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AN EXAMINATION OF TRANSITIONING MESO-INSTITUTIONS AND MARKETS IN
THE LANDSCAPE OF AMERICAN POLITICS

By

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This paper bridges the gap in the literature between sociological accounts of market actors provided by Mark Granovetter and Douglas North, meso-institutional examinations of polarization provided by Paul Pierson and Eric Schickler, and the psychological exploration into cross-cutting identities provided by Liliana Mason. I argue that the nationalization and concentration of markets, identities, and politics have led to a transition within the meso-institution of the market from maintaining self-regulating punishment mechanisms to replacing them with self-reinforcing mechanisms, exacerbating affective polarization. Previous works explore the transition within the meso-institutions of the media, interest groups, and political parties. I include the market in the meso-institution analysis of polarization in two steps. The first identifies a degree of embeddedness between social considerations and market actions. The second step places the market into Pierson and Schickler’s meso-institutional analysis of polarization by identifying nationalization, segregation of information or identities, and a cyclical relationship between polarization and meso-institutional shifts. National data points measuring market concentration, marketing strategies, and affective polarization, supplemented by a convenience sample of locally oriented market actors, illustrate precisely how the market maintains the three identified inclusionary requirements to Pierson and Schickler’s analyses of polarization. This work aims to provide valuable insights into the embedded relationship between individual perceptions of politics, identities, ideologies, and market actions.
Introduction

Among the landscape of American politics, polarization has garnered the attention of scholars attempting to identify its underlying causes. This paper bridges the gap in the literature between sociological accounts of market actors provided by Mark Granovetter and Douglas North, meso-institutional examinations of polarization provided by Paul Pierson and Eric Schickler, and the psychological exploration into cross-cutting identities provided by Liliana Mason. These inseparable dimensions of every individual’s routine life provide the ideal environment for understanding why the American public has become more affectively polarized in recent decades. This work identifies a dimension of the polarization phenomenon that has remained relatively unexplored: the role of the meso-institution of the market. By market, I mean social structures characterized by relationships between firms, workers, suppliers, customers, and governments as they interact directly or through mediating agents or institutions to obtain or distribute wealth, goods, or services. I hypothesize that the market, like previously examined meso-institutions, is vulnerable to trends consisting of the nationalization of politics and identities increasing polarization over time.

The central research question guiding this work is: Is the market a meso-institution, and if so, can it potentially prevent affective polarization? As I answer this question, I aim to provide an understanding of how individual actors’ social and economic lives are interconnected and dependent upon the meso-institutional environment of the market. To identify the market as a meso-institution, I examine the sociological definitions of meso-institutions to identify a commonality: the deeply embedded relationship between market actions and social considerations. Identifying an embedded relationship between social considerations consisting of partisanship, ideology, and identity, and market actions places the market into the sociological
definition of meso-institutions. In order to place the meso-institution of the market into the meso-institutional analysis of polarization provided by Pierson and Schickler, I identify three unique traits present in interest groups, political parties, the media, and the market. To illustrate the market's potential to alleviate affective polarization, I examine affective polarization among 451 locally oriented market actors.

Meso-institutions consist of the humanly devised intermediary structures between people, identity groups, and their government that constrain and guide individual action. Meso-institutions have undergone significant transformations in recent years. Historically, moderate levels of polarization diminished through exposure and engagement within meso-institutions, which formed cross-cutting identities (Mason, 2018). With development over time came a transition within meso-institutions from self-regulating to reinforcing polarization. The nationalization and centralization of behavior, alongside the heightened salience of identity groups, encouraged the dissolution of the self-regulating punishment mechanism of meso-institutions (Pierson and Schickler, 2020). Nationalization is transitioning from operating within locally to nationally oriented institutions, social structures, or arenas of engagement. As the prominence of its once-effective self-regulating mechanisms declines, self-reinforcing mechanisms emerge, either removing individuals from the arenas of engagement with those who might hold oppositional views or encouraging divisive interactions among these collectives.

I characterize the meso-institution of the market by its ability to unite individuals between identity groups due to the salience of immediate egoistic gain as they engage in social interactions to obtain or distribute wealth, goods, or services. This thesis seeks to identify increases in polarization within the market over time to reveal the dissolution of the market’s self-regulating punishment mechanisms. Although self-regulating mechanisms are dwindling
within meso-institutions, the market maintains innate characteristics, consisting of the prominence of immediate egoistic gain, which enables it to continue to mitigate polarization through the heightened salience of self-interest, especially compared to other meso-institutional contexts.

In addition to an in-depth examination of existing literature and comprehensive theoretical framework development, this work incorporates a convenience sample of 451 locally oriented market actors. The local survey acts as a microcosm of a collection of market actors' relationships with each other when interacting with the meso-institution of the market, providing valuable insights into the relationship between affective polarization and the meso-institutional environment of the market.

To address the central research question, I proceed as follows: The first section will present a thorough literature review addressing the role of identities, nationalization, and meso-institutions. In section two, I place the market into the analysis of meso-institutions. Identifying three commonalities between the market and the meso-institutions examined by Pierson and Schickler, consisting of interest groups, media, and political parties, places the market into the meso-institutional analysis. Acknowledgments of the differences between markets and other meso-institutions reveal the market's innate ability to regulate affective polarization through individuals' desire for immediate egoistic gain. To illustrate the relationship between affective polarization and markets, I employ an analysis of the survey data in section four. Section five illustrates how the survey data supplements the argument that the market should be considered a meso-institution. Finally, the paper will summarize the key findings, revisit the central argument, address limitations, and suggest avenues for further research. This structured approach intends to
depict the intensifying discourse within the meso-institution of the market within the United States.

**Meso-institutions and Affective Polarization**

Numerous theorists attempt to identify the causes and nuances of division in the United States as political polarization reaches unprecedented heights. In the span of two decades, from 1994 to 2014, there has been a 10% decline in the percentage of citizens identifying as moderates. Simultaneously, there has been an increase, more than doubling, in the number of individuals reporting "very unfavorable" views toward the opposing political party (Pew Research Center, 2014). Additional research conducted by Jacob Westfall and his colleagues in 2015 reveals increased perceptions of political polarization among opposition groups (Westfall et al., 2015).

Polarization consists of ideological divergence, the degree to which ideologies and identities differ between individuals. Political scientists Shanto Iyengar and colleagues define affective polarization as the extent to which citizens maintain negative feelings toward opposing political ideologies, identities, and policy preferences, making them unwilling to socialize across party lines (Iyengar et al. 2019). Measures of affective polarization reveal to what degree partisan and ideological affiliations influence an individual's social life and everyday decisions.

