, “[f]rom the concern with the larger self, and the assumption that institutions shape personality, it was a short step to the idea that one could not understand the economic system without seeing individuals in a larger social context.”
A revealing controversy between Giddings and Simon Nelson Patten provides a good example of how the former gave crucial importance to the impact of the social level on the individual, and consequently for molding what classical political economy treated as a fixed human nature. In fact, the debate between Giddings and Patten was about the precedence of either sociology or political economy as the fundamental social science. Within the discussion, however, both authors tried to establish the precedence of each science over the other by showing the basic origins of the human perception of utility (Giddings 1894a, 1894b; Patten 1894).  

In summary, for Patten, political economy preceded sociology since association among individuals is due to the pre-social perception of subjective utility. Human beings are naturally and pre-socially endowed with the ability to perceive any type of utility. On the other hand, Giddings defended the thesis that social life precedes the formation of subjective utility — indeed, the subjective perceptions of utility are social products. Giddings emphasized the existence of different types of utility. Physiological utility is the relationship between an external thing and a beneficial change to an organism. Subjective utility is a similar relationship, but the organism must be pleasurably conscious of the successive consumption of the thing. For the social sciences, Giddings argued that only subjective utility is relevant. Then, he tried to argue that subjective utility has two characteristics. First, it must be “voluminous enough to admit of appreciable distinctions of more or less.” Second, the organism should recognize the pleasurable feeling as something due to an external condition or thing (Giddings 1894a, 25; 1894b, 85). This recognition is socially constructed. In spite of the fact that Giddings’s argument is not persuasive, his view of the social origins of utility allowed him to elaborate a proto-theory of how culture influences consumption (Giddings 1903).  

In relation to the evolutionary character of Giddings’s thought, it is indisputable that his theories were designed in an evolutionary framework. Bannister (1987, 66) affirmed that Giddings’s calvinist background — against, for example, Small’s baptist one — influenced Giddings to adopt a more Darwinian stance compared to his contemporaries. However, even though Darwinian elements are deeply ingrained in Giddings’s thought, one has to consider if his theories are not more Spencerian (after Herbert Spencer) than Darwinian (Ross 1991, 128). Despite this, the fact remains that the evolutionary mode of theorizing is the basic structure of Giddings’s sociological theories. He credited the suggestion that social relations are also subjected to evolution to Herbert Spencer, Charles Darwin, and Ernst Haeckel. The “social” is not an independent realm, completely disconnected from the processes of universal

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12 As Ross (1991, 223) observed, the majority of economists ignored the critiques sociologists made on the narrowness of political economy. From the side of economics, Patten responded and attacked back. Surprisingly, Patten would later become part of the group that founded the American Sociological Association in 1905. He was one of the economists-turned-sociologists in the early decades of the twentieth century (Rhoades 1981). Early on, in his debate with Giddings on the origins of utility, Patten advocated positions much more in line with the type of political economy that the sociologists and institutionalists of the day were against. Later, as Robert LaJeunesse (2010) showed, Patten’s later ideas were very much in agreement with institutionalists’ fundamental concepts.

13 Giddings’s example for physiological utility was the successive application of fertilizer to a crop (Giddings 1894b, 84).
evolution. “Sociology is an attempt to account for the origin, growth, structure, and activities of society by the operation of physical, vital, and psychical causes, working together in a process of evolution” (Giddings 1909, 8). Thus, more than part of universal evolution, the social level is connected to the physical, biological, and psychological levels. This notwithstanding, social phenomena combine with the other realms in “higher complications and reactions,” being dependent on the lower levels, but with its own causalities, or laws (Giddings 1909, 8, 26). In other words, the causalities at the social level are emergent properties, as defined by Tony Lawson (2003, 44).

Operating on the social as well as individual levels, evolution — or its mechanism of selection — forms the basics of how social phenomena should be explained. For example, consciousness of kind — the elementary human inclination responsible for association — is a product of evolution (Giddings 1909, 71). The bent for cooperative behavior, to which consciousness of kind is an important aid, is a selective necessity. In an evolutionary argument, Giddings noted the existence of an “instinctive tendency” in animals and human beings that in the most basic struggle for survival — the procurement of food — species rely on discoveries made by fellow creatures and imitate those who are successful (Giddings 1894b, 86).

Albion Small

In the years that preceded the foundation of ASA, the controversy between Giddings and Small was the most important issue in the emerging American sociology profession (Bannister 1987, 64). The controversy was centered on the scope and method the two leaders defended for the then new science. In my opinion, their approaches differed mainly on what they advocated as the proper starting point for sociological theory. Giddings proposed a single concept as the foremost principle of sociology — that is, the consciousness of kind. Small, on the other hand, constructed a theory based on a variety of human impulses that, he argued, were empirically identifiable as the most basic human “interests.” Giddings accused Small of conceptualizing a sociology that unrealistically aspired to be a science of the whole, with too broad a scope. For his part, Small charged that in taking a single principle to start with, Giddings was making his consciousness of kind sociology’s equivalent to economics’ “self-interest” — i.e., a single principle from which the whole science should be erected (Small 1896, 294).

