

Caveat Emptor: The Construction of Nonprofit Consumer Watchdog Organizations



Hayagreeva Rao

American Journal of Sociology, Volume 103, Issue 4 (Jan., 1998), 912-961.

Stable URL:

<http://links.jstor.org/sici?sici=0002-9602%28199801%29103%3A4%3C912%3ACETCON%3E2.0.CO%3B2-A>

Your use of the JSTOR archive indicates your acceptance of JSTOR's Terms and Conditions of Use, available at <http://www.jstor.org/about/terms.html>. JSTOR's Terms and Conditions of Use provides, in part, that unless you have obtained prior permission, you may not download an entire issue of a journal or multiple copies of articles, and you may use content in the JSTOR archive only for your personal, non-commercial use.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

American Journal of Sociology is published by The University of Chicago Press. Please contact the publisher for further permissions regarding the use of this work. Publisher contact information may be obtained at <http://www.jstor.org/journals/ucpress.html>.

American Journal of Sociology
©1998 The University of Chicago Press

JSTOR and the JSTOR logo are trademarks of JSTOR, and are Registered in the U.S. Patent and Trademark Office. For more information on JSTOR contact jstor-info@umich.edu.

©2002 JSTOR

Caveat Emptor: The Construction of Nonprofit Consumer Watchdog Organizations¹

Hayagreeva Rao
Emory University

This article investigates how new organizational forms are constituted as cultural objects. Since new organizational forms jeopardize existing interests, institutional entrepreneurs recombine prevalent cultural materials to frame the form as necessary, valid, and appropriate. When rival entrepreneurs promote incompatible frames, the frame that enjoys greater political support from the state, professions, and other organizations becomes ascendant. Proponents of losing frames can exit, migrate, or convert to the ascendant frame. A case study of the creation of nonprofit consumer watchdog organizations demonstrates how the boundaries of an organizational form and its cultural contents are shaped by politics.

Where new organizational forms come from is one of the central questions of organizational theory. New organizational forms are new embodiments of goals, authority, technology, and client markets. Novel social structures matter because they underpin organizational diversity. The ability of societies to respond to social problems hinges on the diversity of organizational forms, and in the long run, in a fluid environment, diversity can be maintained or increased by the rise of new forms (Hannan and Freeman 1989, p. 3). Moreover, new forms are consequential motors of evolution—indeed, organizational change consists of the replacement of existing organizational forms by new organizational forms (Schumpeter 1950; Astley 1985). Furthermore, since new forms are structural incarnations of beliefs, values, and norms, they emerge in tandem with new institutions and foster cultural change in societies (Durkheim 1950, p. 16; Stinchcombe 1965; Scott 1995).

It is only recently that organizational theorists have begun to analyze

¹ I thank Cynthia Hewitt, Young Chang, Robert Kadel, and Farah Mihoubi for their excellent research support. I am grateful to Howard Aldrich, Joel Baum, Sadhna Diwan, John W. Meyer, Royston Greenwood, and Sidney Winter for valuable suggestions. Direct correspondence to Hayagreeva Rao, Roberto C. Goizueta Business School, Emory University, Atlanta, Georgia 30322. E-mail: H_rao@bus.emory.edu

the origins of new organizational forms from the standpoint of the random variation, constrained variation, and the cultural-frame institutional perspectives. The *random variation perspective* is premised on biological evolutionary models and holds that realized variations in organizational forms are random. Proponents of this view suggest that new forms arise when search routines lead to modifications of operating routines (Nelson and Winter 1982), or when a small group of competence-sharing organizations is isolated and finds a favorable resource environment (McKelvey 1982). Despite its appeal, the random variation perspective is of limited use since it is difficult to empirically identify competencies and routines. Another major drawback is that it is silent on the specific processes that generate variations and on the content of variations.

The *constrained variation perspective* asserts that conditions in the environment predictably foster or diminish variations in organizational forms. Its different versions emphasize creative destruction through technological innovation (Schumpeter 1950; Tushman and Anderson 1986), environmental imprinting, wherein social conditions at the time of founding limit organizational inventions (Stinchcombe 1965; Kimberly 1975), and existing organizations as producers of new organizational forms (Brittain and Freeman 1982; Lumsden and Singh 1990). A key premise common to all versions of the constrained variation perspective is that the existence of ecospace unoccupied by other forms is an important precondition for the birth of new organizational forms. Nevertheless, proponents of the constrained variation perspective differ with respect to the antecedents of resource spaces. If models of creative destruction hold that the demise of existing organizations frees resources for new organizations, then models of environmental imprinting stress the importance of political upheavals (Carroll, Delacroix, and Goodstein 1990), entrepreneurs' access to wealth and power, labor markets, and the protective role of the state (see Aldrich 1979). By contrast, those who portray existing organizations as producers of new organizations hold that interrelations among existing organizations influence the branching of new resource spaces (Carroll 1984) and the ability of existing organizations to exploit new resource spaces (Romanelli 1989). Although the constrained variation perspective usefully emphasizes the primacy of resource spaces, its drawback is that resources do not preexist as pools of free-floating assets but have to be mobilized through opportunistic and collective efforts (Van de Ven and Garud 1989). Another defect is that the constrained variation perspective elides how formal structures become imbued with norms, values, and beliefs during the process of resource mobilization by entrepreneurs.

The *cultural-frame institutional perspective* complements the constrained variation perspective and proposes that new organizational forms arise when actors with sufficient resources see in them an opportunity to

realize interests that they value highly.² A core premise is that the creation of all new organizational forms requires an institutionalization project wherein the theory and values underpinning the form are legitimated by institutional entrepreneurs (DiMaggio 1988, p. 18). In this perspective, institutional projects can arise from organized politics or social movements. When they arise from organized politics, they still also resemble social movements in that the resources and interests of actors are not fixed and the rules governing interaction are contested (Padgett and Ansell 1993; Fligstein 1996a, p. 5). The cultural-frame institutional perspective on the rise of new organizational forms is, as yet, emergent and needs to “pay more attention to preexisting institutional conditions, what the alternative institutional projects are in a given situation, and the political process by which projects win out” (Fligstein 1996a, p. 27) and to “direct attention to the role of professionalization in the institutionalization of new forms, and more generally, to the establishment of fieldwide environments around the forms” (DiMaggio 1991, p. 289).

These gaps in the cultural-frame institutional perspective supply the motivation for this article to analyze the institutional production of non-profit consumer watchdog organizations (CWOs) in the United States. CWOs are social control specialists who institutionalize distrust of agents by inspecting their performance on behalf of their clients and who sustain social order (Luhmann 1979; Zucker 1986; Shapiro 1987). For-profit CWOs like Morningstar and Lipper Analytical Services inform customers by disseminating evaluations of mutual funds. By contrast, nonprofit CWOs such as Consumers Union and the Council for Responsible Genetics evaluate products and technologies, lobby legislators and governmental agencies, and educate consumers about their rights. Unlike for-profit CWOs, nonprofit CWOs do not distribute surpluses as profits to shareholders.

Nonprofit CWOs are a significant outcropping of the social organization of distrust.³ Since the formation of the first nonprofit CWO, Consumers

² Cultural-frame institutionalist arguments differ from rational-choice institutional arguments. The latter imply that new organizational forms emerge when it is in the private interests of individuals to establish them and hold that “actors must establish a set of obligations as well as a mechanism that enforces compliance to these obligations” (Hechter 1990, p. 14). Institutional building episodes are bargaining games wherein actors with fixed preferences enter into bargains over issues that foster cooperation (Shepsle 1990). By contrast, cultural-frame institutional arguments assert that preexisting institutions and organizations constrain actors to cooperate (March and Olsen 1989). Moreover, the interests of actors are not fixed and new conceptions of interests can emerge (Padgett and Ansell 1993).

³ The number of employees in a nonprofit CWO is not a credible proxy of its importance because CWOs are minimalist organizations with few employees. Their biggest resource is usually subscribers to magazines or donors. Some nonprofit CWOs publish

Research in 1927, the number of national-level nonprofit CWOs in the United States has surged to 200 in 1995 (Bykerk and Manney 1995). Some national nonprofit CWOs are “second-order associations” (composed of other organizations as members), focusing on lobbying legislators and government, whereas other national nonprofit CWOs are “first-order associations,” consisting of individual members. In 1995, the largest second-order association, the Consumer Federation of America (started in 1967) consisted of 240 national and regional organizations whose total membership was more than 50 million members. The largest first-order association was Consumers Union with 4.9 million members (Bykerk and Manney 1995). By virtue of their monitoring, lobbying, and educational activities, national nonprofit CWOs have induced American business firms to create special-purpose departments concerned with consumer affairs. Indeed, a new professional group called the Society for Consumers Affairs Professionals in Business was set up in 1973, and by 1988, it had 750 large firms as members (Fornell 1988). Nonprofit CWOs coexist with watchdogs specializing in environmental, civil rights, child welfare, animal welfare, voter rights, and human rights sectors.⁴ In a study of the American nonprofit watchdog community, Meyer and Imig (1993) reported 196 national watchdogs that sought to influence legislation in the consumer, child welfare, animal rights, civil rights, and antipoverty sectors.⁵ Although watchdogs in these sectors perform specialized functions, there is some interpenetration. Thus, prominent environmental watchdogs also espouse consumer agendas (Bykerk and Manney 1995); for example, Greenpeace promotes the idea that consumers ought to be environmentally responsible by purchasing “green” goods and disciplines errant firms by organizing consumer boycotts.

Despite their importance, there is a dearth of research on the social origins of nonprofit CWOs. Sociologists have analyzed nongovernmental nonprofit watchdogs such as accrediting bodies (Wiley and Zald 1968) and professional societies (Briloff 1972; Freidson 1986) but have overlooked the cultural origins of nonprofit CWOs. The burgeoning literature

test bulletins, but the circulation of consumer test bulletins severely understates the extent of their use. For example, a Gallup poll in England revealed that the readership of the consumer magazine *Which?* was 3 million in 1967 even though the actual subscriptions totaled 434,000 (Thorelli and Thorelli 1974).

⁴ Luhmann (1979, p. 57) observes, “In practical terms, control over trust can only be exercised as someone’s main occupation. Everybody else must rely on the specialist involved in such control.”

⁵ Note that this study understates the number of national-level watchdogs by not including service providers. Additionally, Meyer and Imig (1993) also condensed national organizations that shared phone numbers, addresses, and boards of directors into one listing.

on consumerism glosses over how institutional dynamics shape the design of nonprofit CWOs. Brobeck (1990, p. xxxii) surveyed 943 articles on consumer organizations and concluded that there was insufficient empirical research on the cultural origins of nonprofit consumer organizations, their advocacy and interrelationships, and their linkages with other organizations. In their detailed review of consumption, Frenzen, Hirsch, and Zerillo (1994, p. 410) noted that the "processual linking of producers and consumers is a rich, though still unexplored, research arena for economic sociology, with available archival and contemporary data sources waiting to be mined." If variability in the social organization of distrust is to be understood, as Shapiro (1987) recommends, then the study of the cultural origins of nonprofit CWOs is essential. Below, I begin by elaborating cultural-frame institutional arguments on the rise of new forms, and thereafter, I present a detailed case study of the formation of Consumers Research and Consumers Union to demonstrate cultural-frame institutional arguments.

INSTITUTIONAL DYNAMICS AND THE RISE OF NEW FORMS

The starting point of cultural-frame institutionalism is that new forms do not arise automatically in resource spaces but have to be constructed from prevalent cultural materials. In turn, detailed attention to the process of the construction of new forms devolves into an analysis of institutional entrepreneurs (Granovetter 1994). Institutional entrepreneurs are ideological activists who combine hitherto unconnected beliefs and norms into an organizational solution to a problem (Becker 1963).

Entrepreneurs, Frames, and Legitimacy

Stinchcombe (1968, p. 194) asserts that the entrepreneurial creation of new forms "is preeminently a political phenomenon" because support has to be mobilized for the goals, authority structure, technology, and clients embodied in the new form. In some cases, resource spaces unoccupied by other forms may exist, but the existence of such unfilled resource spaces does not mean that "free floating" resources are easily available to potential entrepreneurs. Entrepreneurs have to assemble resources, to legitimate the new form, and to integrate it with the prevalent institutional order. In other cases, resource spaces for a new form may not exist, and entrepreneurs have to construct these spaces by defining opportunity, by identifying distinctive resources, and by prying them away from existing uses. Since entrepreneurs are trying to convince others to go along with their view, the formation of new industries and forms resembles social movements (Fligstein 1996*b*, pp. 663–64).

Social movement theorists propose that institutional entrepreneurs can mobilize legitimacy, finances, and personnel through the use of frames (McAdam, McCarthy, and Zald 1988). Frames define the grievances and interests of aggrieved constituencies, diagnose causes, assign blame, provide solutions, and enable collective attribution processes to operate (Snow and Benford 1992, p. 150).⁶ Thus, frames are theories that justify an organizational form—an incarnation of goals, authority, technology, and clients, as indispensable, valid, and appropriate. Frames are tools of unobtrusive influence and can shape people's "perceptions, cognitions, and preferences in such a way that they accept their role . . . either because they see or imagine no alternative to it, or because they view it as natural" (Lukes 1974, p. 24). In "much the same way that pictures are framed, questions and actions are framed, and the context in which they are viewed and discussed determines what gets done . . . setting the context is a critical strategy for exercising power and influence" (Pfeffer 1992, p. 202).

Institutional entrepreneurs create frames by selecting items from a pre-existing cultural menu (Meyer and Rowan 1977, p. 345). Swidler (1986, p. 277) suggests that a culture is not a "unified system that pushes action in a consistent direction. Rather it is more of a 'tool kit' or a repertoire from which actors select differing pieces for constructing lines of action." Douglas (1986) points out that bricolage is an important method by which entrepreneurs construct new cognitive models and formal structures. Thus, entrepreneurs can recombine elements from existing repertoires through imitation or consciously revise existing models on the basis of their training in other organizations.

Multiple Frames and Conflict

Politics become obtrusive when an unfilled resource space "calls forth and permits a range of definitions of the situation" (Zald and McCarthy 1980, p. 6) and when rival coalitions of issue entrepreneurs champion incompatible frames. Even as entrepreneurs may draw on a generalized Western cultural account (Meyer, Boli, and Thomas 1987) and justify their actions on the basis of the widely accepted myths of progress and justice, there is a wide scope for conflict over the practical implications of the Western cultural account in the construction of new organizational forms. As mod-

⁶ Fligstein (1996*b*, p. 658) says that frames are really "conceptions of control," that is, "understandings that structure perceptions of how a market works and . . . allow actors to interpret their world and act to control situations." "Conceptions of control are shared cognitive structures within and across organizations that have profound effects on organization design and competition" (Fligstein 1996*b*, p. 671).

erates plead for progress and radicals glorify justice and clash like tectonic plates, interorganizational conflict ensues. Which frame and its organizational embodiment should be chosen to define and organize an activity is a political question (DiMaggio 1994; Tarrow 1989). Friedland and Alford (1991, pp. 240–42) propose that the creation of new organizational forms unfolds at three levels of analysis, with “individuals competing and negotiating, organizations in conflict and coordination, and institutions in contradiction and interdependency. . . . We conceive of these levels of analysis as ‘nested,’ where organization and institution specify higher levels of constraint and opportunity for individual action.”