Some theorists gravitate towards an optimistic frame, claiming that rising political polarization encourages increases in political participation (Levendusky, 2010), is less intense among the public than studies suggest (Westfall Boven et al., 2015, 155), and provides more explicit choices for voters (Levendusky 2010; Lupa 2015). In contrast, others illustrate a grim outlook focusing on the intensity of division in an us-versus-them framework (Norris and Inglehart, 2019, 54). The undeniable truth is that polarization is escalating among all levels of the
United States population, with the intensification starting around the 1960s and a spike occurring in the 1990s. According to numerous theorists' affective polarization has intensified more sharply in the United States than in most other Western democracies (Boxell et al. 2020; Iyengar et al. 2019; Gidron et al. 2020).

Liliana Mason examined data obtained through the ANES from 1980 until 2012. The data acquired measured citizens' feelings towards ingroup and outgroup representatives. Respondents of the ANES reported increases in anger towards the outgroup presidential candidate alongside increases in enthusiasm for their ingroup candidate (Mason, 2018, 81-82). Noam Gidron and colleagues observed American affective polarization from a comparative perspective and identified higher-than-average levels in the United States (Gidron et al., 2020). The preference for ingroup representatives alongside the contempt for outgroup representatives demonstrates the trend of Us-versus-Them behavior in American politics. The divisiveness of Us-versus-Them politics is a primary spark creating contemporary levels of division. Affective polarization in American politics has reached such dangerous heights, resulting in individuals no longer trusting each other and their institutions. Theorists identify declining trust in institutions in the United States, political and non-political (Brady and Kent, 2022; Conlan, 2017, 177). As affective polarization increases, the institutions of the United States degrade to a point where they contribute to the intensification of affective polarization.

Although extensive research on political polarization examines divisions among individuals, groups, and institutions, the role of meso-institutional environments in creating divisive incentive structures remains relatively unexplored, excluding the work of Paul Pierson and Eric Schickler. Sociologists refer to meso-institutions as meso-level social structures, which focus on the characteristics of specific networks, groups, and organizations between the
individual and societal levels of interaction (Robertson, 2020). A meso-level social analysis of institutions examines how actors formulate their identities concerning the institutions that confine them. Meso-institutions are the structures that confine, liberate, and guide individuals in their often-unconscious search for self-identity and self-interest. In the context of this work, Meso-institutions are the humanly devised intermediary structures between people, identity groups, and their governments that constrain and guide individual action. The examples of meso-institutions Pierson and Schickler provide include political parties, the media, and interest groups. Examinations of meso-institutions reveal a requirement for an institution's inclusion into the meso-institutional framework: maintaining shared influence between social considerations and immediate egoistic gain.

The shared influence of social considerations consisting of culture or socioeconomic status and immediate egoistic gain is a foundational requirement for an institution to be considered a meso-institution. This requirement, aligning with sociologists' definitions of meso-institutions, illustrates a foundation for the relationship between social considerations and immediate egoistic gain that, in contemporary politics, has led to high levels of polarization. This work identifies the requirement for inclusion present within the market by depicting the influence social considerations have on considerations of immediate egoistic gain and vice-versa through a market-oriented survey.

Additionally, I reveal that all three meso-institutions examined by Pierson and Schickler are vulnerable to trends consisting of the nationalization of politics and identities. This section elaborates upon the relationship between the meso-institutions of the media, interest groups, and political parties and the trends guiding their degradation to meso-institutions that harm civil society. Historically, Meso-institutions attenuated partisan polarization by encouraging the
formation of cross-cutting identities through exposure to ideological and partisan diversity. Two intensifying trends drive the degradation of meso-institutions: nationalization and group-based psychology driving behavior. Alan Abramowitz and Steven Webster utilize ANES data to measure these two identified trends and conclude that partisan identities have become increasingly associated with ideological divisions on the national stage of American politics (Abramowitz and Webster, 2015). As recently as the 1950s, meso-institutions could successfully regulate the extent of division by encouraging the creation of cross-cutting identities through localized political engagement and regional differences in identities. However, technological advancements in communication and governance forced meso-institutions towards identity politics and nationalized discourse.

The first of these trends, nationalization, is the process of going from local or state-based institutions, communications, or environments to national equivalents and is represented by the national convergence of political discussions, sources of news, and the realm in which individuals make sense of reality. The nationalization of politics and identities results in the heightened embeddedness between individuals' perceptions of social and economic affairs. The markets under consideration in this work move alongside the three primary meso-institutions towards a Hamiltonian-like system.

The nationalization and globalization of meso-institutions, facilitated by technology, have fundamentally altered the dynamics of interactions. Robert Putnam's recent work identifies a dimension of heightened individualism, correlating with nationalizing trends (Putnam, 2020). Along with the heightened prominence of identity politics, nationalization removed individuals from the physical arena of engagement with representatives of opposing identities, parties, and ideologies. Individuals interact with the market from the comfort of their homes due to increased
access to remote work and online marketplaces, removing individuals from the physical realm of market engagement.

The second trend, consisting of the heightened salience of group-based psychology driving behavior, is represented by the alignment of specific identity groups forming homogeneous meso-institutional environments. When there is a lack of diversity among individual identities, reinforcing identities are present, which encourage divisive perceptions of politics through the lens of us-versus-them. To further explore the role of identities, I employ analyses of the role of cross-cutting and reinforcing identities. Contemporary meso-institutions, overwhelmed by the nationalization of politics and identities, encourage the formation of reinforcing identities through increasingly homogeneous and divisive meso-institutional environments. This shift is particularly evident in the meso-institutions of interest groups, the media, and political parties, which are increasingly polarized and party-aligned. Pierson and Schickler summarize this phenomenon by stating, “The stacking of cleavages in our polarized system has helped to deepen the territorial divide between the electorates of the two parties” (Pierson and Schickler 54, 2020).

When individuals interact with representatives of opposing ideologies at a high rate, they are likely to create new and aligning identities or sympathize with opposing ones. Robert Putnam elaborates upon the role of identities by identifying polarization as a result of declining social capital and community engagement through declining voluntary associations (Putnam, 2000). Gentzkow and Shapiro measure the ideological segregation of numerous environments, including voluntary associations, revealing them as slightly more ideologically diverse than most face-to-face interactions (Gentzkow and Shapiro, 2011). The decline in voluntary associations,
alongside increases in affective polarization, led theorists to examine the role of identities in politics further.