Thus, Small’s sociology starts with the concept of “interest.” He defined “interests” as “the simplest modes of motion which can [be] trace[d] in the conduct of human beings” (Small 1905, 426). The most important aspect of Small’s concept of interest lies in the fact that it is not a wish for a specific object, but rather the motive behind “desires.”

Interests set individuals to move toward something that can fulfill

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14 Dibble (1975, 111-112) noted that Small sometimes used “desire” and “interest” interchangeably. However, in his most consistent formulation, desire refers to what is wanted in order to satisfy the inclination given by the interests. In Small’s words, this is the subjective side of interests. The other part is what is wanted per se — that is, the object that represents the objective side of interests (Small 1905, 444-445).
the interest itself. In summary, “an interest is an unsatisfied capacity, corresponding to an unrealized condition, and it is predisposition to such rearrangement as would tend to realize the indicated condition” (Small 1905, 433). There are six basic interests: health, wealth, sociability, knowledge, beauty, and rightness. Small stated that these six categories exhaust the basic interests, and that all other identifiable interests are combinations of two or more of these basic interests (Small 1905, 445).

While my objective is not to discuss and explain each of Small’s interests, I do consider some important aspects regarding interests, mainly the wealth interest. For Small (1895, 106), economics is the science that studies “the correlations of phenomena connected to wealth, in so far as the desire for wealth is the determining or at least the differentiating factor in the phenomena” (Small 1895, 106). Clearly, including the wealth interest among his six basic interests, Small aimed to construct a science that would be more comprehensive than economics. In fact, to build the most comprehensive of the social sciences was Small’s main objective. Ross (1991, 127) called Small’s approach “historical holism” because it demanded a more comprehensive knowledge than what economics and other social sciences had been providing. Thus, in order to make sociology broader than economics, the conceptualization of varied interests was crucial. Furthermore, in Small’s sociology, interests do not only encompass motives other than pursuit of wealth, but also are related to values in society. As Ross (1991, 225) put it, “[i]nterests were the units not only of social action but of social value, the ends enacted in the social process; the ends against which economics could be found wanting.”

The role of interests in Small’s theory is — similarly to Giddings’s consciousness of kind — very much like the one instincts have in Veblenian institutionalism. In fact, Vernon Dibble (1975, 111), Small’s main biographer, stated: “Roughly speaking, interests are Small’s version of instincts.” Small’s interests or Veblen’s instincts are primary movers in inducing an action, in determining its direction, and in forming the most elementary teleological inclinations in individuals (Small 1900, 1905; Veblen [1914] 1964).

There are two meanings in Small’s wealth interest. First, individuals can desire wealth for the sake of satisfying any wants derived from the other five interests. For instance, desiring resources to obtain better food is related primarily to the health interest and not directly to the wealth interest. Second, Small defined the wealth

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15 Small’s interests are widely discussed in Small (1900, 1905) and Dibble (1975).

16 In a paper titled, “The Subject-Matter of Sociology,” Small (1904, 283) stated: “The sociologists are attempting to develop a general science, which will have relations to the special social sciences analogous with the relations of general physics to the special physical sciences, on the one hand, and to the various physical technologies on the other.”

17 In the very beginning of Veblen’s 1914 book, he presented the essential elements of the concept of instinct. An important passage illustrates the similarity: “[Instincts] are the prime movers in human behavior, as in the behavior of all those animals that show self-direction or discretion. Human activity, in so far as it can be spoken of as conduct, can never exceed the scope of these instinctive dispositions, by initiative of which man takes action” (Veblen [1914] 1964, 1). Regarding instincts in animals, Small (1900, 1905) largely discussed how humans and animals share the instinct of health. Actually, his ordering of the six interests moves from the most primitive and shared between humans and animals (the health interest), to interests characteristic of humans only.
interest as something very similar — or even identical — to Veblen’s instinct of workmanship. As he explained, “when men want wealth for its own sake the impulse appears to be an instinct of a creative sort, a desire to control nature or to conform nature to the agent’s idea” (Small 1900, 183). Thus, Small acknowledged that the wealth interest is not completely satisfied by securing the means to obtaining things — that is, money — but only by mastering nature itself. In his words, “[m]odern men are less than men because so many of us possess things only by proxy, and because such wealth as we have, as proprietors, is merely the partial usufruct of other’s people lordship over things” (Small 1900, 185). Small attributed the dignity of labor to master something to nature itself. So, to exercise “lordship over things” is a “phase of the completeness of the real individual” (Small 1900, 184).

After analyzing the six basic interests, Small explored the interaction of individuals in associated life, pointing to the fact that phenomena on the social level have reconstitutive effects on individuals. For instance, he referred to the concept of “social ascendancy,” observing that phenomena on the social level — such as ideas, customs, standards of taste, and morals — are “an invisible presence, but often dictate the course of social events as absolutely as a physical cause procures its effect” (Small 1905, 485). In addition, he cited Giddings regarding the fact that “held together in social relationships, men modify each other’s nature” (Small 1905, 484). For Small, on a social level, there is a collectively formed “thought-environment,” so habit and custom should be explained by examining this “mental envelope.” Indeed, to understand different “social situations,” a sociologist must know the “thought-environment” in which it occurs (Small 1905, 486). Small was very explicit in his conception of the interaction between individuals and social levels in producing the phenomena of interest to the sociologist. He saw the causation between agency (individuals) and structure (social level) in the following terms: “Under those circumstances individuals are produced; they act as individuals; by their action as individuals they produce a certain type of society; that type reacts on the individuals and helps to transform them into different types of individuals, who in turn produced a modified type of society; and so the rhythm goes forever” (Small 1905, 489).