When multiple frames and forms vie with each other, why one form is chosen and why other roads are not pursued hinge on larger constellations of power and social structure (Brint and Karabel 1991, p. 346). Struggles to produce new meanings and new social structures are, therefore, the motors of cultural change in societies (Tarrow 1989), and these tussles unfold in an organizational field where the state and the professions play an important role (DiMaggio and Powell 1983).

The state constrains the creation of new forms as a collective actor and as an institutional structure (Campbell and Lindberg 1990). As a set of semiautonomous actors, agencies of the state grant charters, allocate finance or monopoly status, and impose taxes and regulatory controls. Baron, Dobbin, and Jennings (1986) showed that personnel offices arose as document providers because firms had to file “manning tables” enumerating manpower needs and jobs in response to employment stabilization policies instituted by the federal government during World War II. As an institutional structure, the structure of the state, whether it is fragmented or centralized, affects organizational structures. Moreover, the executive, legislative, and judicial arms of the state also serve as arenas within which conflicts within and among organizations are adjudicated. Finally, states have the capacity to define and enforce property rights, rules that determine the conditions of ownership and the control of the means of production (Campbell and Lindberg 1990, p. 635).

Professions shape the rise of new organizational forms by providing cognitive frameworks and by spawning formal structures to create and defend jurisdictional claims (Freidson 1986; Abbott 1990). Professionals can be conservatives in organizational roles and simultaneously use fieldwide organizations to reform the system that employs them. In the case of museums, administrative professionals dominated fieldwide structures and were at the forefront of debate about whether museums were to be structured like libraries, symphony orchestras, or department stores (DiMaggio 1991, p. 287). Professionals such as personnel experts and labor attorneys can also overstate legal threats (Sutton and Dobbin 1996) and can encourage organizations to institute defenses such as grievance proce-

dures. Alternatively, professionals who are sited outside organizations can impel organizations to conform to models dominant in the profession—thus, firms have been shown to dediversify when there is a mismatch between the industries in which the firm competes and the industry coverage of the financial analysts who follow it (Zuckerman 1996).

Apart from the state and the professions, the organizational field also consists of key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar goods and services (DiMaggio and Powell 1983; DiMaggio 1994). Some of these actors may support a given frame, others may champion rival frames, and uncommitted organizations may withhold judgment and be neutral. It is in this multiorganizational field that institutional entrepreneurs interpret grievances, exchange evaluations, forge alliances, and joust with antagonists (Klandermans 1992). If alliances provide resources and opportunities for entrepreneurs, antagonists drain resources and restrict opportunities.

Boundaries of Forms

These arguments suggest that both entrepreneurs and frame conflict play a substantial role in bundling goals, authority structure, technologies, and clients into new organizational forms. Although organizational economists assert that technical considerations, especially transaction costs, determine “efficient boundaries” of organizational forms (Williamson 1985), institutional dynamics, as Hannan and Freeman (1989, pp. 43–59) note, play a double-edged role—they can blend differences among organizational forms or segregate activities into distinct organizational forms.

On the one hand, institutional processes can erode distinctions among organizational forms. Thus, bricolage can blur distinctions among organizational forms. Institutional entrepreneurs can recombine elements from existing repertoires by imitation into new theories or frames or by consciously redesigning existing theories of organization (Douglas 1986). Similarly, copying errors can lead to the accumulation of small unintended changes and can blur differences among forms as organizations diverge from common models (Powell 1991). Deinstitutionalization, wherein the rules defining social and technical boundaries are broken by the passage of legislation or by the crossover of personnel can also eliminate distinctions among forms (Oliver 1992).

Arguably, institutional processes are the “important segregating mechanism” (Hannan and Freeman 1989, p. 54). New forms become established when a powerful actor (e.g., the state) endorses the claims of social actors using a form, or when a form becomes taken for granted as the way to organize activities. Collective action by members of a group can also foster distinctions among forms (e.g., the formation of trade associations). More-

over, closure of social networks through inbreeding and replication (Powell 1991) can also encode distinctions among forms.⁷

Hannan and Freeman (1989, p. 60) observe that segregating and blending processes are not stages in an evolutionary process but are sub-processes that simultaneously edit organizational diversity. Rival bands of entrepreneurs can construct incompatible frames through bricolage and can promote structural proposals that are recombinations of preexisting organizational models. When rival blends vie for dominance, politics determine which frame is chosen and how boundaries are imposed on organizational activities. The success of collective action efforts and the endorsement of powerful actors shape the selection of a frame and the concomitant choice of organizational boundaries. Collective action and the endorsement of powerful actors become even more important when technical differences among rival frames and structural proposals are minimal. In cases where the criteria for a good technical solution are contested, political and institutional processes shape not only what organizations can do, but which organizations can exist (Powell 1991, pp. 186–87).

The coalition that garners the greatest political support will find that its frame will be privileged (Brint and Karabel 1991, p. 355; McAdam 1994). Whether a coalition wins or not hinges on its size, the existence of political opportunity, the attitude of state actors, its support from professionals, and its ability to build a political coalition around an identity (Fligstein 1996*b*, p. 664). Thus, the scope of the form (i.e., the goals, authority structure, technology, and clients subsumed by the form) are outcomes of contending attempts at control and competing quests to impose a preferred definition of the identity of the constituencies that benefit from the form (White 1992).

Nelson and Winter (1982, pp. 109–11) propose that intraorganizational routines become *operative* only when there is a comprehensive truce or when there is a cessation of conflict amongst members of an organization. Analogously, the boundaries of a new organizational form become established and the new form becomes integrated into an community of organizations only when there is a truce amongst the constituents of the organizational field about which frame is used to organize activities. Like truces among nations, truces among rival institutional entrepreneurs can also be

⁷ It is interesting that Hannan and Freeman (1989, p. 56) describe endorsement by powerful actors (such as the state) and the taken-for-granted character of forms as institutional processes but do not similarly characterize collective action (lobbying designed to create laws) and the closure of social networks (inbreeding). I suggest that all four are institutional processes.

unequal, with some winning a larger slice of the cake and as a result, having a privileged position for their frame.

March and Olsen (1989) suggest that conflicts may be resolved through the logic of aggregation and give and take, or the logic of integration wherein one of the parties can learn from the other and even convert to the other's point of view. Those who lose can exit the arena, concentrate on a different niche or even embrace the ascendant frame. When the proponents of a losing frame abandon deviant ideas and capitulate by adopting the ascendant frame, they can "normalize" themselves and become integrated into the social system (Hirsch 1986).

Truces increase the capacity for collective action by reducing comprehensiveness; some points of view are ignored or suppressed. The terms of a truce among rival institutional entrepreneurs can never be completely explicit, thus, the maintenance of truces depends upon the disincentives for actors for engaging in provocative actions and the defensive alertness of parties keen on preserving the status quo. As a result, just like intraorganizational routines, organizational forms are "confined to extremely narrow channels by the dikes of vested interest. Adaptations that appear 'obvious' and 'easy' to an external observer may be foreclosed because they involve a perceived threat to the . . . political equilibrium" (Nelson and Winter 1982, p. 111).

THE FORMATION OF NONPROFIT CWOS IN AMERICA

Historians of the consumer movement recognize three eras: the antiadulteration movement culminating in the passage of the Pure Food and Drugs Act of 1906, the rise of nonprofit consumer watchdogs such as Consumers Research and the Consumers Union in the 1930s, and legal activism commencing with Ralph Nader's crusade for product safety in the 1960s (Hermann 1970).

This article focuses on the second wave of activism because it witnessed the rise of nonprofit CWOs as a new organizational form. The early history of a new organizational form, as Scott (1995, p. 147) notes, is a period of coevolution in which existing institutional arrangements are delegitimated and new norms and beliefs are being constructed. This article relies on a wide variety of archival and publicly available sources—documents of the Consumers Union, Consumers Research, newspapers, census statistics, and writings of issue entrepreneurs and historians. Historical research on the origins of an organizational form provides greater breadth than conventional ethnography and enables us to derive a historically informed understanding of organizations (DiMaggio 1991, 1994). In order to demonstrate how nonprofit CWOs emerged as a new organizational form, I begin

by discussing organizational precursors to nonprofit CWOs: standards and testing organizations and consumer leagues.

Precursor Organizations

Standards and testing organizations were an important organizational precursor to nonprofit CWOs and arose around 1900 as proponents of the idea of removing wasteful variety through standardization. By contrast, consumer leagues that arose in the early part of the 20th century sought to improve standards of living.

Standards and testing organizations.—Standards and testing organizations were mainly extensions of trade associations and professional societies seeking to promulgate common metrics to assist business organizations. In 1894, an association of insurance underwriters (Underwriters Laboratory) received a charter to certify wires and light fixtures as fire resistant in order to build insurable real estate. Other trade associations established standard nomenclatures and performance specifications in the wool blanket and laundry industries.

A professional society of engineers called the Society of Automotive Engineers (SAE) was established in 1906 for the explicit purpose of standardizing the supply of components to automobile manufacturers. Instead of having numerous suppliers making incompatible components, the SAE initially laid down 600 specific standards to ensure the interchangeability of components and thereby increased the size of the potential market for parts manufacturers and ensured reliability for auto producers (Chase and Schlink 1927). Similarly, materials testing experts promulgated standards for paint, and electrical engineers developed standards for electrical components for large business enterprises.

Standard-setting bodies that arose as extensions of trade associations and professional societies induced action by governmental authorities. The National Bureau of Standards (established in 1901) instituted annual national conferences on weights and measures and the *Journal of Weights and Measures* was set up in 1908 for the “benefit of Dealers, Sealers, and the Purchasing Public.” During World War I, the War Industries Board pushed producers to standardize products and conserve resources, so much so that colors of typewriter ribbons were reduced from 150 to 6 colors, automobile tires from 287 types to 9, and buggy wheels from 232 sizes to 4 (Cochrane 1966). After the war, the American Standards Association was formed in 1919 and persuaded hundreds of firms to adopt common standards with the active support of the National Bureau of Standards and the then-commerce secretary, Herbert Hoover, in a bid to improve efficiency.

Large private corporations such as General Motors, General Electric,

Westinghouse, and American Telephone and Telegraph also set up special purpose departments to establish standards for devices. American Telephone and Telegraph was reputed to have saved a million dollars because of the use of a standardized repeater in long distance lines (Chase and Schlink 1927, p. 235).

Consumer leagues.—Unlike standards and testing organizations that were extensions of professions and trade associations, consumer leagues were loosely modeled on trade unions. If trade unions used the threat of a strike to discipline employers, consumer leagues relied on the threat of a boycott to push for better prices and standards of living. Generally, these consumer leagues had visible involvement from women activists and, on occasion, trade union leaders and often depended on women's groups for support.

The earliest such organization, the National Consumer League, was founded in 1899 to ameliorate the plight of child labor and had many women members. Florence Kelley, the first executive director, a former chief factory inspector and attorney, stated that the major aim of the organization was to "moralize" the demand function of consumer power so that workers received fair living wages, goods were produced under sanitary conditions, and the interests of the community were promoted (Kelley 1899, p. 290). By contrast, other consumer leagues were concerned about the effect of prices on the standard of living. Bureaus of labor statistics in different states had legitimized the linkage between wages, prices, and consumption by conducting cost-of-living inquiries. Massachusetts was the first to create a state labor bureau of statistics, and by 1885, 14 other states had followed suit. By 1910, cost-of-living inquiries referred to the consumer as a category of actors (Samson 1980, p. 114).

Rising food and meat prices motivated attempts to organize consumer leagues. The National Anti-Food Trust League started in 1909, had the president of District of Columbia's Central Labor Union as a member (Samson 1980, p. 152), but it failed to go beyond organizing a few hearings. A consumer boycott of meat in 1910 was organized in Cleveland by the city's central labor union, and 100,000 people signed a pledge not to eat meat for 30 days. Soon, boycotts sprang up in Pittsburgh, Kansas City, and Baltimore, but they failed because of poor organization, the lack of solidarity, and the inability of meat producers to bear lower prices.

By 1910, a few buying clubs consisting of housewives had also begun to appear on the horizon. The same year the Housekeepers Cooperative Association was organized in Pittsburgh with the intent of providing advice on spending and on defeating unscrupulous practices. The Federated Marketing Club was organized in Chicago in 1911 to publish daily lists of bargains and had a board consisting of the presidents of the Illinois Federation of Women's Clubs, the Cook County Federation of Women's

Clubs, and the Chicago Federation of Labor. In 1911, a Housewives League was started in New York to ensure accurate weights and measures. A butter boycott was successfully prosecuted, the National Association of Housewives' Leagues was established in 1912, and a magazine called *Housewives League* was rolled out to "represent the consumer in the fight to reduce the cost of living" (Samson 1980, p. 160). The First World War saw the league championing conservation, but by the end of the war, consumer leagues had become moribund due to the lack of support and the waning of inflation.

Distinctiveness of nonprofit CWOs.—Nonprofit CWOs were an important departure from standard-setting organizations and consumer leagues. Unlike standard-setting bodies that were extensions of trade associations and professional societies, nonprofit CWOs were formally separate from the industries they monitored and were explicitly oriented to the needs and interests of consumers. Unlike consumer leagues that were extensions of women's clubs or relied primarily on women for support, nonprofit CWOs served both men and women. If consumer leagues sought to ensure lower prices, nonprofit CWOs aimed to protect consumers (by deterring fraud, promoting product safety), to educate consumers (by providing literacy and decision-making skills), to lobby legislators, and to inform consumers (via best buy recommendations in the consumer goods, health, and consumer finance industries). How was this form established? How did it emerge as a departure from its organizational precursors? How were its boundaries defined? Below, I address these issues by discussing how a resource space or niche initially arose for nonprofit CWOs.

Emergence of a Resource Space for Nonprofit CWOs

Rising expenditures on consumer durables, mounting complexity of product choices, changes in the pattern of advertising, and lack of product liability rules created the social context that made it possible for institutional entrepreneurs to mobilize resources for the establishment of nonprofit CWOs as solutions.