Diana Mutz identified the benefit of the multi-dimensionality of identities by introducing a theory of cross-cutting identities in 2002. Mutz argues that cross-cutting political identities reduce intolerance by allowing individuals to identify legitimate positions on divisive issues (Mutz, 2002, 122). In reaction to the measurable increase in sorting identities among voters, Lilliana Mason examined the impact of cross-cutting identities on highly polarized citizens. She discovered that cross-cutting identities unite individuals between the dominant political parties better than moderate issue positions (Mason, 2018, 75). Contemporary politics maintains high levels of affective polarization, discouraging the creation of cross-cutting identities, which Lilliana Mason identifies as a requirement for reducing political polarization (Mason, 2018).

The meso-institutions of the last fifty years have failed to create cross-cutting identities and have, in many instances, encouraged the creation of reinforcing identities. Reinforcing identities consistently align and do not overlap with opposing identities. An ideal example is the tendency for democrats to be liberal, secular, and trusting in higher education institutions (Saad, 2020; Gramlich, 2020). Reinforcing identities present within a single individual encourages the creation of homogeneous social networks, increasing affective polarization. Social psychologist Marilyn Brewer and colleagues examined the psychological effects of maintaining multiple social identities and concluded that when multiple identities align, individuals are less tolerant, more biased, and angrier at representatives of their outgroup (Roccas and Brewer, 2002). Nationalizing politics and identities fuels affective polarization by encouraging the formation of reinforcing identities on the national stage.
Most Americans are not active seekers of information and instead obtain political knowledge as a by-product of their everyday lives (Popkins, 1991). When citizens unconsciously acquire political information as a by-product of their day, they unknowingly interact with meso-institutions. Recent shifts in the meso-institutional environment of the American polity illustrate that the general population is obtaining nationally oriented information, often generalized, and pitting identity groups against each other (Pierson and Schickler, 2020). When meso-institutional environments incentivize diverse collectives of individuals to interact within them, the likelihood of the individuals' formation of cross-cutting identities increases.

Paul Pierson and Eric Schickler's 2020 work asserts that the dramatic expansion and nationalization of public policies initiated by Roe v. Wade, in conjunction with similar national policy solutions to social issues, catalyzes contemporary levels of polarization. The nationalization of meso-institutions consisting of interest groups, political parties, and the media, encouraged by the technological shifts of the 21st century, brought individuals out of their local and personalized arena of political engagement into the national and excessively generalized arena. The national environment of political engagement discourages the formation of cross-cutting identities, resulting in high levels of polarization.

Once defined as a meso-institution, I identify three additional requirements for inclusion in Pierson and Schickler's meso-institutional analysis of polarization. The three requirements to include an institution in Pierson and Schickler’s analysis consist of (1) being vulnerable to nationalization, (2) incentivizing the segregation of information or identities along ideological or partisan lines, and (3) maintaining a cyclical relationship between increases in polarization and meso-institutional structural changes. The following section provides evidence that the three required trends for inclusion in Pierson and Schickler’s analysis of polarization are present.
within the meso-institution of the market. Building upon the existing literature establishing a strong correlation between meso-institutions and polarization, I argue for the extension of this analysis to include the market as a meso-institution.

**The Market as a Meso-Institution.**

In the political science subfield, minimal research exists on the relationship between affective polarization and market influences. This work defines the market as social structures characterized by relationships between firms, workers, suppliers, customers, and governments as they interact directly or through mediating agents or institutions to obtain or distribute wealth, goods, or services. For the market to meet the sociological requirement for inclusion in Pierson and Schickler’s meso-institutional analysis, it must maintain a mutual relationship between individuals' social considerations and market structures.

Noam Gidron and colleagues acknowledge the challenges to understanding this relationship as they state, "While economic conditions have not been extensively studied in the affective polarization literature so far, I present evidence that they are closely linked with partisan affective evaluations." (Gidron et al., 2020, 6). McConnell and colleagues provide evidence that high levels of partisanship can influence non-political outcomes, such as a willingness to interact with outgroup representatives (McConnell, 2016). Citizens' actions within the market are embedded in their perception of social relations. This work aligns with Mark Granovetter's view that "attempts at purposive action are instead embedded in concrete, ongoing systems of social relations." (Granovetter, 1984, 487). When one makes decisions within the market, they subconsciously formulate and rely upon their perceptions of their community's state of social affairs. Individuals often prioritize considerations of social relations over immediate egoistic gain. Kiersten Chou identified this trend in groups even when provided financial
incentives to defect from the group (Chou, 2012). Partisanship is driving individual perceptions of economic action among the general population in addition to economically sophisticated agents in high-stakes environments (e.g., Gormley, Kaviani, and Maleki, 2021; Kempf and Tsoutsoura, 2021; Dagostino, Gao, and Ma, 2023). These works provide evidence of affective polarization among market actors evaluating loan prices, credit ratings, and judicial punishments.

Economic actions and social relations are closely related and often build upon each other through interpersonal connections within the market. Initial theories regarding market relations stem from the sociological works of Karl Polanyi, Douglas North, and Mark Granovetter. Karl Polanyi presents a theory of embeddedness that emphasizes a high degree of mutual influence between social and market behaviors (Polanyi, 1944). Douglas C. North offers a new institutional economics approach to understanding the phenomenon that relies upon Rational Choice Theory—arguing that incentive structures within the market originate from institutions (North, 1991). Mark Granovetter presents a theory that pulls from both perspectives, "That such behavior (market behavior) is rational or instrumental is more readily seen, moreover, if I note that it aims not only at economic goals but also at sociability, approval, status, and power” (Granovetter, 1984, 506). By examining the Diamond trade, Granovetter determined, "Like other densely knit networks of actors, they generate clearly defined standards of behavior easily policed by the quick spread of information about instances of malfeasance." (Granovetter, 1984, 492).

Similar to the Diamond trade examined by Granovetter, the markets within the United States generate standards of behavior policed by punishment mechanisms. Immediate egoistic gain is not the exclusive driver in individual decision-making processes, although it is a factor. When individuals consider immediate egoistic gain while determining market behavior,
ideology, identity, and individual character traits have diminished influence, although their influence persists. The diminished influence of identity, ideology, and individual character traits results in diminished levels of polarization when the meso-institution of the market is operating optimally because individuals will base their market actions on immediate egoistic gain. Relying upon the theory of embeddedness, this work argues that the market is a meso-institution. I advance our argument by merging sociological, political, and psychological works on economic actions to provide a theoretical foundation that illustrates the deep embeddedness between individuals' market and social lives. Market actions and social considerations are closely linked, classifying the market as a meso-institution.

