Economic outcomes of social movements

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Abstract

Economic outcomes have long been neglected by students of social movements. However, recently a number of studies have emerged addressing this topic. This chapter reviews works on economic outcomes of social movements. Economic impacts of social movements are defined here as pertaining to the economic sphere either in terms of government actions to regulate the economy/impose redistribution/reform the practices of companies and corporations, or to changes in social practices and individual behavior with respect to consumption. As such, the current review addresses scholarship on movements’ attempts to attain government regulation in markets, governments’ direct interventions in markets, and changes in market rules and practices in the social sphere.

Reference

Economic Outcomes of Social Movements
Between State, Market, and Society

In his theory of the state as expressed in the Philosophy of Right, Hegel relegated the market to the sphere of civil society – or “the system of needs” – as separate from both the family, as a private institution, and the state, as politics and the site of “ethical life.” He regarded civil society and the market as forming a sphere of social life where individuals were set against each other in egoistic terms, each searching to fulfill their own needs and desires. An initial theoretical problem in discussing the economic outcomes of social movements is thus: To what extent and in what sense can social movement action in the sphere of politics change or impact the economic sphere?

Recent scholarship looks at how social movements bring contentiousness to the market and how they might bring about market change (Davis et al. 2005, 2008; de Bakker et al. 2013; King and Pearce 2010; Rao 2009; Soule 2009; Soule and King 2014; Walker 2012). As a system that generates and reproduces inequality, market capitalism centralizes power in the hands of a few. In turn, this spurs contestation in the attempt to change these negative economic conditions. Historically, the transcendence of the market and the overall transition to a socialist economic system have traditionally been the major economic goal of the Marxist-imprint labor movement. Today, on the other hand, economic outcomes are more likely to be linked to reformist trends such as corporate responsibility, ethical business, sustainable development, social enterprise, the green economy, and so forth, posing what is normally a moral critique against some of the more pernicious aspects of the market, but rarely posing a challenge to the system as a whole itself.
Reformist new social movements have campaigned for market changes and economic outcomes in relation to issues pertaining, for instance, to global warming, child labor, and health care inequalities (King and Pearce 2010). Social movement theorists have shown how contentiousness from the political sphere may spill over into the economic sphere of the market (Armstrong and Bernstein 2008; Snow 2004; Soule 2009; Van Dyke, Soule, and Taylor 2004; Vogel 1978). Given all this, a discussion of economic outcomes of social movements in the current historical juncture will tend to focus on various aspects of change related to the market itself, market behavior, or regulation of markets.

King and Pearce (2010) in their review identify three pathways that movements take: (1) challenging corporations directly; (2) creating transnational systems of private regulation; and (3) creating market alternatives through institutional entrepreneurship. These three pathways suggest that movements may either intervene directly in markets or attempt indirectly to involve the state to attain more regulation. Social movement research has traditionally looked at the latter, but recent research on social movements in markets focuses on the former (King and Pearce 2010). The three pathways also underline that movements may be successful in terms of getting responses from market actors — procedural or substantive — or may succeed in altering markets, and that these impacts are not mutually exclusive.

By economic outcomes we mean impacts achieved by social movements that pertain to the economic sphere either by calling for government actions to regulate the economy or impose redistribution, for reforming the practices of companies and corporations, or by changing social practices and individual behaviors with respect to consumption. Economic outcomes are one type among a wide range of consequences that movement activities may have. In their broadest meaning, most social movements may produce economic outcomes. In a narrower sense, however, economic outcomes refer to changes in market rules, discourses, and practices due, at least in part, to movement activities.

Our review takes into account previous reviews, most notably the one by King and Pearce (2010), but at the same time it reflects the above definition, according to which economic outcomes of social movements may affect not only the market, but also the political and social spheres. We focus our review on research that examines explicitly and empirically the economic impact of movements, as well as research that deals with movements and protests that have economic implications in a broader sense.