Durable goods expenditures.—Disposable income, in 1970 dollars, registered a fivefold increase from \$14.1 billion in 1901 to \$74.5 billion in 1930 (U.S. Bureau of the Census 1975). As disposable income grew, individuals were able to purchase a wider array of consumer durables, and they began to account for a greater share of disposable income (Olney 1991). Table 1 shows changes in the average allocation of durable goods expenditures. It reveals that the share of transport vehicles jumped from 6.4% in the period 1899–1908 to 28.3% in the period 1919–28. The spurt rise in automobile purchases was spurred by installment buying and by the growth of personal finance companies that allowed individuals to pur-

TABLE 1

AVERAGE ALLOCATION OF DURABLE GOODS EXPENDITURES (%), 1900–1928

	1899–1908	1909–18	1919–28
Transport vehicles	6.4	10.3	28.3
Furniture	30.8	24.8	22.5
Household appliances	3.3	3.7	4.1
Entertainment appliances	1.0	1.3	1.5
All major durable goods	41.6	40.0	56.5
China and tableware	19.5	23.0	14.0
House furnishings	21.1	18.5	14.7
Watches and jewelry	6.9	7.8	5.5
Medical products	1.0	1.9	1.9
Books and maps	7.9	6.6	5.6
Miscellaneous	2.0	2.2	1.9
All minor durable goods	58.4	60.0	43.5
Total	100	100	100

SOURCE.—Olney (1991), pp 37–45.

NOTE —All estimates are based on constant 1982 price estimates using Bureau of Economic Analysis data.

chase goods through credit. Furniture and household appliances accounted for virtually all other major consumer durable goods spending. Electrification provided an impetus for the purchase of household appliances. In 1907, only 8% of homes in America had electricity, but by 1925, 53.2% had electricity (U.S. Bureau of the Census 1975). Households with electricity were a lucrative market for clothes washers, refrigerators, and radios. Old products like the broom, unchanged since ancient Egypt, were superseded by new products like the vacuum cleaner (Silber 1983, p. 10). Table 1 also shows that china, tableware, watches, and jewelry were the most purchased minor consumer durable goods.

As products like the icebox were replaced by automatic electric refrigerators, consumers had to choose technologically complex products with which they had little familiarity. Moreover, individuals with wealth, as Veblen (1919) noted, were able to construct personal styles through the purchase of consumer durables. These styles were imitated by others in the social ladder so that the status conferred by a consumer durable good mattered more than its usefulness. Indeed, products enabled individuals to extend their definition of self and to augment their personal identities as distinctive individuals (Schudson 1978).

Complexity of product choice.—Product comparison became costlier with an increased number of price classes and a rising number of brands within each price class. Table 2 shows that consumers could buy cars in four price classes and often had to choose among price categories within

TABLE 2
 AUTOMOBILE SALES BY PRICE CLASSES (%), 1903-26

Car Price (in dollars)	1903	1908	1913	1918	1923	1926
Low:						
< 675	4.2	5.0	46.6	41.6	62.2	51.6
Medium:						
676-875	22.1	18.8	.5	11.6	7.5	8.5
876-1,375	42.4	19.5	19.9	33.5	13.2	24.7
High:						
1,376-1,775	6.1	10.6	13.7	6.0	8.8	7.5
1,776-2,275	1.7	10.4	10.2	3.9	5.2	3.2
2,276-2,775	12.0	16.6	3.9	1.1	1.4	2.4
Luxury:						
2,776-3,775	7.6	3.5	2.6	1.7	1.2	1.3
3,776-4,775	2.6	10.4	1.6	.4	.4	.5
> 4,776	1.3	5.2	1.0	.2	.1	.3

SOURCE.—The data on percentage of shares by share classes are drawn from Epstein's (1929) survey of auto producers.

a price class. In each price class, a purchase involved a comparison of several producers. In 1918, for example, the medium-priced producers, who accounted for 43.2% of all cars sold, included Willys-Overland, Buick, Dodge, Chevrolet, Maxwell, Studebaker, Saxon, Reo, Regal, Briscoe, Grant, Hupp, Dort, and Mitchell, each of whom allowed consumers to choose a plethora of options (Thomas 1977).

By 1926, annual model changes powered by the doctrine of planned obsolescence led to an emphasis on style and aesthetic appeal rather than mechanical performance. Paid advertising for automobiles exploded from \$1 million a year in 1901 to \$4 million in 1914 and \$41 million in 1926 (1.5% of the wholesale value of industry output; Thomas 1977, p. 236). Thus, consumer choice began to be influenced by style rather than substance.

The changing pattern of advertising.—In 1900, \$542 million was spent on advertising through newspapers, radio, outdoor, and miscellaneous media. By 1930, advertising expenditures had grown to \$2.6 billion (U.S. Bureau of the Census 1975). Newspapers, especially Sunday newspapers, began to cover fashion, etiquette, beauty, hygiene, and clothing by having special “advice” columns for women on how to use products to acquire social status and to signal it discreetly (Schudson 1978, pp. 100–102). In 1902, *Good Housekeeping*, a Hearst publication, developed a “Seal of Approval” for goods it judged worthy of advertising space in its pages.

Table 3, drawn from Pollay (1985) documents changes in the pattern

TABLE 3
CHANGING PATTERNS OF ADVERTISING, 1900–1930

DIMENSION	% OF ADS EXAMINED			
	1900s	1910s	1920s	1930s
Advertisers:				
Manufacturers	48	80	82	94
Direct marketers	50	17	12	4
All other	2	2	5	2
Rhetorical focus:				
Source (ethos)	11	7	14	24
Tone (pathos)	27	25	30	42
Logic (logos)	62	68	56	35
Depiction:				
Product only	19	21	14	9
People only	29	15	23	17
Product and people	34	57	61	72
Neither	18	7	2	3
Tactical focus:				
Product features	59	43	29	20
Benefits to be gained	40	54	62	63
Risks to be avoided	1	4	8	17

SOURCE.—Pollay (1985).

of advertising during the period 1900–1930.⁸ It reveals changes in who advertised: The share of direct marketers dropped from 50% in the 1900s to 4% in the 1930s whereas advertisements from manufacturers rose from 48% in the 1900s to 94% in the 1930s. The rhetorical focus of advertising also changed. Advertisements based on appeals to logic shrank from 62% in the 1900s to 35% in the 1930s, and advertisements appealing to emotion (pathos) rose from 27% in the 1900s to 42% in the 1930s. Advertisers sought to manipulate greed, envy, and fear. Listerine evoked the fear of halitosis in its campaign, “even your best friend won’t tell you,” and in concert with other products, these campaigns led to the discovery of bodily functions as targets of marketing opportunity (Fox 1984). The content of the advertisement also changed as advertisements depicting products and people shot up from 34% in the 1900s to 72% in the 1930s. Celebrity testimonials extolled products: the queen of Romania explained why she entrusted her skin to Pond’s cold cream in advertisements, and movie stars like Joan Crawford shared why they used Lux soap. Finally, table

⁸ Pollay’s (1985) analysis is based on a random sample of 2,000 advertisements spanning the period 1900–1980, which were culled from the 10 leading magazines during that time period.

TABLE 4
 PRODUCT LIABILITY CASES IN AMERICAN COURTS,
 1900-1930

Decennial	No of Product Liability Cases	No of Negligence/ Tort Cases Cited
1900-1910	3	59
1911-20	4	28
1921-30	7	14

NOTE.—Product liability cases are from Madden (1988) and Vandall (1989). Negligence and tort cases cited in the product liability cases come from court reporters (e.g., *Northeast Reporter*, *Southeast Reporter*, *Southwest Reporter*, *Federal Reporter*, *Pacific Reporter*).

3 shows that the tactical focus of advertisements was also transformed. In the 1900s, 59% of advertisements emphasized product features, but by the 1930s, only 20% did so. Instead, the 1930s advertisements began to stress the benefits accruing from the product and the risks that could be avoided by using the product. Taken together, all of these changes suggest that, as Veblen (1919) lamented, the fabrication of consumers had become a routine operation much like a mechanical industry.

The lack of product liability rules.—A 1923 study of 244 advertisements by Stuart Chase found 44 advertisements that were palpably false and 28 cases where harmful products were touted as useful (Vaile 1927). But consumers possessed restricted legal rights and had little recourse when faced with defective or harmful products of poor quality. The period 1860-1920 was dominated by the doctrine of negligence, wherein ideas of privity, contributory negligence, and assumption of risk were applied to deny plaintiffs recovery and to impede consumer rights (Spacone 1985). Under the notion of privity, manufacturers had no obligation to a party to which it was not in direct contract (e.g., passengers in a car could not sue the manufacturer for a defect in the car). Similarly, the assumption of risk meant that consumers had accepted some risk when they purchased a product or used a service. Due to these restrictive ideas, there were very few product liability cases, and the few cases that were decided invariably cited negligence and tort cases to legitimate their claims. Table 4 provides a decennial count for the period 1900-1930. It shows that the number of product liability cases was in single digits and that, as the number of cases inched upward, the tendency to cite negligence and tort cases to justify claims of liability diminished. One landmark case, *MacPherson v. Buick Motor Co.*, was decided in 1916 by the New York Court of Appeals, and Justice Cardozo weakened the privity requirement when he ruled that a manufacturer was liable if any product was inherently dangerous or if it

was dangerously and negligently manufactured. However, the small number of product liability cases suggests that the idea of liability was not firmly established before 1930. Legal historians suggest that it was only from 1930 onward that scholars, especially Friedrich Kessler and Fleming James, led the movement for tort reform by attacking the premises of contract and negligence law and by inventing the idea of enterprise liability (Priest 1984). It was only in the late 1950s and early 1960s that the *MacPherson v. Buick Motor Co.* case was followed in several jurisdictions and served to undermine the ideas of privity and negligence (Spacone 1985, p. 22).

CWOs as Impartial Testing Agencies: Consumers Research

Sporadic attempts backed by women's organizations to improve the lot of the consumer arose but did not flourish. Thus, attempts by the Federated Marketing Club in Chicago (1911), the Housewives' League in New York (1911), and the National Association of Housewives' Leagues (1912) to provide bulletins of prices failed as inflation declined. It was against this backdrop that two issue entrepreneurs, Stuart Chase and Frederick Schlink, diagnosed the problems facing consumers and framed a new social control mechanism as the solution—the CWO.

The impartial testing frame.—Chase, an accountant by profession who was affiliated with Veblen in Howard Scott's ephemeral Technocratic movement, wrote two polemics entitled *The Challenge of Waste* (1922) and *The Tragedy of Waste* (1925) and castigated the riot of products that were detrimental to man and outside the category of wants. With Frederick Schlink, who was an ex-employee of the National Bureau of Standards and the National Standards Association, Chase in 1927 wrote *Your Money's Worth*, which became an instant best-seller. Chase and Schlink portrayed the consumer as an "Alice" in a wonderland created by advertising and product differentiation. They blamed manufacturers for failing to *serve* the consumer by instead creating wasteful variety. They noted that a "housewife needing a sewing machine needle might as well look for one in a haymow as on a neighbor's machine. Such needles are made in nine diameters . . . and in lengths varying by as little as one thirty-second of an inch" (Chase and Schlink 1927, p. 174). Chase and Schlink (1927, p. 2) attacked advertising for deceiving consumers, deriding the "conflicting claims, bright promises, fancy packages, soaring words, and almost impenetrable ignorance" and asserted that modern marketing practices impeded consumers' access to the benefits of mass production.

Consumers were urged to imitate Schlink's consumer's club established in a church in White Plains, New York. This neighborhood club prepared two "confidential lists"—one carrying "products considered to be of good

value in relation to their price; the second, products, one might well avoid, whether on account of inferior quality, unreasonable price, or of false and misleading advertising” (Chase and Schlink 1927, p. 254). The book sparked hundreds of inquiries, and Schlink transformed the neighborhood club into Consumers Research (CR)—an organization that sought to serve as an “economist, scientist, and an accountant” (Silber 1983, p. 18). The list was renamed as the *Consumers Research Bulletin* that would “investigate, test, and report reliably hundreds of commodities” (Silber 1983, p. 18).

The organization embodied a new mechanism for the social control of business (its target) and consumers (its clients). It explicitly stated that its aim was to readjust the “rapidly increasing power of the manufacturer and seller over the mind and judgment of the consumer” (CR 1932, p. 1). As a social control device, CR aimed to promote new norms of consumption. Appendix table A1 delineates the norms propagated by CR.

The new organization sought to reform the system of production so that waste was reduced and producers *served* customers by making goods needed by customers and charging fair prices. The tools of control were product standards and scientific tests. Efficiency was a valued norm and was to be promoted by reducing wasteful variety through standardization. CR also aimed to replace magic in salesmanship with the norm of scientific analysis, so that facts rather than emotions would guide consumption. Consumers were exhorted to be rational and vigilant and to use the information provided by tests to extract the most value for their dollar. Finally, the organization sought to signal its impartiality through its nonprofit structure and its distance from political parties.

Legitimizing the Impartial Testing Frame

As an embodiment of a new form of social control, CR encountered very little opposition except some stray attacks, despite its vigorous assaults on manufacturers and advertisers. One writer foresaw a future society in which a man who did not like standard coffee was arrested for buying an unauthorized brand (Stoddard 1928, pp. 117–20). But in the main, CR’s attacks evoked little opposition from business firms, advertisers, or even state authorities.

The absence of conflict does not mean that CR’s birth was a plain story of an organization emerging to fulfill a need in the marketplace. Instead, it suggests that CR’s founders had deftly defused opposition by their creative use of hitherto unconnected cultural elements. Granovetter (1994, p. 484) notes that the assembly of elements into a form is a “good example of the Schumpeterian definition of entrepreneurship, which involves pull-

ing together previously unconnected elements.” Biggart (1989) shows that the synthesis of unconnected elements can disarm opposition to innovations—hence, direct-selling organizations seamlessly linked the logics of the family and marketplace and were able to legitimate themselves. Put simply, skillful framing allows entrepreneurs to set the context and to exercise unobtrusive power. Ranson, Hinings, and Greenwood (1980, p. 8) note that “power is most effective and insidious in all its consequences when issues do not arise at all.”

CR’s founders preempted opposition by seamlessly combining hitherto unrelated cultural elements into a new frame or model of consumption. CR’s founders deftly framed their critiques of business and advertising around the ideas of service to the customer and truth in advertising—concepts that businessmen and advertisers had begun to implement in a bid to professionalize their trades. CR’s founders also borrowed elements of their solution—standards, testing, and science—from the work of industrial standard-setting bodies and the home economics profession. Below, I suggest that these professional infrastructures shaped the cognitions of CR’s founders but shielded them from opposition. By borrowing ideas from these cultural repositories and by aligning themselves with professionalization efforts, CR’s founders were also able to insulate themselves from potential attacks.

The professionalization of retailing.—Between 1910 and 1925, numerous business firms adopted codes of ethics that exalted service to the customer (Heermance 1924). A study by Kitson (1922) in the *Journal of Political Economy* reported that advertisements that contained the word “service” increased from less than 5% in 1900 to 24% in 1920. The growth of the service ideal was due to the professionalization of business and competitive pressures on firms.