The meso-institution of the market guides action with considerations of social status, economic well-being, and culture. The market operates similarly to the meso-institutions of the media, interest groups, and state parties. Edleman, a public relations firm, enacted independent research revealing the deep embeddedness between social and economic considerations as 86% of the U.S. population "expect CEOs to publicly speak out on one or more of these societal challenges: pandemic impact, job automation, societal issues, local community issues." (2021 Edleman Trust Barometer). The deep embeddedness between social and market relations, alongside increases in polarization, has led an author for the New York Times to signal a future in which partisanship has overwhelmed the market environment of the United States, resulting in a divided nation in which our clothing brands, coffee companies, online websites, and more establish segregation along ideological and partisan lines (Gelles, 2021). Studies reveal that social and economic lives are inseparable as the line between economic and social issues blurs.

Examining market relations alongside trends in contemporary politics reveals an argument for the market’s inclusion in Pierson and Schickler's meso-institutional analysis of
polarization. To place the market into this analysis, I employ measures of affective polarization and partisan beliefs of individuals engaged in a locally oriented market environment. These data points, alongside the existing literature on market relations, reveal (1) the market’s vulnerability to nationalization, (2) the incentivization of the segregation of information or identities along ideological or partisan lines, and (3) its cyclical reactionary relationship between increases in polarization and meso-institutional structural change. The succeeding analysis identifies the theoretical foundation of this argument by examining character traits maintained by the meso-institution of the market, revealing the three previously listed requirements within the meso-institution of the market.

The first of the three required trends consists of the meso-institution encouraging nationalizing politics and groups. Data examining news preferences among the convenience sample participants indicates that the meso-institution of the market maintains a significant degree of nationalization. Researchers Sergio Carvalho and David Luna examine advertisers and conclude that these collectives' marketing strategies tailor their goods to national identities and groups (Carvalho and Luna, 2012). Groups are formed within meso-institutions and then driven towards nationalization. Once national group affiliations are identified, meso-institutions maintain incentives to appeal to these national identities, pushing toward nationalization and Us-versus-Them politics.

Technological developments within the United States encouraged increases in concentration and nationalization within the meso-institution of the market. Technological shifts stimulated the heightened accessibility of online communication and shopping, encouraging consumers to engage with the market from the comfort of their homes and, most importantly, their homogeneous environment. Robert Putnam's recent work identifies this trend as a shift
towards individualism that corresponds with increases in polarization, concentration of wealth, and a decline in voluntary associations (Putnam, 2020). The retail trade market in the United States represents the nationalization and concentration of the meso-institution of the market, which was historically able to encourage high levels of face-to-face exposure between consumers. From 1997 to 2017, the Federal Reserve reported an 18.9% mean and 22.3% median increase in concentration within the retail trade market, revealing that retail trade is the most heavily concentrated sector within the U.S. economy (Federal Reserve, 2023).

The absolute concentration of the retail trade market would theoretically result in an environment where individuals of all social groups interact with the same market, which would encourage the formation of cross-cutting identities. By complete market concentration, I mean only one available option for any given market. In reality, complete market concentration does not exist as the most heavily concentrated sectors of the retail trade market maintain persisting levels of competition. As the dimension of the U.S. economy that encourages the most face-to-face exposure experiences heightened concentration on the national level, we witness less opportunity for choice and the creation of cross-cutting identities through market engagement. On the other hand, when there is an oversaturation of choice, individuals tend to segregate along partisan lines with virtually no exposure to representatives of opposing partisan identities (Brown and Enos, 2021). Additional theorists argue that individual choices are “a function of social norms, social meanings, and social roles, which individual agents may deplore, and over which individual agents have little or no control. Norms can tax or subsidize choice” (Sunstein, 1996, 7). The norms, meanings, and roles deployed in contemporary politics consist of partisan alignments and are increasing in salience over-time (Dalton, 2021). Social norms are increasingly influencing levels of choice available to individuals, and the choices provided are
allowing for an increase in polarization due to them often residing on the divisive national stage. Acknowledging the role of choice in determining the degree of polarization within a community enables us to witness a relationship between polarization and choice. The contemporary meso-institution of the market, like other meso-institutions, is experiencing heightened nationalization, resulting in the degradation of choice among market actors, which could impact polarization.

When the market resides on the national stage, identities, ideologies, and character traits are oversimplified and portrayed through broader stereotypes and larger groups. Markets establish the environment in which individuals perceive society, and when nationalization overwhelms the market, just like in other meso-institutions, the salience of national identities, ideologies, and coalitions increases. In contrast, when individuals operate within a locally oriented meso-institution, their perceptions of the 'others' are more likely to be represented by a familiar individual they frequently interact with through meso-institutional engagement. When operating within a nationally oriented meso-institution, perceptions of 'others' are likely represented by inflammatory national figures like Donald Trump, Hillary Clinton, or Bernie Sanders. Research on partisan stereotyping identifies a 50% increase in negatively stereotyping members of the opposition between 1960 and 2010 (Iyengar et al. 2012). Nationalization oversimplifies the nuances of opposition and encourages further polarization through generalization, stereotyping, and a lack of exposure.

Similarly to the primary meso-institutions examined, the meso-institution of the market maintains the second required trend for inclusion in the meso-institutional analysis of polarization: the segregation of information. The market encourages sellers and firms to market their goods to generalized national identities established within society, furthering the divide between groups (Charm et al., 2020). Partisanship is the primary cleavage fractionalizing the
workplace, which is considered an aspect of the meso-institution of the market due to its reliance upon the labor market. The workplace in corporate America is experiencing significant levels of partisanship, leading to the segregation of identities among corporations (Fos, 2023). Significant levels of partisan segregation exist in the workplace, but that is not the only market environment experiencing high levels of polarization. Analyses of the convenience sample of market actors reveal polarization within meso-institutional market environments like the workplace, retail trade settings, and among consumers within the real estate market.

The real estate market encourages the segregation of identities and information along partisan lines. Within the real estate market example, initial partisan sentiments guided individual preferences to live in homogeneous environments. The initial partisan sentiments regarding the real estate market consist of Republicans desiring bigger houses far from other homes, schools, stores, and restaurants at a higher rate than Democrats (Pew Research Center, 2021). The convenience sample supplements the argument by revealing significantly higher-than-average levels of affective polarization among numerous environments, indicating that social considerations minimize choice among market actors, resulting in segregating identities and information. The innate differences between product and housing markets are worth noting, as housing markets entail buying into a community and way of life. Works examining marketing strategies and boycotts reveal increasing alignment between social considerations and product markets (Gelles, 2021; Charm et al., 2020).