**Attaining Government Regulation**

Much of the activity of social movements in modernity is geared toward the state, to implement or block new legislation and policy (Tilly 1986, 1995). Market-oriented movements are no exception to this rule. Given the state’s regulatory functions concerning markets, changing market rules and practices necessitates challenging the state.

Although much of the new research on social movements in markets focuses on their direct intervention (King and Pearce 2010), scholars have also addressed movements’ attempts to attain government regulation and the ways in which they...
attempt to reach economic goals by means of challenges to the state. In the broadest sense, movements aiming to subvert a given political regime, if successful, lead to economic outcomes, for example, the establishment of a new economic system as a result of the Bolshevik Revolution in 1917.

A number of historical and contemporary movements can be seen as aiming to produce economic outcomes. Labor movements, for example, whether reformist or Marxist, make economic claims and, if successful, can have important economic impacts. Work on the impact of strikes on government responsiveness provides some insight on economic outcomes (Cohn 1993). It should be noted that attempting to secure government regulation is only one way through which labor movements have traditionally sought to meet their goals, including through strike activity. They also target corporate actors directly, especially in countries characterized by decentralized collective bargaining in industrial relations (Katz 1993).

Anti-tax movements and fiscal protests are another case in point. Neither markets nor the economy are their primary target. However, if successful, fiscal protests may impact the economy more generally. The anti-globalization and global justice movements have also fought for economic outcomes (Epstein and Schnietz 2002). Their claims have dealt most often with notions of justice and equity on the world scale and of participatory democracy within nations (della Porta 2007). The struggle against neoliberalism as an economic ideology and its practices was certainly a core aspect of these movements, and much of their mobilization was geared towards having states intervene so as to rebalance global (economic) injustices and, more generally, change the current logic of capitalism. However, there were also more radicalized wings of the movement which saw these aims as expressions of a more generalized anti-capitalism. Similarly, anti-austerity movements and protests call for economic outcomes in terms of halting budget cuts, particularly for key public services (Ancelovici, Dufour, and Nez 2016; Giugni and Grasso 2015). By contesting the austerity policies implemented by nation states during the economic crisis under the leadership of the so-called “Troika” of the European Commission, the Central European Bank, and the International Monetary Fund, anti-austerity movements challenged the economic policies of the governments and demanded economic outcomes in the form of changes in state policies.

Reviewing the literature on revolutions as well as that on other movements for socio-economic equality mentioned above is beyond the scope of this chapter. We focus more specifically on movements and protests that attempt to attain greater government regulation in markets. Indeed, market-oriented movements have often sought state intervention. This occurs because of the centrality of the state in policy regulation in modern societies. In this way, movements hope that the state’s capacity to regulate the market can curb the more devastating social and moral repercussions of market growth (Dobbin 1994).

Seeking more government regulation in markets goes back a long way. Religion played an important role in this regard (King and Pearce 2010), as seen, for example, in the symbolic crusade to curb alcohol consumption by the American temperance movement of the nineteenth century (Gusfield 1986). More generally, a great deal of the social and environmental regulation introduced in the second half of the twentieth century was influenced by social movement activism (Vogel 1995).
Scholars have stressed the role of disruption as well as other endogenous characteristics for policy outcomes concerning the economic domain. This has been shown, for example, for anti-privatization protests in India (Uba 2005). Studying whether and how social movements can be successful by addressing the state in order to gain greater government regulation of markets calls for further investigation of state responsiveness to movement mobilization as well as of the factors leading to it. We explore this question further below.

Direct Interventions in Markets

King and Pearce (2010) note that most new research on markets tends to focus on movements’ direct interventions in the market rather than their attempt to get governments to regulate markets (Bartley 2003; Ingram and Rao 2004). Frequently, social movements attempt to bypass the state and target non-state actors, including corporate actors and businesses (Soule 2009; Van Dyke, Soule, and Taylor 2004; Walker, Martin, and McCarthy 2008). In the absence of state-mandated collective bargaining agreements, labor movements have also targeted businesses directly (Ganz 2000; Jenkins and Perrow 1977).