Schools of retailing blossomed across the country between 1902 and 1920. In 1902, Arthur Sheldon set up a school of scientific salesmanship in Chicago, and by 1921, 20 such schools existed (Samson 1980, p. 204). The American Association of Collegiate Schools of Business was created in 1916, and by 1925, it had 25 members, many of whom instituted courses in retailing and business ethics built around ideas of service. The service idea diffused among businesses also because of the Rotary Clubs. Initially set up in 1905 as a mutual-aid society among individuals from different commercial fields, the Rotarians championed the service ideal after the 1911 convention when their platform, influenced by Arthur Sheldon, stated that “the science of business is the science of service; he profits most who serves best” (*National Rotarian*, March 1912, p. 15). By 1915, the Rotary Club adopted a code of ethics that made service the “Golden Rule,” and it became the model for business firms.

The promotion of the service ideal by the retailing profession induced

business firms, especially retailers, to implement the service idea as a competitive weapon. A survey by the U.S. Bureau of Education in 1917 found that 50 stores, such as Wanamaker's, Altman's, Macy's, and Grant's, employed teachers of salesmanship. Stores began to rely on one-price selling and money-back guarantees and even employed "service shoppers" to make reports on the quality of service. Store manuals on service such as Wanamaker's exhorted employees to "hold the customer's interest jointly sacred with the interests of business" (Fuld 1916, p. 16). Trade associations such as the National Retail Dry Goods Association spoke of the need for the retailer to serve as a "protector of the consumer" (Letts 1914, p. 7) and the *Journal of Retailing* echoed this sentiment. Schlink published an article in the journal a month before his best-seller with Chase appeared and urged retailers to work as guardians of consumers and to reduce the costs of shopping. It was CR, however, that came to take on the role of a guardian of consumers, devoted to ensuring that business served customers.

The exaltation of the service ideal provided an evaluative yardstick for Chase and Schlink and made it possible for them to expose contradictions between precepts and practices. When Chase and Schlink (1927, p. 12) attacked business for violating norms of service and lamented that "we are deluged with things we don't wear, which we lose, which go out of style, which make unwelcome presents for our friends," businessmen and retailers could not respond with counterattacks because to do so would have meant disowning the ideal of service.

Professionalization of advertising.—Similarly, when Chase and Schlink (1927, p. 12) castigated "the advertiser [who] plays on the essential monkey within us," the advertising community could not respond because its bid to professionalize itself hinged on truth in advertising. After the formation of the Sphinx Club of New York in 1896, numerous advertising clubs sprang up, and in 1904, several clubs merged to form the Associated Advertising Clubs of America (AACA). By 1909, the AACA had established an educational committee to systematize training and to promote honest advertising. In the 1911 convention of the AACA, a proposal initiated by John Romer, the publisher of *Printers Ink*, was introduced wherein it was illegal for an advertisement to contain deceptions or misleading facts. Romer also urged advertising clubs to establish vigilance committees to ascertain the truthfulness of advertisements issued by members, to discipline errant members, or even to take them to court. The National Vigilance Committee was created in 1912, and by 1914, 24 cities had also founded vigilance committees in a bid to signal the advertising community's commitment to probity and professional conduct. In 1916, vigilance committees were renamed as Better Business Bureaus, and by 1930, more than 10,000 businesses were supporting these bureaus in numerous cities (Samson 1980, p. 343). Some of the bureaus instituted programs akin to

service shopping, wherein advertising claims were tested by purchasing the products. However, these bureaus lacked any enforcement capability—for example, a resolution banning the use of paid testimonials was rarely honored. Similarly, in 1925 the New York bureau found that the claim made by Macy's that its prices were at least 6% less than other department stores was unjustified. Macy's resigned from the bureau because it did not accept the finding. The Macy's case undermined the credibility of the bureaus and showed that they could not contend with large and influential firms.

Thus, the advertising community sensitized CR's founders to the issues of ethics and truth and laid the foundation for their critique. When CR's founders attacked advertising for deception and characterized it as "largely competitive wrangling as to the relative merits of two undistinguished and often indistinguishable compounds" (Chase 1925, p. 125), advertisers could neither organize any vigorous defense nor launch an offensive. By co-opting elements of the truth-in-advertising movement into their critique of advertising, CR's founders insulated themselves from attack.

Home economics profession and rational purchasing.—A new profession, that of home economics, had emerged around 1908, and its propagation of rational techniques of purchasing provided invaluable protective cover for Chase and Schlink. Ellen Richards, a lecturer in sanitary chemistry at MIT, sought to eradicate inefficiency in home management by organizing conferences of like-minded women at Lake Placid, New York, during the period 1899–1908. These conferences persuaded librarians to put books related to home management under the "economics of consumption" category rather than the category of "production." In 1908, the American Home Economics Association was created to foster thrift, efficiency, and safety in the "management" of households.

Home economists suggested that poverty also was the result of incompetent spending. In 1910, a number of charitable societies, especially the Cleveland Associated Charities, established separate home economics departments and integrated consumer expertise into social work practice (Zelizer 1994, p. 153). Home economists sought to substitute carelessness and ignorance in home management with systematic budgeting, comparison shopping, and rational techniques to allocate resources to clothes, rent, and food. The emphasis on rational purchasing also induced advertisers to change their techniques; some advertisers began to emphasize paired product comparisons and automobile manufacturers, such as Buick, whose cars won races, built their advertising around the theme "tests tell" (Schudson 1978).

Colleges began to introduce home economics courses in their curricula due to funding from the federal government through the Bureau of Home

Economics and Cooperative Extension Services of the Department of Agriculture. The latter organized a large project under which 2,500 home economists involved with numerous land-grant colleges set up demonstration projects—each such project covered 12–35 communities in an area and brought women together once a month to discuss consumption (Sorenson 1941, p. 64). As the number of students enrolled in federally aided home economics programs rose from 31,000 in 1918 to 175,000 in 1930 (U.S. Bureau of the Census 1975), techniques of rational home management and purchasing also spread. Additional support for the home economists' attempt to rationalize purchasing by households received encouragement from the U.S. Commerce Department's National Bureau of Standards, which published pamphlets for housewives. Two pamphlets called *Measures for the Household* and *Materials for the Household* published in 1915 and 1917 urged consumers to rely on standards and tests and contributed to the rise of a new model of purchasing by consumers.

Growth of CR.—The emphasis on testing and standardization disarmed opposition to CR and fueled its growth. Pfeffer (1992, pp. 247–49) says, “Power is most effectively employed when it is fairly unobtrusive. Using rational, or seemingly rational processes of analysis helps render the use of power and influence less obvious. . . . Decisions are perceived to be better and are accepted more readily to the extent they are made following prescribed and legitimate procedures.”

CR grew quickly. In 1927, it had 656 subscribers, but by 1933, there were 42,000 subscribers (Silber 1983). The lack of sustained opposition from advertisers and businesses and Chase and Schlink's skillful framing of their cause and solution spurred CR's growth. CR's ideas grew more popular due to the Depression, which forced consumers to be more vigilant about price-quality relationships. For example, as shirts, sheets, and shoes wore out quicker than consumers expected them to, people felt cheated and wanted to remedy the situation (Sorenson 1941, p. 10). A wave of exposés also fostered interest in product testing. *Skin Deep* by Mary C. Phillips, *The American Chamber of Horrors* by Ruth DeForest Lamb, and *100,000,000 Guinea Pigs: Dangers in Everyday Foods, Drugs, and Cosmetics* by Kallett and Schlink, the secretary of CR, called for mandatory disclosure of product ingredients because weak laws rendered “a hundred million Americans . . . as unwitting test animals in a gigantic experiment with poisons, conducted by food, drug and cosmetic manufacturers” (cited in Silber 1983, p. 18). A spate of other books followed, and much like the muckraking journalism, this guinea-pig journalism blended moral indignation with insistent pleas to the public to use objective information in purchasing. As a result, by 1935, CR had a staff of 50 employees and 200 outside consultants, and the readership of the *Consumers Research Bulletin* rose to 55,000.

CWOs as Engines of Radical Change: Consumers Union

As CR grew, other consumer advocates were lured to the organization by its rising stature. Notable recruits included Alexander Crosby (a journalist critical of advertising in newspapers), Dewey Palmer (an engineer seeking relief from college teaching), and Arthur Kallett (a colleague of Schlink's at the American Standards Association). As new activists joined, older activists left CR because of disagreements with Schlink. In 1932, Stuart Chase left the board of CR, and in 1933, two other board members, Bernard Reis and E. J. Lever, resigned due to budgetary disagreements with Schlink. These members were replaced by newcomers such as J. B. Matthews and Mary C. Phillips, who were allied with Schlink.⁹

These budgetary disagreements within CR stemmed from differences about how much money should be spent on testing and how much on advocating reform of labor conditions. Some employees and members of the board, Palmer and Kallett, for example, felt that CR should lobby for the reform of labor conditions. The 1932 edition of the *Consumers Research Bulletin* (p. 3) noted that "CR is desirous of adding union and other labor groups to its subscription list; second, members of CR's board are pretty generally interested in not ignoring the labor conditions under which products are produced." By contrast, Schlink, Matthews, and Phillips thought that social questions concerning wages and working conditions were beyond their scope and could not be studied in an "unbiased" manner (Sorenson 1941, p. 47). Thus, CR was beset with a debate about whether it would be an impartial provider of information for consumers or a journal of radical political economy dedicated to the amelioration of the plight of workers.

These tensions flared during a union recognition drive by CR's employees in August 1935. When 20 or more employees formed a chapter of the Technical, Editorial, and Office Assistants Union and asked for recognition, John Heasty, a chemist and union president, and two other union activists were fired. A strike was called, and the union twice demanded the removal of Mary C. Phillips and J. B. Matthews from the board because they were concerned with "personal aggrandizement" and not with the "real interests of the masses of consumer-workers at heart" (Strike Demands of Workers, cited in Katz 1977, p. 75). Dewey Palmer was dismissed from the board because he opposed Schlink, and Kallett threw in his lot with the striking workers. Frederick Schlink, Mary Phillips, J. B. Matthews, and other board members resorted to strikebreakers, legal injunctions, and armed detectives to retain control of the magazine and the organization. The Association of Subscribers, composed of members

⁹ The five-member board was dominated by this triumvirate.

sympathetic to labor concerns, was formed to exhort Schlink and his allies to negotiate with the union but had little effect, and as a result, the association demanded a refund of subscriptions.

Attempts to break the deadlock between the management and the strikers were fruitless. An attempt by Reinhold Niebuhr to mediate was rejected by Schlink, who also challenged the jurisdiction of the National Labor Relations Board when it was called in to settle the strike. Schlink and his allies felt that the strikers were “dupes of business” and “Communists” (see Silber 1983, p. 21). As a result, 30 workers led by Kallett established a new organization called Consumers Union (CU), which sought to unite the cause of consumers and workers. Initially, three names were considered—National Consumers Union, Consumers Technical Union, and Consumers Union of the United States. The first was discarded because it was similar to the National Consumer League (which focused on child labor). The use of the word “technical” in the second name created opposition. Finally, the third was chosen as the best description of the new organization. Its publication was to be called *Consumers Union Reports*.

The radical change frame.—CU was more than a breakaway faction of CR and was premised on a strikingly different diagnosis of the problems facing the consumer. The organization’s founders felt that a watchdog guarding consumers could not merely provide scientific and impartial information to consumers to make rational purchasing decisions. Instead, the originators of CU defined the consumer as a worker concerned with the standard of living and not just a rational actor seeking to get the best value for his money. The problem facing consumers was not one of variety and deceptive advertising, it was also one of wages and income. The founders opined that “all the technical information in the world will not give enough food or enough clothes to the textile workers’ families living on \$11 a week. . . . They like the college professor or the skilled mechanic are ultimate consumers. . . . The only way in which any organization can aid them materially is by helping them, in their struggle as workers, to get an honest wage” (*Consumers Union Reports*, May 1936, p. 2).

CU’s founders proposed that the new organization “give information and assistance on all matters relating to the expenditure of earnings and family income . . . to create and maintain decent living standards for ultimate consumers.” CU was more than an advocacy organization and aspired to be a new method for the social control of business (its target) and consumers (its clients). Appendix table A2 details the norms promoted by CU. The new organization viewed socially responsible buying and collective action as tools to improve working conditions and create decent living standards for consumers. Like its rival, CR, CU also valued the norms of scientific analysis and rational purchasing and was committed to impartial testing. In contrast to CR, however, CU saw buying as a socially responsi-

ble act, urged members to picket antiunion stores, and pleaded with them to use labor conditions as a criterion in the purchasing process. CU was also committed to the norm of equity in incomes and saw itself as a critic of companies exploiting their workers. Its founders were careful to signal their commitment to impartial testing by not only having a nonprofit organization but also by decoupling product ratings from evaluations of labor conditions.

The first issue explained why *Consumers Union Reports* was a confidential magazine (because of legal reasons), outlined its rating system (why products were rated as “best buys,” “also acceptable,” and “not acceptable”), ran an exposé of Alka Seltzer’s advertising claims, and compared credit unions and commercial banks. By the end of 1936, CU issued a 240-page buying guide that also discussed labor conditions in firms making consumer products. Subsequent issues analyzed products and labor conditions: for example, *Consumers Union Reports* used blind tests to assess major cigarette brands, found no significant differences in taste, and concluded that it made sense to select the cheapest union-made cigarette. It opined that the big four cigarette manufacturers had labor policies that “ranged from bad to worse. . . . [Their] social policy is transplanted from the Dark Ages” (*Consumers Union Reports*, August 1938, p. 19). In 1936, 11 of its members were arrested picketing Orbachs, the department store in New York. CU supported antifascist boycotts, provided testimony in Federal trade-law hearings, organized promotional drives among the poor, and supported labor movement picketing during 1936–38. It was so involved that, of the 50 employees of CU, only seven were technical employees (Silber 1983, p. 27). CU’s board reflected the endorsements of the trade unions and left-leaning intellectuals. It had several radical trade unionists among its officers, and the board was composed of academics (Robert Brady, Charles Marlies), union leaders (Philip Randolph, Rose Schneiderman, Heywood Broun), an accountant, and the staff representative (John Heasty).

Contested Boundaries of the Nonprofit CWO Form

The rival frames promoted by the founders of CR and CU led to divergent definitions of the boundaries of the nonprofit CWO form. CR was focused in its goals and technology and how it served clients: it sought to reduce waste, rely on testing, and catered to one constituency—consumers. By contrast, CU was diversified in its scope—its goals, technologies, and constituencies. It sought to provide information to consumers, to improve standards of living, to rely on testing and boycotts, and to serve two constituencies—consumers and workers.