When citizens begin to prefer homogeneous market environments, markets react by tailoring their goods or services toward the general population’s divisive preferences. This observation reveals the presence of the third required trend for the market’s inclusion in the meso-institutional analysis of polarization: maintaining a cyclical and reactionary relationship
between increases in polarization and meso-institutional structural change. The relationship is illustrated by a feedback loop as high levels of affective polarization encourage the formation of homogeneous environments. These homogeneous environments encourage the formation of reinforcing identities, intensifying affective polarization and starting the cycle over again. Thus revealing a responsive and divisive relationship between consumer preferences and market structures. The convenience sample supplements this argument by revealing preferences for homogeneous market environments in addition to increasingly high levels of polarization over time.

Individual psychologies must be acknowledged regardless of the incentives established through economic structures, identity groups, ideological affiliations, or societal trends. Individual psychologies are essential because companies market products and services based on beliefs, contemporary political events, and consumer mindsets (Charm et al., 2020). Psychologies determine the degree of salience among social and economic variables among each individual, while the social and economic structures they engage with establish the presence of the variables. David Sherman and colleagues identify cultural values and socioeconomic status as the primary drivers in individual levels of support for environmental policy action, signifying a process of individuals considering their socioeconomic status when determining environmental policy positions (Sherman, 2022).

Individuals do not exclusively consider immediate self-interest when acting within the market, as theorists revealed a tendency for individuals to consider their social relations as well. The willingness of individuals to interact with representatives of partisan opposition is reliant upon institutional structures in addition to the psychology of the individual. Thomas Hobbes argues that disorder arises due to conflict-free social and economic transactions relying on trust
and the absence of malfeasance, and as trust is dwindling within the institutions of the United States, there is a need to provide meso-environments that strengthen trust.

Psychologist Gordon Allport’s 1954 work specified that certain types of contact can reduce prejudice between groups. Utilizing the discussion sparked by Allport, I call for a deeper understanding of the ideal environments that mitigate prejudice. The ideal climate, according to Allport, meets four conditions: (1) the groups would have equal status and (2) common goals, (3) no competition between them, and (4) the support of authorities (Allport, 1954). Allport's work signals that ideal exposure cannot occur within the meso-institution of the market due to levels of competition between actors. Later developments made by Pettigrew and associates identified that these conditions help reduce prejudice but are not all necessary. Per Pettigrew’s findings, intergroup friendships, the absence of anxiety, and the presence of empathy diminish prejudice between groups. Concurrently, their research also unveiled an additional variable that is not required but greatly encouraged: indirect contact through media or friendship (Pettigrew et al., 2011). When locally oriented, the meso-institutional environment of the market reduces prejudice between groups by providing all three of these requirements while encouraging indirect contact. If market environments are locally oriented and filled with familiar faces, individuals are likely to maintain low levels of anxiety and tension, enabling individuals to mitigate the influence of prejudice.

Unlike the meso-institutions of the media, interest groups, and political parties, the meso-institutions of the market can regulate the salience of social considerations by heightening the salience of immediate egoistic gain. Meso-institutions regulate polarization by encouraging exposure to oppositional representatives, which encourages the formation of cross-cutting identities through indirect interactions with contradictory identity groups. Market actors engage
with each other while maintaining the common goal of obtaining or distributing wealth, goods, or services. When individuals do not interact with representatives of opposing ideologies and partisan preferences, they are unlikely to formulate essential cross-cutting identities. The meso-institution of the market can correct the trend of diminishing cross-cutting identities through localized exposure to opposition with immediate egoistic gain regulating the salience of social considerations. In the succeeding section, I examine the meso-institutions of the media, interest groups, political parties, and the market to illustrate the presence of the primary requirements for inclusion in meso-institutional polarization studies. Once it is clear that the market meets the three requirements, I examine the data from the convenience sample, revealing additional data points supporting our claim.

**Media, Interest Groups, Political Parties, and the Market.**

Examining the three primary meso-institutions reveals the requirements for including an additional meso-institution in the discussion. The requirements previously identified for including the market in the meso-institutional framework of polarization studies consist of (1) being vulnerable to nationalization, (2) incentivizing the segregation of information or identities along ideological or partisan lines, and (3) maintaining a cyclical relationship between increases in polarization and meso-institutional structural changes. The remainder of this section presents the foundational requirements for inclusion in the meso-institutional analysis of politics. I examine studies inspecting the meso-institutions of the market, political parties, and interest groups in addition to the market to illustrate the market's possession of the required trends. In addition to identifying the commonalities, I explore the uniqueness of the market that may result in the persisting regulation of affective polarization.
The first requirement, consisting of a vulnerability to nationalization, is present in all primary meso-institutions. Over the past fifty years, I have seen state parties mirror the policy agendas of their national counterparts due to nationalization. Kenneth, White, and Kerbel summarize this trend through their examination of political parties as they state, "The twenty-first century has seen the creation of an enhanced Hamiltonian-like party system where partisan activities are directed from the top down (Kenneth, White, Kerbel, 2022, 101).

Nationalization is also present among the media as Lisa George and Joel Waldfogel examined the implementation of the nationally oriented New York Times newspaper into a new environment and concluded that the implementation of the NYT resulted in dramatic shifts within the local newspaper market (George & Waldfogel, 2006). The media, specifically social media, focuses on issues and stories that appeal to mass collectives, often on the national stage. These social media platforms encourage the formation of social groups that then guide their market behavior (Lane et al., 2023). If individuals form their group affiliations through social media tailored to national audiences, we will witness heightened nationalization of social groups. Further evidence of this impact comes from a study examining social engagement between 2003 and 2020. This study finds that “nationally, social isolation increased, social engagement with family, friends, and others decreased, and companionship decreased” (Kannan et al., 2022).

Interest groups experience similar challenges. Gary Wekkin and Joseph Howard identify a vulnerability to nationalization as they illustrate how interest groups drive the "gravitation of American federalism toward more centralization" (Wekkin and Howard, 2015, 303). Increasing interest group activity on the national stage has been observed since the 1980s (Schlozman and Tierney, 1983; Wilson, 1981). The American system's nationalization and centralization
encourage meso-institutional actors to pick a side of the partisan divide due to ideologies, identities, and policy preferences sorting along this single national and partisan cleavage.