At the same time, markets can provide alternative opportunities when the state is seen to be closed or unresponsive to movements’ demands or when it is seen to defend the rich to the detriment of those more disadvantaged (Chasin 2000). Soule (2009) shows that protest targeting firms is less likely to be policed, which might drive protesters to target firms rather than the state. When states tend to favor the elites and exclude disadvantaged groups, one alternative entry point for some groups and movements can be the market. King and Pearce (2010: 252) note in this regard how “owing to reputational concerns and stakeholder commitments, corporations are often more responsive to new types of social activism than is the government.” They cite the example of the US gay rights movement being more successful in securing domestic partnership benefits for employees of Fortune 500 companies than for employees of the federal government (Briscoe and Safford 2008; Raeburn 2004). In this way, companies existing in the market are increasingly seen as relevant political targets for social movement activism since their reforms can have influence on multiple individuals.

While regulation of markets via the state has historically been the primary means for disadvantaged groups to lobby for change (Schneiberg and Bartley 2008), more recently, it has been argued, globalization and neoliberalism mean that the market escapes state regulation since trade is transnational (Campbell and Pedersen 2001). In this context, corporations can settle where regulations are the most advantageous for their purposes, and this means that states competing for foreign capital investment become even less likely to regulate markets (Seidman 2007). While social movements have attempted to fight these tendencies (Fourcade-Gourinchas and Babb 2002; Prasad 2006), they face an uphill struggle. Moreover, even where states increase regulations, firms attempt to challenge these developments by claiming that they undermine global competitiveness (Braithwaite and Drahos 2000; Murphy 2004). These issues, in turn, have meant that state regulation itself becomes increasingly transnational (Drezner 2007). As a result, international institutions have themselves
become the targets of social movements aiming to address these issues (Smith 2001). Indeed, the rise of transnational movements and contention has meant that local concerns have been brought to global forums, but they have had a difficult time finding influence in international governance arenas that are seen as more able to coerce market actors to their rules (Evans 2005), as well as to challenge the powerful cartels of international corporations (Bowman 1996).

It is no surprise that corporations are rich and powerful and exert a great deal of influence on setting the rules of the market (Fligstein 1996; Perrow 2002). This, in turn, has meant that they receive much attention from activists (Fleming and Spicer 2007; Manheim 2001). Generally speaking, corporations do not have outward political visions or ideology, yet in virtue of being capitalist actors they have interests in maintaining the status quo system or improving their own conditions of competition. Moreover, corporations often form cartels and commission research to fight for their positions and deter challengers from fighting them. Activists have nonetheless found ways to be effective in eroding corporations’ power (Soule 2009). This may include influencing firms’ divestment decisions (Soule, Swaminathan, Tihanyi 2014). At the same time, corporations may or may not concede, depending on a variety of factors. Ingram, Yue, and Rao (2010), for example, have stressed the role of uncertainty over protest occurrence and have pointed to the fact that corporations look more like the strategic actors of game theory than the state.

Social movements typically adopt a wide range of tactics and forms of action. Thus, there are different types of tactics that social movements can apply, as insiders or outsiders, to produce economic outcomes. Balsiger (2016), for example, distinguishes between three different roles movements may play in market change: (1) contention (insider and outsider tactics, public campaigns, boycotts); (2) collaboration (labels, certification); and (3) alternative niches (creation of new markets and categories, movements-as-market-actors).