These contradictory proposals suggested that the support base of the

nonprofit CWO form was heterogeneous. Social movement researchers suggest that a heterogeneous potential support base permits a range of definitions of the situation (Zald and McCarthy 1980). If CR drew its support from those committed to professionalizing retailing and advertising and rationalizing home management, CU drew strength from those committed to labor issues. During the period preceding the birth of CU, labor legislation had created a propitious environment for trade unions; in 1932, the Norris–La Guardia Act gave workers the right to join unions, and in 1935, the Wagner Act recognized the right of employees to strike and defined unfair labor practices on the part of employers. Consequently, union membership rose from 1.1 million in 1901 to 3.75 million in 1935. As unions became more militant, work stoppages increased from less than 2,000 to 4,500 in 1937 (U.S. Bureau of the Census 1975). Hence, linking labor and consumer issues was both topical and sensible. For a new organization that sought to espouse a radical agenda, CU grew rapidly—by the end of 1936, it had 20,700 members, and by 1937, it had close to 40,000 members.

Moreover, neither form enjoyed clear-cut technical advantages premised on transaction cost considerations. CR's claim to efficiency hinged on the premise that focus (on a single goal, technology, and constituency) reduced coordination costs. This argument implies that focus on a single issue credibly communicates commitment to a cause (Williamson 1985), reduces conflicts of interest among donors, and precludes adroit managers from exploiting conflicts among donors and from diverting resources toward causes they personally favor (Fama and Jensen 1983). By contrast, CU's claim to efficiency pivoted on the premise that diversification leads to economies of scope in lobbying. When market segments are similar, goals and technologies are related to each other and can augment each other, then, managers can use a dominant management logic and realize efficiency gains (Aldrich et al. 1994).¹⁰

Since neither definition of form enjoyed any decisive technical advantages, the choice of which frame to use to design nonprofit CWOs and

¹⁰ The question of whether focus is more efficient than diversification is an empirical one. Research on the for-profit sector shows that related diversification is more efficient than unrelated diversification, and the evidence that indicates that single-product firms outperform diversified firms is hampered by a selection bias—such firms are typically long-established firms with invisible assets, and it may be a case of capabilities constraining diversification, rather than focus leading to capabilities (Oster 1994, p. 193). In the nonprofit sector, Aldrich et al. (1994) found that diversified trade associations did not have higher death rates than specialist trade associations that were focused on one industry. Edwards and Marullo's (1995) analysis of peace movement organizations suggests that national-level organizations were more viable if they pursued broader agendas.

what boundaries to impose on their activities hinged on politics and, in particular, endorsements by powerful actors—professions, state authorities, and naturally, the targets of watchdog activity—businesses and advertisers.

Early Supporters of Impartial Testing and Radical Change Frames

At the outset, CU constituted only one instance of the model of a watchdog pursuing labor and consumer agendas, and CR was the only instance of an organization incarnating the model of the CWO as an impartial testing agency. However, the scales began to tilt against CU when a new organization, Intermountain Consumers Service, was set up by S. A. Mahood, a chemist affiliated with the U.S. Products Lab and a consumer educator to boot. It had a membership of 3,500 subscribers, and it chose to mimic CR and extol the model of the consumer as a rational decision maker who needed to rely on scientific tests.

The model of the consumer as a rational decision maker, promoted originally by CR, was also diffusing through governmental agencies and professional societies. Thus, the Consumers Advisory Board was established in the National Recovery Administration in 1933, and it sponsored a report by Robert Lynd, the sociologist, which called for the creation of common standards and the allocation of funds for testing. The Consumer Counsel was established in the Department of Agriculture in 1933 that issued a bimonthly publication called *Consumer Guide* with a circulation of over 150,000. Later, when the National Emergency Council set up a consumer's division in 1934 to coordinate all consumer-related activities of the federal government, 200 county consumer councils were established to facilitate two-way communication (Sorenson 1941, p. 16–17).

The concepts of rational decision making, standardization, and scientific testing that were initially promoted by CR also spread in professional circles. The American Home Economics Association set up the Standing Committee on the Standardization of Consumer Goods in 1927, became a member of the American Standards Association in 1928, and organized cooperative standardization projects between women and merchants in several cities (Sorenson 1941, p. 66). Later, other long-established national organizations, such as the National Education Association, the American Federation of Teachers, the American Marketing Association, the Mid-Western Economics Association, and others began to devote time to consumer education issues during their annual conferences.

By contrast, small newly founded consumer groups such as the Consumer Conference in Cincinnati (1934), the League of Women Shoppers (1935), the High Cost of Living Conferences (1935), and the Milk Consumers Protective Committee (1939) endorsed CU. The dearth of endorse-

ments only invigorated the desire of CU's founders to increase circulation as a means of jump-starting a bandwagon of support and pushing for radical reform. Resources from increased circulation were essential to fund an expansion of the product-testing program and to reward technical talent. Moreover, CU was wary about creating local groups because it did not want to be legally responsible for their conduct. Additionally, CU's founders had also realized that their bulletin was not reaching low-income workers and felt that boosting circulation could help them to sustain low-price editions of their bulletin.

Opposition to the Radical Change Frame

CU's attempt to increase circulation evoked resistance from diverse institutional actors. For example, in 1937, CU published "The Contraceptive Report," which summarized the efficacy of birth control techniques—it chose this topic given the belief that family planning was important for sustaining standards of living for workers. It was also a shrewd bid to sell more copies of *Consumers Union Reports*. However, the postmaster general of New York banned it in 1939, and CU fought a court case that was only resolved in its favor in 1943. CU sought to advertise itself through mass media but faced a media boycott. Sixty-two newspapers, including the *New York Times*, refused to sell advertising space to CU (Sorenson 1941, p. 37). The *Times* stated that the reason for the refusal was that CU's "services comprised attacks on industries. This the *Times* does not permit" (letter by C. McPuckett to S. Zaslowsky, cited in Katz 1977, p. 170). Attempts to advertise in professional journals such as *Science* met with the reply that "it is not possible for the Consumers Union to supply information that has scientific validity" (letter by J. McCatrell to A. L. Kallett, 1938, cited in Katz 1977, p. 171). Even the *Journal of Home Economics* declined to accept advertisements because they felt that CU was making accusations that could not be substantiated, and home economists rejected invitations to join the board.

Rival entrepreneurs also constructed CWOs that were interpreted as threats by CU's founders. In 1937, Albert Lane began to publish *Consumer Bureau Reports*, which provided favorable ratings in return for free samples from manufacturers. Undeniably, this venture threatened to besmirch the image of all CWOs. However, CU was more concerned than CR because Lane's publication had a name that could be confused with CU's own *Consumers Union Reports*. Moreover, Lane's publication also copied CU's breezy format and may have confused readers because it praised products that CU had rated as unacceptable. Another entrepreneur, William Foster, established the Consumers Foundation as a research organization advising consumers, mobilized money, and even succeeded

in drafting Robert Lynd as a supporter. CU raised questions about the new organization's sources of funds, and it was found that the Institute of Distribution, a trade association of chain stores, had supported it. Attempts such as these tarnished the image of all CWOs, but CU was concerned about spillover effects.

CU was also attacked by other publications, especially the Hearst newspapers. In its second issue, CU asked its readers to support a strike against Hearst's *Wisconsin News*, and from 1936 to 1939, it issued articles that exposed Hearst's Good Housekeeping Institute (so much so, that the Federal Trade Commission launched an investigation against the institute). As a result, Hearst became a bitter enemy and charged that CU was a Communist-front organization. The *Women's Home Companion* also accused CU of undermining the American way of life.

The attacks reached their zenith in 1938 when a House committee on subversive activities chaired by Congressman Dies sought to investigate whether CU was engaged in un-American activities harmful to the national interest. J. B. Matthews, an associate of Schlink's at CR, served as counsel for the Select Committee on Un-American Activities (the Dies Committee) and Matthews suggested that Kallett's writings and the fact that a CU ex-employee, Susan Jenkins, had admitted to being an employee of a Communist newspaper (the *Daily Worker*) were proof that the organization was a Communist front. Matthews labeled CU as a "red transmission belt"—the Hearst newspapers printed Matthews's accusations in full, and *Good Housekeeping* distributed the Matthews report in the November-December issue of its Consumer Information Service. However, the Dies Committee did not challenge the credibility of CU's rival, CR.

One reason why CR did not face problems from the Dies Committee is that Matthews was an associate of Schlink. Another reason is that the very existence of CU may have made CR more acceptable. Haines (1984) suggests that "radical" organizations by their sheer existence make "moderate" organizations more acceptable and enable them to acquire support and resources. It is possible that CR may have been shielded from criticism from business corporations and newspapers.

Narrowing Boundaries: Adaptation of CU

CU sued Albert Lane not only because he was deemed to be a copycat using a similar name and style but also because suing Lane may have positioned CU as a defender of not just its own integrity but the standing of the nonprofit CWO form. Rising to the defense of a form was a credible method of signaling CU's commitment to independence and impartiality at a time when its standing was being impugned by CR and the business press. CU won the suit. It secured some protection from the damage done

by the Dies Committee when Eleanor Roosevelt rushed to its defense in a variety of public statements. The Dies Committee was running out of money, and some members of the committee, especially Representative Voorhis, attacked Chairman Dies for the conduct of the hearings. The Dies Committee was a select committee, which later, in 1945, was made a standing committee—the House Un-American Activities Committee. Although there was no systematic investigation of the charges leveled at CU, the fact that CU's name was on the committee's shortlist of targeted Communist organizations was a matter of concern to the founders and potential supporters. Later, these charges would be revived during the McCarthy era when CU's founders were forced to testify.

Nevertheless, the pressure exerted by hostile activists (such as Matthews), elements of the media (the Hearst publications), and politicians (such as Dies and others on the Select Committee on Un-American Activities), impelled CU's founders to disengage from radical advocacy. Kallett and some other officers of CU recognized that the organization would be shielded from external attacks if it developed its testing program and concentrated on rating products. The adaptation of CU was a gradual process of disengaging from the labor agenda.

During the second annual meeting in 1938, three resolutions urging a focus on ratings and a disavowal of interest in labor and the threat of fascism or other "ideologies" were introduced but not approved. A founder and board member, Charles Marlies, tendered his resignation (Sorenson 1941, p. 49). In 1938, CU decided to "lapse" its coverage of labor conditions in its buying guide because "detailed information and numerous qualifications were usually necessary to give a fair picture of labor relations in a given industry or plant, labor notes are not included. In addition, the very swift changes continually taking place in labor relations make it impossible to include in annual publication, annual data that would remain up to date and reliable" (CU 1938, p. 9).

CU's management rationalized their retreat by noting that a truce between labor and business was essential in combating the specter of fascism in Europe. CU's management justified product testing for its "trickle-down effects"—the work of the testers would improve the lot of the workers indirectly by enhancing the quality of all merchandise and by promoting legislation benefiting all consumers. In a turnabout in 1939, CU began to assert that "just the ordinary products bought each day can save members \$50 to \$300 a year" (*Consumers Union Reports*, April 1939, p. 14).

In 1939, Arthur Kallett and Colston Warne, the president, sought to derive support from the scientific community and arranged a meeting with the Cambridge-Boston chapter of the American Association of Scientific Workers (AASW), a fledgling organization that was created in 1938 by a

group of biologists at Woods Hole, Massachusetts. At this meeting, CU members confessed to the inadequacy of their testing, and the AASW agreed to provide expert advice and testing for certain products. In 1940, the board rejected an attempt by the editor of *Consumers Union Reports* to recruit union members as subscribers. In 1940, the National Advisory Committee, composed of academics, was also created to establish linkages with colleges and universities.

World War II forced CU to adapt to a war economy, where shortages rather than abundance and inflation rather than quality became the problems. Product testing made sense in an economy of abundance but not in an economy of rationing. In 1939, CU began to publish a section on war and prices that was expanded in 1940 into a weekly newsletter called *Bread and Butter*. This publication distanced itself from labor issues but sought to assist low-income consumers by acting as an early warning system designed to help consumers cope with shortages and to buy goods likely to be hit with price increases by profiteers. *Bread and Butter* exhorted consumers to unite against profiteers—the Council of Organized Consumers was established in 1942 but was unsuccessful. The war economy, however, forced CU to shrink its payroll and the length of its bulletins and took a toll on membership.

In 1942, CU sought to invite Robert Lynd to join their board, but he demurred even as he denied that he was a “red-baiter” (Katz 1977, p. 201). The legacy of the Dies Committee’s allegations convinced Kallett and his colleagues that they needed to more formally distance themselves from a labor agenda. In 1942, the name of the magazine was changed from *Consumers Union Reports* to *Consumer Reports* to ostensibly avoid confusion in the mind of the public about whether a company’s labor policies influenced the ratings of its products.

Kallett and his colleagues were concerned about the tendency of some of CU’s employees to espouse radical agendas through *Bread and Butter*. Even at the time of the formation of the newsletter, there were divisions in the board between whether to forewarn consumers of price increases or to educate them about product maintenance. As resource constraints impelled Kallett to downgrade the paper quality of *Bread and Butter*, its advocates within CU accused Kallett of curtailing resources for the newsletter. In 1944, Kallett persuaded the board that *Bread and Butter* and *Consumer Reports* ought to be delinked, and as a result, consumers were not to be forced to take both publications simultaneously. In 1946, with the end of the war, *Bread and Butter* outlined a six-point postwar reconstruction proposal that included price controls, rationing, food subsidy programs, rent control, subsidized housing, and health care. At this time, the business community was lobbying Congress for an end to ra-

tioning and price controls. Influenced by the legacy of the Dies Committee, Kallett was concerned about ideological conflict and the advocacy of *Bread and Butter* and in 1947, persuaded the board to collapse *Bread and Butter* into a feature of *Consumer Reports* under the title "Economics for Consumers." In June 1948, Leland Gordon, an economist at CU, asked the organization to reinstate reports on labor conditions, but Kallett and Isserman (a prolabor sympathizer) objected on the grounds that it might compromise CU.

The containment of advocacy proceeded within CU. In 1947, Kallett changed CU's bylaws so that subscribers could be distinguished from members and thereby sought to deflect criticism that members might be Communists. In the same year, the union of CU's workers lamented that its board representative was a second-class citizen and asked that the position be terminated. The board agreed with alacrity. This was a radical turnabout for an organization that had prided itself on being a collectivist enterprise at the time of its creation and was, for the first year or so, structured as an egalitarian organization.

The postwar years also saw the rise of Keynesian economics, and some of CU's leaders felt that a marriage of consumer reform goals with the Keynesian philosophy of full employment and the importance of consumption would best situate CU in a regulated free-enterprise economy. Indeed, as early as 1943, some of the more radical elements at CU, working with *Bread and Butter*, wanted to work for the establishment of a consumer democracy, but Kallett and others concerned more with CU, felt that accepting Keynes's ideas meant that the organization would not be labeled un-American.

Hence, CU's conversion was not one dramatic event but a slow and gradual process of repositioning and reconstruction. CU slowly ceased to be an engine of political, social, or moral activism and reinvented itself as an impartial testing agency. Over time, CU began to recognize products as conditionally acceptable even if they were not best buys and expanded its testing to ensure that it was done in-house instead of subcontracting it out as CR did. Its evaluations and options appeared in the form of tables and charts with numerical results of tests. Annual surveys of its members enabled it to respond to its subscribers' needs. For example, CU provided ratings of cars on the basis of speed after it learned that consumers valued speed as a criterion in purchasing cars. Even after introducing a segment on health and medicine in 1945 and providing careful summaries of medical research on smoking, *Consumer Reports* provided information on how to "roll your own" cigarettes during the cigarette famine of 1945.