The reactionary measures of markets exemplify the recent development of increasing national influence on local markets. Lisa George and Joel Waldfogel's work unveiled a significant finding: introducing a national competitor into a locally oriented market prompted the local newspaper market to adapt their content to tailor to the preferences of a specific subset of the population: the non-college-educated (George and Waldfogel, 2006). This degree of nationalization incentivizes the college-educated subset of the population to gravitate toward the national competitor, establishing the segregation of information within the community.

In addition to identifying the impact of nationalization on the market, Lisa George and Joel Waldfogel's work illustrates how changes within the meso-institutional environment of the market resulted in the second requirement, segregating identities and information along partisan lines. Implementing the nationally oriented newspaper into the locally oriented market led to two distinct camps obtaining two distinct sources of information. The local newspapers tailored their products to the non-college-educated, rural, and predominantly conservative population, while the Times tailored their newspapers to the college-educated, urban, and predominantly liberal population, establishing the segregation of information along ideological lines (George and Waldfogel, 2006). While the research conducted by George and Waldfo giel predominantly focuses on the meso-institution of the media, it is vital to acknowledge the significant overlap with the meso-institution of the market. Changes in media content represent the changes occurring within the meso-institution of the media, while change in the population each newspaper tailors their product to represent change in the meso-institutional environment of the market, specifically the newspaper market. Newspaper markets are generalizable to other
predominantly in-person markets like those that constitute retail trade because they provide the environment where individuals formulate their perceptions of others, government, and civil society at large. In the case of the newspaper, individuals will make sense of their lives through the stories told in the paper and understand their social and economic standing through comparison with what they read. The stories individuals read guide their understanding of the economy, civil society, and the government, similarly to how individuals formulate these conceptions as they interact with the retail trade market. Historically, individuals went to physical arenas of engagement to obtain their newspapers, which fostered cross-cutting identities when possible. As developments in technology and communication overwhelmed the newspaper market, individuals removed themselves from this physical arena, minimizing opportunities to create cross-cutting identities. The example of the newspaper market reveals the process of devolution within the meso-institution of the media, driven by nationalization. Furthermore, it foreshadows the future of all meso-institutions if left to their own will.

Pierson and Schickler identify interest groups' tendencies to encourage the segregation of information as they gravitate towards a single side of the political aisle. Pierson and Schickler additionally point towards the consistency between state and federal parties as policy positions remain consistent between each party's state and federal renditions, creating a clear segregation of ideologies and identities between the two dominating parties (Pierson and Schickler, 2020). George and Waldfogel's research reveals how the contemporary meso-institution of the market, similar to the three primary meso-institutions, is experiencing significant levels of nationalization, encouraging it to facilitate the segregation of information.

The convenience sample supplements the argument by providing insights into the real estate market's tendency to segregate populations along partisan lines. Real estate markets
represent a meso-institutional environment experiencing a period of increasing partisanship as real estate agents tailor communities to the dominant identities and ideologies already present within the community. The convenience sample provides supporting evidence of a tendency for individuals to segregate when considering relocation.

The final requirement for an institution's inclusion in the meso-institutional analysis of polarization is that the institution reinforces already present polarization. In other words, initial increases in political polarization change the meso-environment of the institution in a way that encourages further polarization. State parties are vulnerable to shifts between the national parties and mirror their federal counterparts in reaction, causing increases in polarization within state-level parties (Pierson and Schickler, 2020). The media responds to rising polarization by tailoring their messages to their viewers' partisan leanings and corresponding identities on news and entertainment platforms. Interest groups rationally pivot towards a single party when advocating for interests once it is clear that they are more favorable to their policies. Once moderate levels of polarization are evident, meso-institutions change how they operate. In recent years, these meso-institutions have shifted from maintaining built-in punishment mechanisms that mitigated polarization to replacing them with self-reinforcing mechanisms encouraging polarization.

Markets maintain a cyclical nature of encouraging polarization due to the deep embeddedness of market and social lives. The relationship is illustrated by a feedback loop as high levels of affective polarization encourage the formation of homogeneous market environments, as evident in the convenience sample in addition to George and Waldfogel's study. These homogeneous environments encourage the formation of reinforcing identities, intensifying affective polarization and starting the cycle over again. As preferences change, like when
citizens begin to prefer homogeneous market environments, markets react by tailoring their goods or services towards the general population's divisive preferences. This observation reveals the presence of the third required trend for the market's inclusion in the meso-institutional analysis of polarization, maintaining a cyclical relationship between increases in polarization and meso-institutional structural changes, revealing a responsive and divisive relationship between consumer preferences and market structures.

In summary, the market is a meso-institution for three primary reasons: it is experiencing a measurable degree of nationalization, encourages the segregation of information, and maintains a cyclical relationship that reinforces moderate levels of polarization. Nationalization of politics, markets, and identities challenges all meso-institutions' ability to self-regulate through their regular channels. Although these trends alter the meso-institution's ability to regulate polarization, the market maintains a surviving ability to regulate polarization by encouraging the consideration of economic self-interest in the decision-making process. It is essential to acknowledge that although economic self-interest is a dominating consideration among market actors, it is not the exclusive driver of action.

The Evidence.

The convenience sample measures the attitudes and opinions of citizens engaging with a locally oriented market environment. Data utilized in this analysis supports one of five objectives: (1) identify nationalization, (2) illustrate notable increases in polarization over time, (3) recognize a trend of encouraging the segregation of information or identities, (4) portray the embedded relationship between market and social lives, and (5) provide evidence that market settings encourage more unity than social counterparts. The first three objectives identify commonalities among all meso-institutions observed in Pierson and Schickler's meso-
institutional analysis of polarization. Objectives four and five provide evidence that the market maintains the definitional requirements for meso-institutional inclusion, in addition to identifying some unique characteristics of the market that enable its self-regulating attributes to persist. This multi-faceted approach ensures the reliability of our conclusions, offering a comprehensive understanding of the complexities surrounding polarization among market actors.

The survey asked respondents to answer twenty-nine questions regarding exposure to individuals who favor the opposing party, preferences when voting, preferred sources of information, shifts in feelings over time, and feelings towards political parties and their voters. Examining relevant literature and data sets establishes the theoretical foundation of the argument, while the survey data from a convenience sample of 451 locally oriented market actors supplements the argument. I employ JMP software to reveal the trends present within the convenience sample’s dataset. All 451 survey respondents attended the Missoula Farmer’s Market between May and October 2022. In an attempt to secure reliable research findings, participants did not receive monetary incentives. Instead, we extended an invitation to every individual who walked by a specific location during the Missoula Farmer’s Market hours. The data obtained is not generalizable to the state or county populations and only represents the attitudes and opinions of a collective of locally oriented market actors. The survey garnered responses from a robust sample size of 451 individuals at a participation rate of 61.03%.