Insider tactics have been adopted, sometimes successfully, by intra-organizational challengers (Briscoe and Gupta 2016). McDonnell, King, and Soule (2015), for example, show that firms that are targeted by shareholder resolutions adopt “social management devices,” that is, structures or practices meant to demonstrate a commitment to social responsibility and aid in the management of social performance, such as enhanced disclosure, externally enforced commitments, or new internal structures for managing corporate social policy. However, movements within market organizations or corporations cannot be as politicized and aggressive as movements in the political realm, and they must seek collaboration in order to achieve their economic outcomes (King and Pearce 2010). As such, they may seek to tone down their language and reframe their objectives so that they emphasize the positive aspects flowing to all stakeholders, including investors, consumers, and organizational players (Creed, Scully, and Austin 2002; Lounsbury, Ventresca, and Hirsch 2003). For example, activists, regulators, and corporate representatives collaborated in changing the perception of environmental responsibility as corporate liability in the 1960s to a sustainable proactive strategy (Hoffman 2001). Similarly, primary stakeholder activism against a firm was shown to affect its perceived environmental risk and its financial performance (Vasi and King 2012). Furthermore, gay rights activists in the USA were able to change corporate practices and win domestic partner benefits by mobilizing LGBT employee networks (Raeburn 2004).
Since there are few conventional access channels to enact economic outcomes within corporations, disruptive tactics are often the only means available to push for change (Weber, Rao, and Thomas 2009). Disruption can be a very effective means of influencing corporate actors and more generally of producing market change. Disruptive practices such as boycotts or protests by social movements can impose very significant costs on their targets (Luders 2006) and generate significant economic impacts, such as a loss of profits, forcing corporations to change their more negatively evaluated practices. Therefore, corporations have developed strategies to try to deal with the negative consequences of protest (Ingram, Yue, and Rao 2010). Such costs assessments by economic actors have, for example, been examined in earlier research on employer responses to strikes and unions organizing (Griffin, Wallace, and Rubin 1986; Korpi and Shalev 1980).

Scholars have repeatedly shown the importance of the larger context – social, political, cultural – for the consequences of social movements. Economic outcomes are no exception. Thus, research on movements in markets has stressed the role played by the characteristics of corporations and industries regarding the impact of movements on markets (King 2008; Schurman 2004; Wahlström and Peterson 2006). Similarly, the cultural context is important for a movement’s economic outcomes (Lounsbury, Ventresca, and Hirsch 2003; Schurman and Munro 2009). Movements must adapt to their contexts so as to improve their chances of having an impact (McCammon 2012). For example, Balsiger (2014) shows how tactics by Clean Clothes campaigners were adapted to market contexts in order to have retailers adopt and monitor codes of conduct. Indeed, the transformation of markets depends as well on their structural and cultural characteristics (Carroll and Swaminathan 2000; Sikavica and Pozner 2013).

The media are a particularly important aspect of the broader context for movements in markets. Outsiders often rely on the media to gain public support to their cause (Koopmans 2004). The media can be very useful in translating movement frames for consumption by the larger public. They can help movements when “shaming the corporation” (Bartley and Child 2014) and for conveying a negative image of a given target to damage its public image and reputation (O’Rourke 2005; Schurman 2004). Such a “naming and shaming strategy,” under certain circumstances, can be effective, shaping both the market and the field that firms inhabit (Bartley and Child 2011). Negative media exposure of corporations can become particularly damaging as certain companies come to be associated with shady consumer practices and distrust on the part of consumers. In this vein, King (2008) found support for the political mediation model of social movement outcomes, showing that corporate targets of boycotts were more likely to make concessions when the boycott received a great deal of media attention.

Finally, the creation of alternative market practices and niches can be another important pathway through which market-oriented movements may produce economic outcomes. Alternative niches consist in new markets created by social movements that rise outside of established market actors (Balsiger 2016). As such, activists may become market entrepreneurs or provide resources for entrepreneurs (Hiatt, Sine, and Tolbert 2009; McInerney 2014; Weber, Heinze, and DeSoucey 2008). These types of alternatives forms of resilience generally bypass both the market and the state and are dealt with in more detail below.
Changing Market Rules and Practices in the Social Sphere