By emphasizing testing and science and disavowing radical labor advocacy, Kallett and his colleagues not only shielded CU from external attack

but transformed it into a scientific conservative to fit with the prevailing beliefs about science, rigor, and objectivity. The price of viability for the organization was abstinence from advocacy.

CR may have won the struggle over what a nonprofit watchdog ought to be, but it was outdistanced in the battle for circulation. By joining the media and politicians in critiquing CU, CR may have sown the seeds for its own decline because its embrace of scientific conservatism proved advantageous to CU. By 1949, with 500,000 subscribers, CU rated 1,793 brands spanning 116 products, and its technical division was divided into electronics, textiles, automobiles, special projects, chemistry, and foods. By contrast, CR had made little progress and refused to publicize its circulation details (Thorelli and Thorelli 1974). CU's gradual adaptation to political pressure and its concurrent adjustment to the demands of a post-war economy fueled a rise in CU's membership base. Figure 1 chronicles CU's growth from its inception to 1971. After an initial rise from 1936 to 1938, the circulation of *Consumers Union Reports* decreased due to World War II and slowly picked up after 1945. After the war, CU received the endorsement of prestigious universities and the federal government. The Home Economics Department of Cornell University assisted in the testing of sewing machines and the Department of Agriculture allowed an employee to work under its supervision on the grading of canned food.

In 1951, the Dies Committee's allegations were revived by Better Business Bureaus in Akron, Cincinnati, Dayton, and Detroit, and the school boards in these cities threatened a ban on CU's magazines in the school libraries. CU avoided publicity on the bannings to the extent possible and denied allegations directly when asked. Its restraint stemmed from concern because its name was still on the list of un-American organizations compiled by the House Un-American Activities Committee. J. B. Matthews joined McCarthy's investigative staff in 1953 and resurrected the charges. A Hearst columnist, E. F. Tompkins, publicized them, and CU's board stated that "in the present period of ideological conflict, the Board of Directors of Consumers Union reaffirms its faith in democratic society in which the production of goods and services is guided by the free choice of consumers" (CU 1952, pp. 1–2). CU's leaders testified before the House Un-American Activities Committee, and after a long hearing, the organization's name was finally struck off the list of un-American organizations in 1954.

By 1955, William Whyte noted that *Consumer Reports* and *Consumers Research Bulletin* had an impact over and above their actual circulation—both magazines were produced by organizations that institutionalized distrust of advertising and aimed to create impersonal trust by providing scientific, objective, and impartial evaluations. By 1956, the ratings

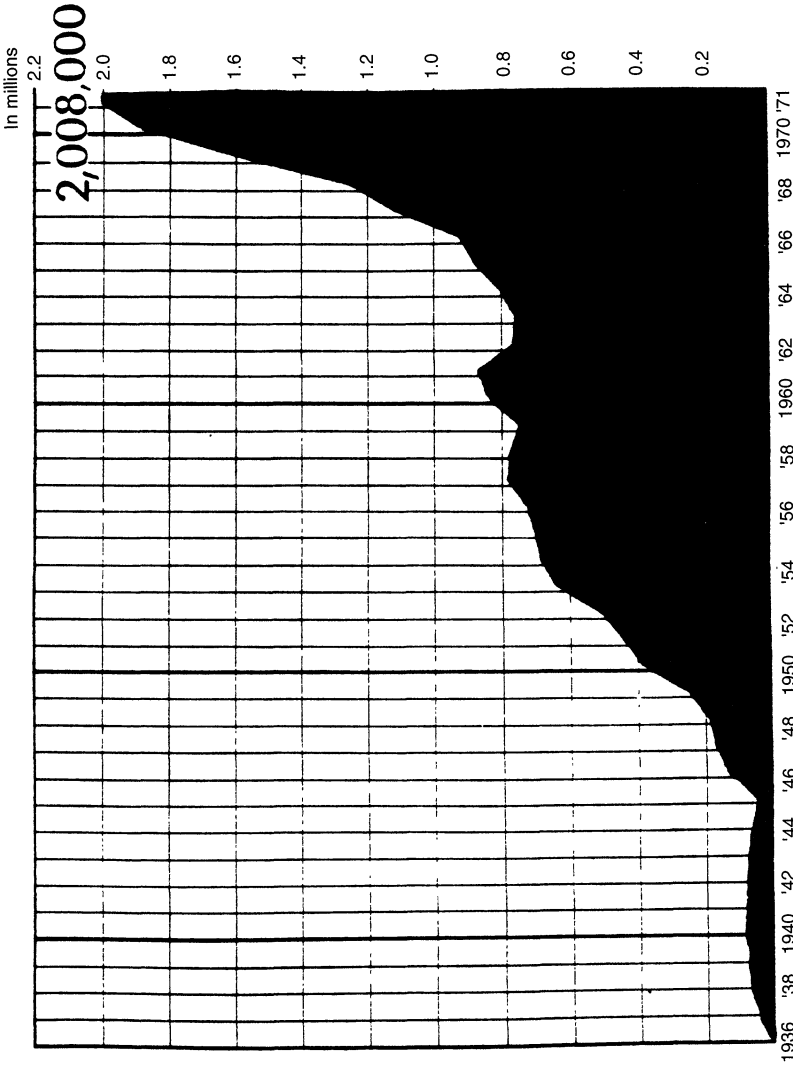


FIG. 1.—Consumers Union Reports' and Consumer Reports' circulation, 1936–71

of CU could spell good fortune or doom for a company: spokesmen for Maytag washers and Volkswagen cars attributed their penetration of hitherto oligopolistic markets to favorable ratings (Samson 1980). In 1959, the *New York Times*, an erstwhile critic, noted that “what Dr. Spock is to freshman parents, the Consumers Union is to bewildered housewives” (Silber 1983, pp. 30–31). By 1958, psychologists and marketing experts opined that consulting the scientific ratings provided by CWOs had become a buying ritual in an age of science that enabled consumers to think of themselves as rational, logical, and informed consumers (Sargent 1958). So established was the identity of CWOs as meticulous scientific conservatives that the ratings techniques used by them were lampooned by magazines. A British comedy group even had a skit entitled “*Consumer Reports* looks at religion.”

However, the transformation of CU into a scientific conservative was a double-edged sword. If it strengthened the legitimacy of CU, it also inhibited it from espousing radical causes and thereby provided an opening for other issue entrepreneurs to articulate fresh grievances and create new nonprofit CWOs. Ralph Nader’s (1965) *Unsafe at Any Speed*, an exposé of General Motors, was initially offered by him to CU, but the book was disparaged by its automotive division as unscientific and biased. Nader called CU a sleeping giant, and later his best-seller enabled the formation of new groups dedicated to the enforcement of the legal rights of consumers.¹¹

DISCUSSION

This study responds to Scott’s (1995, p. 147) call to study the emergence of new organizational forms and to illuminate the coevolution of culture and organizations. One implication of this study is that organizational forms are structural conveyances for cultural materials that become infused with norms, values, and beliefs as entrepreneurs use frames to mobilize resources. When entrepreneurs use frames to legitimate the new form, they inject an organizational form with cultural content and serve as conduits by which cultural rules are encoded into organizations. The infusion of prevalent but unconnected cultural elements into the watchdog form was not an apolitical act. Rather it exemplified the use of unobtrusive power, wherein problems of consumption and solutions were framed in much the same way that a picture is framed (Pfeffer 1992). CR’s founders, Schlink and Chase, deftly co-opted the ideas of service and truth in adver-

¹¹ Later, Nader was inducted into the board of CU, and the organization sought to support other consumer groups through grants.

tising in their critique of business for wasteful inefficiency and advertising for deception and preempted opposition. Similarly, the prevalence of industrial standards and home economics training enabled Chase and Schlink to present their solution—an independent testing agency designed to aid rational decision making by consumers. In sharp contrast, CU's founders, Kallett and his colleagues, strove to frame their organization as a champion of downtrodden workers and as a crusader for decent and just living standards. Thus, as both groups of founders relied on the Western cultural account with its themes of progress and justice (Meyer, Boli, and Thomas 1987), they generated conflict about the practical implications of that cultural account. By showing how entrepreneurs are skillful political operatives employing frames as mobilization devices (Swidler 1986; Biggart 1989; Snow and Benford 1992), this article addresses DiMaggio and Powell's (1991, p. 30) lament that neoinstitutional accounts of new organizational forms say little about "how skillful entrepreneurs put multiple institutional logics to strategic use" and creates a bridge between social movement theory and the literature on the creation of new forms (Fligstein 1996a).

The case study of the origins of nonprofit CWOs illustrates how the boundaries of organizational forms are defined by institutional processes rather than by transaction cost considerations. Organizational economists insist that transaction cost considerations determine the "efficient boundaries" of organizational forms (Williamson 1985). However, Powell (1991) notes that institutional processes shape the boundaries of forms when technical differences among rival forms are ambiguous or when the criteria to evaluate technical excellence are disputed. Institutional processes, as Hannan and Freeman (1989) point out, can erode or establish boundaries. Bricolage by entrepreneurs, copying errors, and deinstitutionalization can efface boundaries among forms. By contrast, closure of social networks, collective action, endorsement by powerful actors, and taken-for-grantedness can secure the boundaries of organizational forms.

Although complexity of product choice, deceptive advertising, and the lack of product liability rules created the resource space for nonprofit CWOs and made it possible for quality assurance activities to be bundled into a new organizational form, the boundaries of the form emerged as an outcome of ideological competition. CR's founders, Schlink and Case, borrowed the idea of scientific testing from standard-setting bodies and the idea of reducing the cost of product comparisons from discussions in the retailing profession. They sought to erode the boundaries between nonprofit CWOs and standard-setting organizations. By contrast, CU's founders, Kallett and his allies, strove to import characteristics of trade unions into the consumption sector and sought to make nonprofit CWOs the counterparts of unions. These rival combinatorial attempts repre-

sented two potential ways of bundling the activities of the nonprofit CWO form. Neither model enjoyed a decisive technical advantage—if CR's focus reduced its coordination costs, then CU's diversified emphasis led to economies of scope in lobbying.

Each model was premised on a different notion of the identity of the consumer. Chase and Schlink defined a consumer as a decision maker keen on getting the best value for the money, promoted norms of efficiency, rationality, and scientific analysis, and extolled watchdogs as impartial testers. By contrast, Kallett and his allies viewed the consumer as a worker keen to better his or her standard of living, promoted norms of socially responsible buying and equity, and portrayed watchdogs as engines of radical change. CR and CU, therefore, represented alternative models for the social control of industry, premised on different ideals of identity.

Sustained hostility from the Hearst publications, especially *Good Housekeeping*, and politicians such as Congressman Dies forced CU to scale back labor-related activism and emphasize scientific testing. Thus, the dikes of vested interest prevented the rise of the consumer-as-worker model and instead confined consumers and CWOs into a narrower channel of activity. By emphasizing how a contest over the identity of the consumer delineated the boundaries of the form, this article reveals how consumers and consumption were produced by processes other than industrialization (see DiMaggio 1994), shows how struggles over identity (White 1992) are the mechanisms by which forms are imbued with meaning and constituted as cultural objects, and speaks to DiMaggio's (1991) call to incorporate agency and interest in the creation of new forms.

Another implication of this article is that, just as routines become operative only when there is a cease-fire agreement among organizational members (Nelson and Winter 1982), new organizational forms become operative only when they embody a truce among contending social factions. Had conflict over who a consumer was and what consumption was persisted, given the precarious interpersonal relationships between the founders of CR and CU, the energies of both organizations would have been sapped by internecine warfare. Conceivably, an opening may have been created for business firms, newspapers, and advertisers to discredit the notion of nonprofit CWOs. When CU's founders bowed to pressure by embracing the model of an impartial tester and disavowed sociopolitical advocacy, there was a cessation of hostilities and a moratorium on the debate about the identity of consumers and nonprofit CWOs. This truce on the contours of the nonprofit CWO form was maintained because CU's founders were keen to avoid the risks of political pressure from Congress and the defensive alertness of actors opposed to sociopolitical advocacy. The absence of debate about the role of nonprofit CWOs made it possible

for them to rationalize consumption and to become influential monitors of big business. Although nonprofit CWOs embodied an implicit truce, truces can also be explicit and encoded in legislation. For example, there was intense debate about the scope of commercial banks, insurance firms, investment banks, and securities firms before the passage of the Glass-Steagall Act of 1933; the enactment of this law codified a truce among the proponents of the interests of these constituencies. Explicit or implicit truces can be breached by new issue entrepreneurs who strive to take advantage of new technologies and the emergence of new constituencies with grievances. Thus, Nader breached the truce on nonprofit CWOs by exploiting the issue of product safety and contributed to the rise of nonprofit CWOs as legal activists.

The study of nonprofit CWOs also speaks to DiMaggio's (1991) call to shed light on the role of professionals in the birth of new forms. Attempts to professionalize occupations delegitimize the existing social order and create openings for institutional entrepreneurs to build new forms. For example, museum directors launched a reform movement that discredited existing museums and spawned new organizational models. In the case of nonprofit CWOs, attempts by sales experts to train retailers in customer service sought to professionalize retailing but delegitimized the existing system of managing customer relationships. Similarly, the truth-in-advertising movement aimed to professionalize advertising but discredited prevalent modes of advertising. Thus, both movements provided an opening for Chase and Schlink to launch their critique of business and advertising and to legitimate nonprofit CWOs as desirable and appropriate social control mechanisms.

The saga of nonprofit CWOs also illuminates how the state can be an arena for disputes about the boundaries of an organizational form. Just as Congress and the courts can be audiences for jurisdictional disputes between professions (Abbott 1990), they can also serve as audiences for jurisdictional contests between rival coalitions of entrepreneurs. The debate between the faction that saw CWOs as engines of radical change and the opposing faction that preferred CWOs to serve as impartial testers spilled into Congress when J. B. Matthews, a critic of the radical change model (and CU), and a one-time board member at CR, exploited his role as a counsel to the Dies Committee in investigating CU. These investigations tainted the reputation of CU, led to its inclusion in a roster of un-American organizations, and induced CU to scale back advocacy. The specter of Congressional investigation continued until the McCarthy hearings, forced CU to embrace the model of the watchdog as impartial tester, and maintained the truce about the contours of nonprofit CWOs.