The study relied upon face-to-face interviews to obtain reliable data. Information obtained this way is more reliable than online sources for three primary reasons: Firstly, individuals participate at a higher rate when surveyed in person. Secondly, they have access to individuals that can help them interpret the survey. Finally, participants build trust with the surveyor through community engagement and immediate feedback, resulting in more accurate
answers. I took additional measures throughout the surveying process to ensure reliable answers from participants, such as regulating how I dressed and the language used during interactions. Enacting face-to-face surveys brought the first challenge to this study's efficacy. Private businesses and properties can restrict researchers from enacting surveys on their property, limiting the survey's setting options. In reaction to these restrictions, the Missoula County Farmer's Market became the setting of the study. Although flawed, the convenience sample provides insights into micro-level environmental incentives for increases in polarization.

The survey asked respondents to identify their feelings regarding exposure to partisan opposition in numerous environments. These environments range from the home to the workplace and present varying degrees of engagement with the meso-institution of the market. I quantify levels of affective polarization within these environments using a three-point scale. I asked participants whether they would be unhappy, impartial, or happy when exposed to partisan opposition. Each response was assigned a numerical value, with the accumulation of these values reflecting levels of affective polarization within a given environment. I refer to this measure as the environmental affective polarization score. When respondents report happiness regarding exposure to opposition, the environment receives a 2-point increase. Reported impartiality receives a single-point increase. Furthermore, reported unhappiness results in a single-point reduction. A higher environmental affective polarization score suggests a greater willingness among individuals to interact with partisan opposition, while a lower score highlights elevated levels of affective polarization within the environment. I utilize this measure to illustrate the willingness to interact with partisan opposition in market and social environments.

According to Pierson and Schickler, nationalization drives transitions from self-regulating meso-institutional environments toward self-reinforcing ones. I reiterate that nationalization is
the transition from operating within locally to nationally oriented institutions, social structures, or arenas of engagement. Identifying a significant degree of nationalization among the sample set reveals the first required trend for the market's inclusion in the meso-institutional analysis of polarization. Participants engaged in a ranking exercise regarding their preferred news sources to gauge the extent of nationalization among these locally oriented market actors. The ranking system asked participants to assign a numerical value from one to six, with one representing their top preference. The options provided encompassed a spectrum of news sources, including "cable news networks, social media, local newspaper/local television, online websites/national papers, word of mouth, and the cluster of other mediums consisting of streaming, radio, and podcasts."

In this analysis, I include local newspapers/local television and word of mouth as locally oriented news sources. Nationally oriented news sources include cable networks, social media, and online websites/national papers. When I prompted participants to articulate their news preferences, the top-ranking choice was overwhelmingly "online websites/national papers," with 181 participants ranking it as their first choice and an additional 42 ranking it as their second preference. Following closely, the second highest-ranked news preference was "social media," selected as the primary choice by 121 respondents and as the secondary by 47 participants. However, a notable decline in preferences emerges when I shift our attention towards locally oriented news sources. While 92 participants identified "local newspapers/local T.V." as a top preference, 42 ranked it as their second preference. On the other hand, "word of mouth" garnered even less attention, with 61 respondents ranking it as their first and 21 ranking it as their second preference. A pattern emerges when calculating averages from this dataset, underscoring a strong inclination towards nationally oriented news sources among the sample's locally oriented market actors. On average, nationally oriented news preferences obtained 120.67 first-place rankings,
while locally oriented news sources obtained 76.5 first-place rankings. The locally oriented market actors surveyed prefer national news sources. The stark contrast in source preferences indicates a significant inclination toward national news sources, further highlighting the impact of nationalization within the surveyed sample set.

As nationalization collides with meso-institutions, institutions experience gradual increases in polarization. The survey asks respondents to identify their priorities when casting ballots in their initial and most recent elections to measure changes in polarization over time. I provided the participants with five distinct choices to represent their electoral concerns: "wanted the identities/ideologies of your candidate to represent you, feared the identities/ideologies of the opposing parties' candidate, wanted your candidate's policies, feared the opposing party's candidate's policies, and participating in society/fulfilling my civic duty." Questioning respondents' priorities in their first and most recent elections allows for forming a perceived measure of polarization over time. Figure 1 demonstrates how individuals' priorities evolve, providing valuable insights into increasing levels of polarization over time.
Figure 1: Fear of Opposition's Identity and Ideology in Participant's First and Most Recent Election.

As evident in Figure 1, there has been a substantial increase in the prominence of fear related to the identities and ideologies of partisan opponents, revealing high levels of polarization over time. One hundred nineteen respondents reported fear of the opposition's identity/ideology as the primary influence as they cast ballots in their most recent election, while only 46 ranked this factor as a primary influencer in their first election. The highlighted section of Figure 1 displays those who expressed fear of the opposition's identity or ideology in their most recent election alongside their answers to priorities in their first election, revealing an alarming increase in participants reporting fear between the two elections.

Among the 119 individuals who reported fear of identity or ideology in their most recent election, only 38 represented the same position in their first election, revealing a substantial 68.07% increase between the two periods. We see an equally pronounced increase in recent years when we shift our focus toward participants' tendency to vote out of fear of the opposition's policies between the two elections. There was only a 15.1% chance of a respondent prioritizing
fear of the opponent's policies in their first election, while the percentage skyrockets by 30.47%, reaching 45.57% when considering their most recent election. These data points reveal that individuals are increasingly likely to vote out of fear of candidates representing opposing identities, ideologies, or policies in the most recent election they participated in compared to their first.

I turn to additional questions to further analyze the developments between participants' first and most recent elections. Utilizing questions 27 and 28, I examine increases in respondents believing the opposing party winning the presidency would put the country in a worse position. Respondents were specifically asked, "Regarding the first (and most recent) election you participated in, do you believe the country would be in a worse position today if the party you did not vote for won?". Question 27 pertains to the respondents' first election, while question 28 addresses their most recent. Figure 2 visually represents the significant increase in negative perceptions of the nation over time, particularly after a perceived opposing candidate secured the office. These questions enable us to gain valuable insights into how respondents' views regarding the consequences of their preferred party losing elections have escalated over time.
When considering the entire sample set, 43.96% expressed a fear that the country would be in a worse position if the party they did not vote for won during their first election, whereas this sentiment rose to 70.33% when considering their most recent election. This 26.37% increase provides evidence that affective polarization has increased over time. The highlighted section of Figure 2 shows that 31.8% of those who believe the country would be in a worse position if the candidate from their opposing party won in their most recent election did not feel the same when reflecting on the first time they voted. This data points to a significant disparity between these individuals' first and most recent elections, revealing increased perceptions of polarization over time.