Identity movements are especially common in postindustrial society, and consumer politics as an expression of these alternative identities has become widespread (Micheletti and Stolle 2013). Political consumerism – the “consumer choice of producers and products with the goal of changing objectionable institutional or market practices” (Micheletti, Follesdal, and Stolle 2004: xiv) – has become part of the action repertoire of contention today, and social movements often exploit this form of political engagement to reach their goals. Political consumerism mostly takes the form of buying (buycott) or refusing to buy (boycott) specific products for ethical or political reasons. In its contemporary forms, it is mainly adopted by young, urban, postmaterialist women who aim to defend, among other things, global justice, international solidarity, and environmental protection (Stolle and Micheletti 2013). In addition to challenging principles, practices, and policies, consumer movements also aim to fundamentally change the ideology and culture of consumerism, raising consciousness about consumption and economic behavior to mold responsible citizens aware of the environmental and other social repercussions of their consumption choices (Kozinets and Handelman 2004).

Individuals coming together to challenge the practices of corporations have been shown to have real economic impacts on corporations and market processes, for example, by causing a company’s stock price to fall (King and Soule 2007). However, while demonstrations matter since they can open up the space and media attention for a news story and apply political pressure, individuals can also persuade others to change their consumer behavior and engage in boycotts and other types of consumer action which can challenge economic practices (Friedman 1999; Garrett 1987). Research on movements’ challenges to corporations has shown the effectiveness of boycotts via their reputational threats, especially when the challenges attract media attention (Friedman 1985; King 2008, 2011, 2016). Boycotts work because they damage reputation much in the same way that companies will often introduce green policies to project a socially responsible image to stakeholders (Baron 2001; Baron and Diermeier 2007). Furthermore, King (2011) showed that firms with high reputational standing are more likely to attract public attention when they are the targets of activist attacks.

The creation of alternative markets outside hegemonic practices – “alternative niches,” as they have been called (Balsiger 2016) – is another pathway for economic outcomes of social movements. Studies show that new organizational activities are legitimized through activism and the development of an alternative culture (Hargrave and Van de Ven 2006; Haveman, Rao, and Paruchuri 2007; Rao, Morrill, and Zald 2000; Schneiberg, King, and Smith 2008). Normally, these efforts are underpinned by groups or communities of like-minded individuals committed to social change for the good of society as a whole (Carroll 1997; Carroll and Swaminathan 2000; Dobrev, Kim, and Hannan 2001; Sine and Lee 2009; Swaminathan 2001; Swaminathan and Carroll 1995; Swaminathan and Wade 2001).

King and Pearce (2010) note the establishment of actual alternatives is often preceded by movements advocating alternative conceptions, for example, with the emergence of cooperatives and developmental associations (Berk and Schneiberg
All these alternative set-ups are greatly aided by the work of social movements to break down cognitive barriers (Lounsbury and Glynn 2001; Ruef 2000; Sine and Lee 2009; Sine, Haveman, and Tolbert 2005; Weber, Heinze, and DeSoucey 2008). In this way, movements can have both direct and indirect economic impacts in terms of creating economic alternatives, including the creation of new markets (Hiatt, Sine, and Tolbert 2009) and the creation of innovative practices (Lounsbury and Crumley 2007; Munir and Phillips 2005; Pinch and Bijker 1984).

Economic outcomes of social movements can also be seen in what have come to be known as the social economy, the solidarity – or solidary – economy, or, more recently and particularly with respect to the economic crisis, alternative forms of resilience. These terms refer broadly to alternative economic practices initiated by citizen groups and networks. Similarly, in recent years, students of social movements have become increasingly interested in “sustainable community movement organizations” (Forno and Graziano 2014), new collective initiatives which empower consumer and producer networks on a smaller scale, thereby pointing to economic outcomes of those organizations.