The story of CU also demonstrates that mimicry can be an outcome of

coercion. Neoinstitutionalist accounts treat the state and the professions as engines of coercive and normative isomorphism and portray mimicry as the unthinking adoption of peer group practices (DiMaggio and Powell 1983). Neoinstitutional accounts of mimicry paint cultural change as a process of diffuse social learning and neglect how conflict underlies the assimilation of new models into the general culture (see Tarrow 1989). Our case study suggests that vested interests can foist coercive cultural expectations on an organization and can create inducements for it to imitate its peers. March and Olsen (1989) suggest that conflicts may be resolved through the logic of aggregation and give and take or the logic of integration, wherein one of the parties can learn from the other and even convert to the other's point of view. In our case study, the logic of integration prevailed—CU responded to withering political attacks by discarding its founding beliefs, by embracing the ascendant logic, and by converting itself into a scientific conservative.

A related implication that flows from the conversion of CU is that resistance may be followed by acquiescence. Neoinstitutionalist researchers generally describe acquiescence, compromise, avoidance, defiance, and manipulation as alternative strategic responses to institutional pressures (Oliver 1991). However, these responses may also be sequential and shaped by strategic considerations. CU began as an insurrection against the prevailing frame, and when its attempt to resist failed, its founders complied to external pressure and copied the ascendant model of nonprofit CWOs. An alternative was to concentrate on a narrow subscriber base. The founders of CU chose to acquiesce because they were concerned about the survival of the organization and its long-term prospects.

Some limitations of this study also deserve elaboration and point to future research possibilities. This study analyzed a phase of the consumer movement characterized by the existence of two ideological frames and two main organizational embodiments. One frame became ascendant because it enjoyed greater political support. The organization backing the losing frame embraced the ascendant frame, thereby making it unquestionably dominant. However, when multiple frames and multiple organizational embodiments exist, the process by which one frame becomes dominant may be more path dependent (Powell 1991) or may be shaped by density-dependent processes of legitimation and competition (Hannan and Freeman 1989).

As a historical analysis, this study only looked at the origins of nonprofit CWOs during their formative phases in the United States but not at their transformation by Ralph Nader and environmental activists. Tarrow (1989) suggests that collective action unfolds in cycles of protest and urges that the idea of structural stability needs to be replaced with the notion

of dynamic stability—the successive realizations in different forms of the same principle. Cycles of protest are characterized by heightened conflict across the social system, diffuse in specific ways from the center to the periphery, possess peaks and troughs, and are the crucibles from which new social repertoires evolve. Since their origins, CWOs have been profoundly influenced by cycles of protest—for example, the Civil Rights and antiwar movements provided an ideological context for Nader and other issue entrepreneurs to undermine the model of CWOs as scientific conservatives and to transform them into legal activists seeking to enforce the legal rights of consumers. Later, the environmental movement also led to an expanded notion of corporate social responsibility and the ethics of consumption. Clearly, the question of how protest cycles underpin the structural transformation of nonprofit CWOs merits scrutiny. One payoff may well be a more nuanced account of how social movement industries evolve and how interorganizational relationships within a social movement industry are transformed through time (Zald 1992).

This study lacked a comparative thrust and confined its attention to the United States. Nonprofit CWOs have diffused across the world since the establishment of the first CWOs in the United States (1927 and 1935), Germany (1925), and Finland (1939). In 1995, Consumers International, the international association of nonprofit CWOs, had 200 members from 90 countries (Consumers International Bulletin 1997). The international evidence reveals considerable diversity in the origins of nonprofit CWOs. In France, Belgium, the Netherlands, and Austria, for instance, CWOs were affiliated with labor organizations. By contrast, CWOs were created as distinct entities but were affiliated with women's guilds in Finland, Canada, Denmark, and Switzerland. Except the Swiss CWO, other CWOs evolved to focus exclusively on consumer issues and roots in women's guilds atrophied. In Norway, product testing began in 1939 with support from state authorities, and now several state-sponsored CWOs flourish in Asia and Africa—many of these are government affiliate members of Consumers International. The birth of nonprofit CWOs in other developed and newly industrializing countries needs to be chronicled in order to understand the international trajectory of this social control mechanism.

Additionally, the relationships between nonprofit watchdogs and for-profit watchdogs also merit scrutiny. Although this study did discuss the antagonism between CU and *Good Housekeeping* during the early history of nonprofit CWOs, detailed analyses of the interdependencies between nonprofit CWOs and for-profit counterparts are needed. When do nonprofit CWOs spawn for-profit rivals? When do nonprofit CWO publications such as *Consumer Reports* and for-profit organizations such as J. D.

Powers play complementary roles? Do issue entrepreneurs bear the risks of legitimating new social control arrangements only to see forprofits engage in successful free riding? The systematic analysis of such questions is needed to not only extend our grasp of CWOs but also to promote a better understanding of the division of labor between the for-profit and the nonprofit sector.

This study focused on the process by which nonprofit CWOs came to be injected with norms and beliefs. It is also necessary to analyze how these social control mechanisms influence culture. Just as cultural theories spur structural innovation, social structures also contribute to the rationalization of society. As noted earlier, nonprofit CWOs embodying the model of scientific conservatives played a part in rationalizing the purchasing decisions of individuals, making them logical and systematic (Sargent 1958). Future research needs to delineate how environmental watchdogs have influenced conceptions of environmental risk and have rationalized the management of environmental disasters. Similarly, the analysis of how human rights watchdogs have influenced conceptions of rights and have formalized oversight of nation-states also deserves scrutiny.

Moreover, this article has confined its attention to one type of nonprofit policing organization—the nonprofit CWO. Other nonprofit watchdogs also clamor for attention. The analysis of human rights watchdogs (epitomized by Amnesty International) and watchdogs that monitor corruption in nation-states (such as Transparency) might shed light on the social processes fostering the rise of control mechanisms that issue report cards on modern states. An irony of all watchdog organizations is that, like other social control mechanisms that institutionalize distrust, they are also vulnerable to the abuse of trust (Shapiro 1987). For example, the Clean Water Act permits environmental watchdogs to act as a private attorney general and to sue polluters who break the law. Many such suits are settled before they are brought to court; polluters agree to halt the flow of effluents and to make charitable donations to environmental groups not involved in the suit, ostensibly, to repair the damage done by the polluter. Although a judge authorizes such consent decrees, environmental watchdogs have been known to divert resources to satellite organizations, which may pursue projects unrelated to the consent decree. Even when contested by the Justice Department, such settlements between an environmental watchdog and its targets have been upheld by courts as consistent with the provisions of the Clean Water Act (Felten 1991). Who polices watchdogs? Do failures of watchdogs promote the growth of new social control mechanisms? Is the price of impersonal trust an iron cage, as forecasted by Weber?

APPENDIX

TABLE A1
 NORMS PROMOTED BY CR

Norm and Mechanism	Rationale
Efficiency:	
Supplying standards	<p>The variety of goods “should be kept within finite and rational limits.” (Chase and Schlink 1927, p. 9)</p> <p>Buying “an electric toaster entirely on attractiveness . . . which if looked at unemotionally must be admitted to be unrationalizable, wasteful, and . . . incapable of . . . giving the result that must be our ultimate purpose—namely, the production of goods of merit at a cost that is reasonable.” (Schlink 1927, p. 181)</p> <p>“A standard is based flatly on the assumption that an economic process has no justification other than that of supplying things which mankind needs.” (Chase 1921, p. 284)</p>
Scientific analysis:	
Testing by CR	<p>CR’s purpose is to “conduct, promote, and generally encourage scientific technical investigations and research into the nature of commodities and services in use by consumers and of interest to them.” (CR 1932, article 3)</p> <p>“If science could displace magic in salesmanship, the whole curve of consumption would change.” (Chase and Schlink 1927, p. 163)</p>
Rationality:	
Consumers’ use of tests	<p>Consumers will achieve “better results by learning how to get more from their money than by continually striving to get more income.” (<i>CR Annual Cumulative Bulletin</i>, 1940, p. 2)</p> <p>CR “emphasizes function rather than style. It works sincerely in the interests of consumers as it believes consumers ought to be independent and rational and getting the most physical value for their money.” (Ayres 1934, p. 162)</p> <p>“The consumer will be ill-advised if he expects any organization to carry out for him the functions which as a consumer he himself should and must fulfill.” (Chase and Schlink 1927, pp. 264–67)</p>

TABLE A1 (Continued)

Norm and Mechanism	Rationale
Impartiality:	
Nonprofit structure and distance from political parties	The aim is to be a "clearing house for consumers' information, . . . to cooperate voluntarily, and without gain or profit with any individuals, firms, government agencies, associations and corporations which are engaged in kindred pursuits." (CR 1932, article 3) CR "holds no brief for any particular kind of economic conduct or social or political order." (Chase and Schlink 1927, p. 3)

NOTE.—Sources of control are standardization and consumer preferences based on tests. Objects of control are to eliminate waste and to ensure that producers serve customers.

TABLE A2
NORMS PROMOTED BY CU

Norm and Mechanism	Rationale
Scientific analysis:	
Testing by CU	CU's purpose is to "supervise and conduct research and tests" to provide information for the consumer. (CU 1936) Scientific advice is a "far better guide to intelligent purchasing than any other ordinarily available to the consumer." (CU 1938, p. 6)
Rationality:	
Consumers' use of tests	The use of tests by the consumer "substitutes the best technical knowledge for haphazard guessing; and it gives the consumer the satisfaction of having his buying choices determined by technical tests than by the cleverness of an advertising copy writer." (CU 1938, p. 6)
Independence:	
Decoupling quality ratings from labor conditions	"Labor conditions under which many products are manufactured are described in the monthly <i>Reports</i> , although these conditions do not affect the quality and price ratings." (CU 1938, p. 6)

TABLE A2 (Continued)

Norm and Mechanism	Rationale
Social responsibility:	
Purchasing power	<p>“Members ought to help as consumers in such struggles by not buying from anti-union stores.” (Editorial after the picketing of Orbach’s department store in New York, <i>Consumers Union Reports</i>, July 1937, p. 24)</p> <p>“Ratings which are accompanied by labor notes when they originally appeared in the <i>Reports</i> carry a reference line. . . . Members are urged to consult these notes for general labor information, but should remember they are specifically applicable to conditions prevailing at the time of writing.” (CU 1938, p. 9)</p> <p>Fighting for “higher wages is not enough” and workers must “fight for fair prices and good quality in the products they buy.” (<i>Consumers Union Reports</i>, May 1936, p. 24)</p> <p>“These profiteers with their price rises, shortages and sabotage are helping Hitler. Fighting them means a more effective fight for victory.” (“Selling <i>Bread and Butter</i>,” press release, CU 1942)</p> <p>The wartime consumer is “improving his effectiveness as a citizen from the wealth of news and information relating to his interest in every issue of the <i>Reports</i> and <i>Bread and Butter</i>.” (<i>Consumer Reports</i>, September 1942, p. 226)</p>
Equity:	
Action and criticism	<p>CU’s purpose is to “aid individuals and group efforts of whatever nature and description in seeking to obtain, create and maintain decent living standards for ultimate consumers.” (CU 1936)</p> <p>All the “technical information in the world will not give enough food or enough clothes to the textile worker’s family living on \$11 a week.” (<i>Consumers Union Reports</i>, May 1936, p. 2)</p> <p>“The Electrical Appliance Industry has the distinction of enjoying the full measure of recovery and at the same time indefensibly exploiting its employees.” (<i>Consumers Union Reports</i>, July 1936, p. 9)</p> <p>“The sit-down is nothing but the extension of the picket line to the machines. It is the workers answer to the denial of civil rights on the picket line.” (<i>Consumers Union Reports</i>, January–February 1937, p. 27)</p>

NOTE.—Sources of control are consumers’ preferences based on tests and responsible buying and collective action. Objects of control are to sustain decent living standards for ultimate consumers and to reform working conditions.

REFERENCES

- Abbott, A. 1990. *The System of the Professions*. Chicago: University of Chicago Press.
- Aldrich, Howard E. 1979. *Organizations and Environments*. Englewood Cliffs, N.J.: Prentice-Hall.
- Aldrich, Howard E., Catherine R. Zimmer, Udo H. Staber, and John J. Beggs. 1994. "Minimalism, Mutualism, and Maturity: The Evolution of American Trade Associations in the 20th Century." Pp. 223–39 in *Evolutionary Dynamics of Organizations*, edited by J. Baum and J. V. Singh. New York: Oxford University Press.
- Astley, W. G. 1985. "The Two Ecologies: Population and Community Perspectives on Organizational Evolution." *Administrative Science Quarterly* 30:224–41.
- Baron, J. N., F. R. Dobbin, and P. D. Jennings. 1986. "War and Peace: The Evolution of Modern Personnel Administration in U.S. Industry." *American Journal of Sociology* 92:350–83.
- Becker, Howard. 1963. *Outsiders: Studies in the Sociology of Deviance*. New York: Free Press.
- Biggart, Nicole W. 1989. *Charismatic Capitalism: Direct Selling Organizations in America*. Chicago: University of Chicago Press.
- Briloff, A. J. 1972. *Unaccountable Accounting*. New York: Harper & Row.
- Brint, Steven, and Jerome Karabel. 1991. "Institutional Origins and Transformations: The Case of American Community Colleges." Pp. 337–60 in *The New Institutionalism in Organizational Analysis*, edited by W. W. Powell and Paul DiMaggio. Chicago: University of Chicago Press.
- Brittain, W. J., and John Freeman. 1982. "Organizational Proliferation and Density Dependent Selection." Pp. 291–338 in *The Organizational Life Cycle*, edited by J. R. Kimberly and R. H. Miles. San Francisco: Josey-Bass.
- Brobeck, Stephen. 1990. *The Modern Consumer Movement: References and Resources*. Boston: G. K. Hall.
- Bykerk, L., and A. Manney. 1995. *U.S. Consumer Interest Groups: Institutional Profiles*. Greenwich, Conn.: Greenwood.
- Campbell, John L., and Leon Lindberg. 1990. "Property Rights and the Organization of Economic Activity by the State." *American Sociological Review* 55:634–47.
- Carroll, Glenn R. 1984. "Organizational Ecology." *Annual Review of Sociology* 10: 71–93.
- Carroll, Glenn R., Jacques Delacroix, and Jerry Goodstein. 1990. "The Political Environment of Organizations: An Ecological View." Pp. 67–100 in *Evolution and Adaptation of Organizations*, edited by Barry Staw and Larry L. Cummings. Greenwich, Conn.: JAI Press.
- Chase, Stuart. 1922. *The Challenge of Waste*. New York: New York League for Industrial Democracy.
- . 1925. *The Tragedy of Waste*. New York: Macmillan.
- Chase, Stuart, and Frederick Schlink. 1927. *Your Money's Worth*. New York: Macmillan.
- Cochrane, Rexmond C. 1966. *Measures for Progress: A History of the National Bureau of Standards*. Washington, D.C.: Department of Commerce.
- Consumers International. 1997. *Consumers International Fact Book*. New York: Consumers International.
- CR (Consumers Research). 1932. "Bylaws." New York: Consumers Research.
- CU (Consumers Union). 1936. "Certificate of Incorporation." New York: Consumers Union.
- . 1938. *Consumers Union Buying Guide*. New York: Consumers Union.
- . 1952. "Minutes of the Board of Directors." New York.
- DiMaggio, Paul. 1988. "Interest and Agency in Institutional Theory." Pp. 3–21 in