Despite Small’s methodological claims, however, he proposed a theory that is more methodologically individualistic than that of Giddings. The tendency to downplay the importance of the phenomena on the social level — yet, never completely — and to resort to psychic determinism is a continuing presence in Small’s theory. In the end, in my view, his theory is certainly more individualistic than that of Giddings, but not as much as economics would become. At many points in Small’s work, he carefully observed that the social realm impacts individuals in many ways.

In view of Small’s conceptualization of social causation, one should consider if Small viewed the causation between the individual and social levels as evolutionary in any way. As mentioned above, Giddings took a much more Darwinian stance than

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18 In his discussion of the knowledge interest, Small (1900, 1905) pointed to the fact that to know about the world without ulterior motives is a basic inclination of individuals. This is the same thing that Veblen argued about through his instinct of idle curiosity.
Small did. However, it is possible to find in Small’s writings instances that suggest evolutionary thinking as the modern way of conducting the scientific enterprise. For Small, at the turn of the twentieth century, the transition from “categorical” to “evolutionary thinking” was occurring, yet was not completed. In addition, he claimed his times’ science had “been passing from a static in to a dynamic world; from a world of assorted things to a world of developing processes” (Small 1909, 3). The “sociological movement” was part of that transformation. Small cited such works as Ross’s Social Control and Charles Horton Cooley’s Human Nature and Social Order as examples of this sociological movement (Small 1909, 9).

Generally, he conceived the social causation in evolutionary terms — that is, mainly in processual terms — pointing out, for example, that “[t]he social fact is, first, the evolution of the individual through, second, the evolution of institutions, and the incidental reaction of all the individuals and institutions upon each other” (Small 1905, 511). However, Small did not use selective processes as Giddings did. In Small’s theory, evolution is more of a developmental/processual than selective character. In addition, in relation to emergent properties in different realms of given phenomena, Small recognized the existence of such properties, but not as explicitly as Giddings.

Finally, it is noteworthy that Small acknowledged Smith’s influence on his conception of sociology (Gramm 1980). Actually, in Adam Smith and Modern Sociology, Small (1907) examined how Smith’s Wealth of Nations analyzes typical narrow economical themes, while never losing sight of the fact that economic phenomena are part of something bigger — namely, Smith’s system of moral philosophy.

**Concluding Remarks**

It is worth summing up Giddings and Small’s sociologies and relating them to some basic tenets of early institutional economics. First, conceptualizing sociological theoretical systems that contain what Hodgson (2000, 2011) called reconstitutive downward effects — originally, reconstitutive downward causation — is the most important aspect present in both early institutional and sociological theories. Second, another characteristic common to early institutional economics and sociological theories is the enrichment of individual psychology — i.e., the adoption of then up-to-date psychological theories to provide a basis for social theories. In this regard, Small seemed closer than Giddings to Veblen’s instinct-based institutional economics. Third, the Darwinian concept of the processual character of social phenomena is present in the thinking of both Giddings and Small. However, Giddings’s theory put a greater emphasis on the selective nature of the evolution of social instances than Small’s. Fourth, Giddings conceived of concept of utility as socially formed. He accepted utility theories as correct in a general way, but tried to reform them, noting that phenomena on the social level are crucial to mold individual choices. This can be understood as a reform of the utility theory from within, in the same way that Sophus Reinert and Francesca Viano (2012) argued for the interpretation of Veblen’s theory of consumption. Fifth, since both Small and Giddings proposed interaction between social and individual levels of phenomena, their theories also present emergent
properties that develop on the social level. This trend, however, is much more explicit in Giddings than in Small.

It is also worth establishing the importance and historiographical value of studies in institutional (and heterodox) economics. Roger Backhouse and Philippe Fontaine (2010) argued that the literature treating economics as part of the general social sciences is wanting. They survey a few studies in which, in their opinion, the authors took an interdisciplinarity approach to the history of economics and considered economics in the context of other social sciences. However, when commenting on the literature from heterodox economics, they wrote that “such work can be viewed as advocacy rather than history” (Backhouse and Fontaine 2010, 4). My present study, however, points in another direction. In identifying the common features of institutional (or, generally, heterodox) economics, authors like Hodgson (2001, 2004) have offered works that are of great historiographical worth. It is common among heterodox and institutional economists to develop elaborate histories of economics in order to defend their own approach. However, besides the advocacy that is certainly present in such works, there is a careful historiographical analysis, which has not been done by mainstream economists. Consequently, if one can argue that the history of economics requires considering the discipline of economics in relation to other social sciences, then the institutional and heterodox literature has greatly contributed to the field and historians of economics must take it seriously.

References