Kousis and Paschou (2017) note scholars have focused on a wide range of actions which can be subsumed under the heading of the solidarity economy (Laville 2010), including solidary bartering (Fernández Mayo, 2009), local exchange trading schemes (Granger, Wringe, and Andrews 2010), local and alternative currencies (North 2007), ethical banks (Tischer 2013), local market cooperatives (Phillips 2012), cooperatives for the supply of social services, such as in health and education (Costa et al. 2012), alternative forms of production (Corrado 2010), critical consumption (Fonte 2013), spontaneous actions of resistance and reclaim (Dalakoglou 2012), and the reproduction of cultural knowledge via oral and artistic expression (Lamont, Welburn, and Fleming 2013).

Social innovation (Moulaert et al. 2010) is a particularly important aspect when examining economic impacts of alternative economic practices. When successful, these attempts can restructure existing practices and ultimately change power structures toward greater inclusivity (González, Moulaert, and Martinelli 2010). This latter aspect is emphasized, for example, by Vaillancourt (2009), who notes how the social economy can contribute to the democratization of the state through co-production and co-construction. The argument here is that a solidarity-based model with an open governance state leads to both social innovation and a more just and fit-for-people social policy.

**Conclusion**

Scholarship on the consequences of social movements has traditionally focused on three main types of outcomes: political, biographical, and cultural (Giugni 2008). The former clearly has been the main focus of extant research, with a specific stress on policy outcomes. Recently, scholars have started to examine other types of movement outcomes, such as those that consist in influencing economic actors and/or altering the structure and functioning of the economic sphere. Economic outcomes have long been neglected by students of social movements, but this gap has been closing in recent years as scholars have become
increasingly interested in understanding how movements may bring about changes in the “contentiousness of markets” (King and Pearce 2010).

Our review reveals that social movements and protest activities can have important effects both for markets and for the structuring and functioning of the economy. We have outlined in particular outcomes located in three substantially interrelated and partly overlapping but analytically distinct spheres: (1) effects attained by addressing the state in order to secure greater government regulation on markets; (2) effects stemming from movements’ direct interventions in markets, which may take the form of collaboration or contention; and (3) effects consisting in changing market rules and practices in the social sphere, in particular by means of consumerist actions, the creation of alternative market niches, and involvement in the solidarity economy.

Research on the economic outcomes of social movements also allows for important cross-fertilizations among different disciplines and sub-disciplines. As we have tried to show, economic outcomes cross-cut the social, the political, and obviously the economic spheres. Studying them is a way to overcome the tendency endemic in social science to limit attention to a given field and, instead, opens up interdisciplinary avenues for research that may bring together sociologists, political scientists, and economists as well as organizational and consumer researchers and still other specialists interested in discovering how contentious politics may affect the economy and wider society at large.

Future research should continue to investigate the economic outcomes and consequences of social movements. Scholars embarking on such an endeavor should perhaps operate a distinction, rarely if ever applied, between economic-oriented movements – that is, movements that address primarily economic actors or seek, as their primary goal, to challenge markets or the economy at large – and movements that may produce economic outcomes, as a by-product, or indirectly, even if they have other targets and goals. This might help to identify more clearly the mechanisms through which social movements engender economic outcomes through direct and indirect means, which is something which we encourage scholars to pursue systematically.

Finally, scholars might also profit from broadening the definition of economic outcomes. A great deal of the existing literature looks at economic outcomes within markets, thus accepting capitalism as the background condition for these effects. Yet a more radical move would be to start thinking about how social movements could achieve the restructuring or even transcendence of the market and capitalism to put an end to inequalities between rich and poor and the Global North and the Global South, for example, and bring about ready social transformation rather than taking the “band aid approach” of making capitalism less devastating or pursuing escapism into “alternative markets” for the lucky few. In other words, in addition to institutional change in markets due, at least in part, to social movements, we should also tackle how movements may bring about a more profound transformation of the very underpinnings of market economy for greater social justice. This would be in line with recent calls for more attention to capitalism in social movement theory (della Porta 2015; Hetland and Goodwin 2013), as we witness ever-growing inequality across the globe.
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References

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