American Journal of Sociology

- Institutional Patterns and Organizations: Culture and Environment*, edited by L. G. Zucker. Cambridge, Mass.: Ballinger.
- . 1991. "Constructing an Organizational Field as a Professional Project: U.S. Art Museums 1920–1940." Pp. 267–92 in *The New Institutionalism in Organizational Analysis*, edited by W. W. Powell and Paul DiMaggio. Chicago: University of Chicago Press.
- . 1994. "Culture and Economy." Pp. 27–57 in *Handbook of Economic Sociology*, edited by N. J. Smelser and R. Swedberg. New York: Russell Sage.
- DiMaggio, Paul J., and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review* 48:147–60.
- . 1991. Introduction to *The New Institutionalism in Organizational Analysis*, edited by Walter W. Powell and Paul DiMaggio. Chicago: University of Chicago Press.
- Douglas, Mary. 1986. *How Institutions Think*. Syracuse, N.Y.: Syracuse University Press.
- Durkheim, Émile. 1950. *The Rules of Sociological Method*. Glencoe, Ill.: Free Press.
- Edwards, Bob, and Sam Marullo. 1995. "Organizational Mortality in a Declining Social Movement: The Demise of Peace Movement Organizations in the End of the Cold War Era." *American Sociological Review* 60 (6): 908–27.
- Epstein, Ralph C. 1928. *The Automobile Industry: Its Economic and Commercial Development*. Chicago: A. W. Shaw.
- Fama, Eugene, and Michael Jensen. 1983. "Separation of Ownership and Control." *Journal of Law and Economics* 24:301–23.
- Felten, Eric. 1991. "Money from Pollution Suits Can Follow a Winding Course." *Insight* 7:18–20.
- Fligstein, Neil. 1996a. "How to Make a Market: Reflections on the Attempt to Create a Single Market in the European Union." *American Journal of Sociology* 102:1–33.
- . 1996b. "Markets as Politics: A Political Cultural Approach to Market Institutions." *American Sociological Review* 61:656–73.
- Fornell, C. 1988. "Corporate Consumers Affairs Departments: Retrospect and Prospect." Pp. 595–620 in *Frontiers of Research on Consumers Interest*, edited by E. Scott Maynes. Columbia, Mo.: American Council on Consumer Interest.
- Fox, William. 1984. *The Mirror Makers*. New York: William Morrow.
- Frenzen, J., Paul Hirsch, and Phillip Zerrillo. 1994. "Consumption, Preferences, and Changing Lifestyle." Pp. 403–25 in *Handbook of Economic Sociology*, edited by Neil Smelser and Richard Swedberg. New York: Russell Sage.
- Friedland, Roger, and Robert R. Alford. 1991. "Bringing Society Back In: Symbols, Practices, and Institutional Contradictions." Pp. 232–66 in *The New Institutionalism in Organizational Analysis*, edited by Walter W. Powell and Paul J. DiMaggio. Chicago: University of Chicago Press.
- Friedson, Eliot. 1986. *Professional Powers: A Study of the Institutionalization of Formal Knowledge*. Chicago: University of Chicago Press.
- Fuld, Leonhard Felix. 1916. *Service Instructions of American Corporations*. Washington, D.C.: U.S. Department of the Interior, Bureau of Education.
- Granovetter, Mark. 1994. "Business Groups." Pp. 454–76 in *Handbook of Economic Sociology*, edited by N. J. Smelser and R. Swedberg. New York: Russell Sage.
- Haines, Herbert H. 1984. "Black Radicalization and the Funding of Civil Rights: 1957–1970." *Social Problems* 32:31–43.
- Hannan, Michael T., and John Freeman. 1989. *Organizational Ecology*. Cambridge, Mass.: Belknap Press.
- Hechter, Michael T. 1990. "The Emergence of Cooperative Social Institutions." Pp.

- 13–34 in *Social Institutions: Their Emergence, Maintenance, and Effects*, edited by Michael Hechter, Karl-Dieter Opp, and Reinhard Wippler. New York: Aldine de Gruyter.
- Heermance, Edgar L. 1924. *Codes of Ethics: A Handbook*. Burlington, Vt.: Free Press.
- Hermann, Robert O. 1970. "Consumerism: Its Goals, Organizations and Future." *Journal of Marketing* 34 (October): 55–60.
- Hirsch, Paul M. 1986. "From Ambushes to Golden Parachutes: Corporate Takeovers as an Instance of Cultural Framing and Institutional Integration." *American Journal of Sociology* 91:801–37.
- Kallett, Arthur, and Frederick Schlink. 1933. *100,000,000 Guinea Pigs: Dangers in Foods, Drugs, and Cosmetics*. New York: Grosset & Dunlap.
- Katz, Norman. 1977. "Consumers Union: The Movement and the Magazine." Ph.D. dissertation. Rutgers University.
- Kelley, Florence. 1899. "Aims and Principles of the Consumers' League." *American Journal of Sociology* 5 (3): 289–304.
- Kimberly, J. R. 1975. "Environmental Constraints and Organizational Structure: A Comparative Analysis of Rehabilitation Organizations." *Administrative Science Quarterly* 20:1–19.
- Kitson, Harry. 1922. "The Growth of the 'Service Idea' in Selling." *Journal of Political Economy* 30 (June): 417–19.
- Klandermans, B. 1992. "The Social Construction of Protest and Multi-Organizational Fields." Pp. 77–103 in *Frontiers in Social Movement Theory*, edited by Aldon Morris and Carol Mueller. New Haven, Conn.: Yale University Press.
- Lamb, Ruth deForest. 1936. *American Chamber of Horrors: The Truth about Food and Drugs*. New York: Farrar & Rinehart.
- Letts, Arthur. 1914. "Progressive Methods in Dry Goods Retailing." *Dry Goods Economist* 68 (April): 7.
- Luhmann, Niklas. 1979. *Trust and Power: Two Works*. Chichester, N.Y.: Wiley.
- Lukes, S. 1974. *Power: A Radical View*. London: Macmillan.
- Lumsden, C., and Jitendra Singh. 1990. "The Dynamics of Organizational Speciation." Pp. 145–63 in *Organizational Evolution: New Directions*, edited by Jitendra V. Singh. San Francisco: Sage.
- Madden, M. Stuart. 1988. *Products Liability*. St. Paul, Minn.: West.
- March, James, and Johan Olsen. 1989. *Rediscovering Institutions*. New York: Free Press.
- McAdam, D. 1994. "Culture and Social Movements." Pp. 36–57 in *New Social Movements*, edited by Enrique Larana, Hank Johnston, and Joseph R. Gusfield. Philadelphia: Temple University Press.
- McAdam, D., J. D. McCarthy, and M. N. Zald. 1988. "Social Movements." Pp. 695–737 in *Handbook of Sociology*, edited by Neil J. Smelser. Beverly Hills, Calif.: Sage.
- McKelvey, B. 1982. *Organizational Systematics: Taxonomy, Evolution, Classification*. Berkeley and Los Angeles: University of California Press.
- Meyer, D. S., and D. R. Imig. 1993. "Political Opportunity and the Rise and Decline of Interest Group Sectors." *Social Science Journal* 30:253–70.
- Meyer, John W., John Boli, and George M. Thomas. 1987. "Ontology and Rationalization in the Western Cultural Account." Pp. 12–37 in *Institutional Structure: Constituting State, Society, and the Individual*, edited by George M. Thomas, John W. Meyer, Francisco Ramirez, and John Boli. Newbury Park, Calif.: Sage.
- Meyer, John, and Brian Rowan. 1991. "Institutional Organizations: Formal Structures as Myth and Ceremony." *American Journal of Sociology* 83:340–63.
- Nader, Ralph. 1965. *Unsafe at Any Speed: The Designed-in Dangers of the American Automobile*. New York: Grossman.
- Nelson, Richard R., and Sidney G. Winter. 1982. *An Evolutionary Theory of Economic Change*. Cambridge, Mass.: Belknap Press.

- Oliver, Christine. 1991. "Strategic Responses to Institutional Processes." *Academy of Management Review* 16:145-79.
- . 1992. "The Antecedents of Deinstitutionalization." *Organization Studies* 13: 563-88.
- Olney, M. 1991. *Buy Now, Pay Later*. Chapel Hill: University of North Carolina Press.
- Oster, Sharon. 1994. *Modern Competitive Analysis*. New York: Oxford University Press.
- Padgett, John, and Christopher K. Ansell. 1993. "Robust Action and the Rise of the Medici, 1400-1434." *American Journal of Sociology* 98:1259-1319.
- Pfeffer, J. M. 1992. *Managing with Power*. Cambridge, Mass.: Harvard University Press.
- Phillips, Mary C. 1934. *Skin Deep*. New York: Vanguard.
- Pollay, R. 1985. "The Subsiding Sizzle: A Descriptive History of Print Advertising, 1900-1980." *Journal of Marketing* 49 (3): 24-39.
- Powell, Walter W. 1991. "Expanding the Scope of Organizational Analysis." Pp. 183-203 in *The New Institutionalism in Organizational Analysis*, edited by Walter W. Powell and Paul J. DiMaggio. Chicago: University of Chicago Press.
- Priest, G. 1984. "The Invention of Enterprise Liability: A Critical History of the Intellectual Foundations of Modern Tort Law." Working paper, no. 27. Yale Law School, Yale University.
- Ranson, S., C. L. Hinings, and Royston Greenwood. 1980. "The Structuring of Organizational Structure." *Administrative Science Quarterly* 25:1-14.
- Romanelli, E. 1989. "Organizational Birth and Population Variety: A Community Perspective on Origins." Pp. 211-246 in *Research in Organizational Behavior*, vol. 11. Edited by Barry Staw and Larry L. Cummings. Greenwich, Conn.: JAI Press.
- Samson, Peter. 1980. "The Emergence of a Consumer Interest in America." Ph.D. dissertation. University of Chicago.
- Sargent, Hugh. 1958. "The Influence of Consumer Product Testing and Reporting Services on Consumer Behavior." Ph.D. dissertation. University of Illinois.
- Schlink, F. 1927. "Tests and Specifications for the Household." *Journal of Home Economics* 19:18-20.
- Schudson, Michael. 1978. *Discovering the News*. New York: Basic.
- Schumpeter, J. A. 1950. *Capitalism Socialism and Democracy*. New York: Harper.
- Scott, W. R. 1995. *Institutions and Organizations*. San Francisco: Sage.
- Shapiro, Susan P. 1987. "The Social Control of Impersonal Trust." *American Journal of Sociology* 93:623-58.
- Shepsle, K. 1990. *Perspectives on Positive Political Economy*. Cambridge: Cambridge University Press.
- Silber, Norman Isaac. 1983. *Test and Protest: The Influence of Consumers Union*. New York: Holmes & Meier.
- Sorenson, Helen. 1941. *The Consumer Movement*. New York: Harper.
- Snow, David A., and Robert D. Benford. 1992. "Master Frames and Cycles of Protest." Pp. 133-55 in *Frontiers in Social Movement Theory*, edited by Aldon Morris and Carol Mueller. New Haven, Conn.: Yale University Press.
- Spacone, C. A. 1985. "The Emergence of Strict Liability: A Historical Perspective and Other Considerations including Senate 100." *Journal of Product Liability* 8:1-40.
- Stinchcombe, Arthur L. 1965. "Social Structure and Organizations." Pp. 142-93 in *Handbook of Organizations*, edited by James G. March. Chicago: Rand McNally.
- . 1968. *Constructing Social Theories*. Chicago: University of Chicago Press.
- Stoddard, C. K. 1928. "Your Standard's Worth." *Printers Ink*, August 16, pp. 117-20.
- Sutton, J. R., and F. Dobbin. 1996. "The Two Faces of Governance: Responses to Legal Uncertainty in U.S. Firms, 1955-1986." *American Sociological Review* 61: 794-811.

- Swidler, Ann. 1986. "Culture in Action: Symbols and Strategies." *American Sociological Review* 51:273–86.
- Tarrow, Sidney. 1989. *Democracy and Disorder: Protest and Politics in Italy: 1965–1975*. Oxford: Oxford University Press.
- Thomas, Robert Paul. 1977. *An Analysis of the Patterns of Growth of the Automobile Industry, 1895–1929*. New York: Arno Press.
- Thorelli, Hans, and Sarah Thorelli. 1974. *Consumer Information Handbook*. New York: Praeger.
- Tushman, Michael L., and Philip Anderson. 1986. "Technological Discontinuities and Organizational Environments." *Administrative Science Quarterly* 31:439–65.
- U.S. Bureau of the Census. 1975. *Historical Statistics of the United States, Colonial Times to 1970*. Washington, D.C.: U.S. Department of Commerce.
- Vaile, R. 1927. *The Economics of Advertising*. New York: Ronald Press.
- Vandall, F. 1989. *Strict Liability: Legal and Economic Analysis*. New York: Quorum Books.
- Van de Ven, A. H., and R. Garud. 1989. "A Framework for Understanding the Emergence of New Industries." Pp. 195–225 in *Research In Technological Innovation, Management, and Policy*, edited by R. Rosenbloom and R. Burgelman. Greenwich, Conn.: JAI Press.
- Veblen, Thorstein. 1919. *The Place of Science in Modern Civilization and Other Essays*. New York: Huebsch.
- White, Harrison. 1992. *Identity and Control*. Princeton, N.J.: Princeton University Press.
- Wiley, Mary, and Mayer Zald. 1968. "The Growth and Transformation of Educational Accrediting Agencies: An Exploratory Study in the Social Control of Institutions." *Sociology of Education* 41:36–56.
- Williamson, Oliver E. 1985. *The Economic Institutions of Capitalism*. New York: Free Press.
- Zald, Mayer N. 1992. "Looking Backward to Look Forward: Reflections on the Past and Future of the Resource Mobilization Research Program." Pp. 326–48 in *Frontiers in Social Movement Theory*, edited by Aldon Morris and Carol Mueller. New Haven, Conn.: Yale University Press.
- Zald, Mayer, and John D. McCarthy. 1980. "Social Movement Industries: Competition and Cooperation among Movement Organizations." *Research in Social Movements, Conflict, and Change* 3:1–20.
- Zelizer, Vивиanna A. 1994. *The Social Meaning of Money*. New York: Basic.
- Zucker, Lynne G. 1986. "The Production of Trust: Institutional Sources of Economic Structure: 1840–1920." Pp. 53–111 in *Research in Organizational Behavior*, vol. 8. Edited by Barry Staw and Larry L. Cummings. Greenwich, Conn.: JAI Press.
- Zuckerman, E. 1996. "Mediating the Corporate Product: Securities Analysts and the Scope of the Firm." Working paper. University of Chicago, Department of Sociology.