

Reviewed work: *Solidarity in Strategy: Making Business Meaningful in American Trade Associations*. By Lyn Spillman. Chicago: University of Chicago Press, 2012. Pp. xiv+517. \$30.00 (paper).

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There are two ways to read this book about American trade associations (TAs).

The first way-- as an overview of a neglected but important part of the U.S. economy-- may be summarized as follows.

In chapters 2 and 3, Spillman provides a useful synthesis of existing historical and sociological research on American TAs as well as a “census” (i.e., a compilation of self-descriptions, organizational features, and key activities of all contemporary US trade associations) conducted by Spillman and colleagues. These chapters make several good points: (a) that TAs have long been very important in the U.S. even if they have no formal role in governing the economy, as they do in Western Europe; (b) that TAs are not merely about lobbying the government or (in Adam Smith’s famous words) “conspiracies against the public” by “members of the same trade”; (c) that TAs are “multifunctional,” offering educational services and peer-to-peer learning, networking opportunities, and coordination on club goods such as industry standards, certification programs and marketing campaigns; and (d) that contra to Berk and Schneiberg, the development of this broad array of functions likely was not an accommodation to antitrust enforcement but emerged as TAs did, with the industrial revolution.

The remainder of the book illustrates TAs’ multifunctionality and the diversity with which it is expressed in the contemporary U.S. context, by drawing on Spillman’s second source of data: an archive of documents downloaded from the websites of twenty-five TAs, randomly-sampled from her “census.” Chapter 4 describes how TAs (a) “produce cognitive categories and practices that articulate their members’ economic action;” (b) facilitate networking opportunities; and (c) “constitute, monitor, and reproduce industry fields (p.135).” In chapters 5 and 6, Spillman describes the various ways TAs justify the value of membership, and how both solidaristic and voluntaristic appeals are common. In chapter 7, she documents that TAs often stress their role in increasing “professionalism” via training and certification. In chapters 8 and 9, Spillman reviews TAs’ political action and public relations and she is surprised that their appeals are justified by a logic of public service rather than narrow self-interest. Chapter 10 concludes, and is followed by a methodological appendix.

If one reads the book in the way I have described, it is useful though it suffers from a major methodological limitation—i.e., Spillman’s data do not extend beyond the public material she has gathered. In particular, she did not observe, interview, or survey anyone, whether TA

members and officials or relevant individuals outside a given TA. Spillman touts her approach for its avoidance of “reactive” data; and while she acknowledges that she may have missed something, she baldly asserts that the benefits outweigh the costs (pp. 388-9).

I am less sanguine. (Imagine if we tried to learn about the ASA’s role in American sociology just from the documents on its website!) Informed by my research in this area with Stoyan Sgourev, here are some key issues Spillman’s method causes her to miss: (a) her tendency to equate a TA with the industry it represents is complicated insofar as association members are different from non-members, competing TAs vie for jurisdiction over the same turf, and TAs are co-opted by powerful suppliers and/or by an oligarchic staff; (b) the voluntaristic and solidaristic sentiment Spillman documents is partly propaganda (as Jeffrey Charles found in his 1993 book on “service clubs” such as Rotary; she concedes this possibility, but it does not change her conclusions); (c) status hierarchies among peers are not simply “expressive” but also motivate higher performance; (d) social bonds among members can come to constrain them; and (e) sometimes, TAs really are used to facilitate Smithian conspiracies (e.g., to fix prices) against the public. Given these oversights, it is likely that Spillman’s method also misses other important aspects of what American TAs are about.

The second (and Spillman’s preferred) way to read the book is as an argument for a cultural, rather than an economic interest-based, account of TAs in particular and the capitalist economy in general. But unfortunately, if the first version of the book is weakened by methodological limitations, the second version is so problematic I cannot credit it at all.

There are two principal problems. First, Spillman greatly underestimates the difficulty of demonstrating that commitment to a relationship or group transcends self-interest (for review, see Sgourev and my 2011 *Rationality and Society* article, “Breaking up is Hard to Do”). Spillman’s belief that solidarity trumps self-interest is apparently based on TAs’ successful production of club goods in the face of collective-action problems. But by this logic, even price-fixing schemes reflect the triumph of solidaristic self-sacrifice over self-interest! Undoubtedly, TAs sometimes involve the transcendence of self-interest, but the book does not articulate (and does not meet) a clear standard for demonstrating this. And the book generally fails to dissuade the reader from believing that the primary logic underlying the TA (and the club goods it produces) is that “members of the same trade” often have complementary interests. Why else are TAs organized by industry?

Second, just as rational-choice theory reaches its absurdist limit when it asserts that choice is exercised even by mugging-victims who yield their money rather than their life, the cultural turn in economic sociology reaches its absurdist limit when all it takes to conclude that TAs “are best understood as an institution of cultural production for economic action (p.110)” is to observe (as Spillman repeatedly does) that TA activities rely on the construction of shared meaning. Spillman’s argument seems to be the following: All TA activities require coordination, all coordination requires shared meaning, and meaning cannot be shared without cultural production. But by this logic, *every institution is “best understood”* as a cultural producer-- and yet we have understood little by so labeling them. Similar doubts pertain to Spillman’s

unsubstantiated claims that TAs “constitute” members’ economic interests and that they have a free hand in constructing industry boundaries. Such assertions allow her to raise the flag of culture high and proud; but this flag-waving blocks light that might have more clearly illuminated the workings of TAs and their effects.

In sum, I recommend this book to anyone who is interested in a broad overview of American TAs, though such readers should heed the methodological caveats registered above. Otherwise, this book should serve as a wake-up call to cultural and economic sociologists, signaling the need to “conspire” a bit to develop clearer, more demanding standards for determining what counts as a cultural explanation of economic phenomena.