Polarization among the surveyed population has significantly increased over time. Respondents are likely to vote out of fear of opposing candidates' ideologies, identities, and
policies, as the majority of respondents identified fear of these traits as the primary incentive for their electoral decision. In addition to representing a fear of the opposition, the convenience sample revealed an increasing sense of concern regarding the nation's well-being when the opposing candidate wins the election. Overall, polarization has significantly increased over time among the surveyed population.

As specified in the literature review, Douglas North and Mark Granovetter put forth a theory of institutions that emphasizes the concept of embeddedness. Building upon North and Granovetter's insights into institutions, I extend the examination to observe the role of social and market-based environments. Increasing rates of polarization are evident but require analyses that determine which environments experience the highest rates of affective polarization, and measuring this reveals important distinctions among market and social settings and the deep embeddedness between social considerations and market actions. The foundation of our argument relies upon the theory of embeddedness, which posits a connection between individuals' social considerations and market actions. I show evidence that market environments maintain social considerations, evident with notable levels of polarization in all market-oriented settings, revealing a deep embeddedness. Additionally, I identify that market environments more effectively mitigate the influence of social preferences than social environments.

Notably, researcher Arne Dulsrud examined relationships within Norwegian and Danish fish markets and concluded that, when presented with tensions within market institutions, actors respond with a "differentiation of their social role." (Dulsrud, 2007, 16). The social environment, the primary arena where individuals initiate change and address emerging tensions, even if exclusive to the market, serves as a pivotal starting point for addressing grievances. The participants in the polarization survey, influenced by the surviving self-regulating mechanism of
the market, exemplify reduced tendencies toward affective polarization in market environments compared to social ones. Measuring individual tendencies to accept exposure to opposition in market and social environments reveals a pattern where individuals maintain a higher tendency to divide in social environments compared to market environments. Figure 3 illustrates this trend through the survey data.

**Figure 3: Self-Reported Levels of Affective Polarization of locally oriented market actors.**

![Affective polarization among social and market environments](image)

Source: Data originates from questions 3-14 of the survey. Available in Appendix A.

When examining levels of affective polarization, I organize questions into two distinct categories: social and market. I then asked participants to report their willingness to interact with opposing partisans by identifying a happy, impartial, or unhappy sentiment.\(^1\) Within this investigation, two apparent trends surface. Firstly, individuals of all ages and ideological groups tend to have more impartial sentiments when considering exposure to the opposition in market environments as opposed to social environments. Secondly, while unhappiness decreased within market environments, there was no parallel increase in reported happiness, only increases in

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\(^1\) I chose the answer choices of happiness, impartiality, and unhappiness to mirror a national study enacted by PEW Research Center as they measured individual levels of happiness when family members married opposing partisans. I do not compare my data to the national measures provided by PEW due to the limitations present within the convenience sample.
impartiality. Market environments maintain heightened neutrality among engaged citizens through considerations of economic self-interest, providing a better environment to mitigate prejudice and negative perceptions than social environments. This data supports the argument that market environments provide the ideal setting to formulate cross-cutting identities due to the neutrality of the environment. Although market polarization has increased over time due to the nationalization trend, evident in the previous section, it provides a less divisive environment than social counterparts. Due to their ability to emphasize economic self-interest, I argue that markets provide the ideal setting to reduce contemporary levels of affective polarization through exposure, forming cross-cutting identities.

Among the 451 individuals surveyed, 42% expressed that they would feel "unhappy" if exposed to members of the opposing political party within social environments, resulting in an environmental affective polarization score of 86.33. When examining exclusively market interactions, we witness a 13.3% decrease in unhappy responses, resulting in 28.7% reporting "unhappy" feelings. As a result, market environments yield an environmental affective polarization score of 108.17, which is 21.84 points higher than that of social environments. As previously noted, a higher environmental affective polarization score reveals a higher probability of individuals willingly interacting with members of opposing partisan groups. Notably, there was no increase in individuals reporting "happy" feelings in market environments over social ones; instead, there is a 10.43% rise in reported impartiality.

These trends hold across all age groups, demonstrating a consistent disposition regarding social and market environments among all measured groups. Even among the most polarized age group of respondents, those aged 65 years or older, there is a 46.67% chance of reporting "unhappy" feelings regarding exposure in social environments, resulting in an environmental
affective polarization score of 5.67. When considering exclusively market environments, only 34.44% of individuals in this age group report "unhappy" feelings, represented by an environmental affective polarization score of 17.33. Conversely, the least polarized age group of respondents, those between the ages of 18 and 25, exhibit a 33.11% probability of representing "unhappy" feelings in social environments and a 27.3% likelihood of representing the same sentiment in market environments. Among this age group, the environmental affective polarization score of social environments was 62.34, which is 14.66 points lower than the market environment's score of 77, revealing the reoccurring trend of heightened affective polarization in social environments over market ones.

As we consider additional variables, the market consistently reveals a preferable environment for neutral oppositional engagement. Participants' tendencies to be more affectively polarized in social over market environments remain consistent regardless of ideological affiliations. When extracting the respondents who state they are "unhappy" with exposure to the opposition in social environments, we witness equal distribution with the entire sample set regarding ideological identification. To illustrate the lack of ideological impact, I extracted all 99 respondents who self-identified as moderates and examined the environmental affective polarization scores of their interactions within social and market environments. Among this subset, we witness an environmental affective polarization score of 78 when interacting with social environments and a score of 84.99 within market environments. This data emphasizes that, even among respondents who identify as moderates, a preference exists for engaging with partisan opposition in market environments over social ones.

This study's final point of analysis examines attitudes when considering a move to a new town. Examining participants' feelings about moving to a town with most of the population
representing the opposing political party provides valuable evidence of two trends that place the market into the meso-institutional analysis of polarization. The first identified trend addresses the aforementioned second requirement for inclusion into the meso-institutional analysis of polarization: the meso-institutional environment encourages the segregation of information along partisan lines. Prior research supports this argument by examining the geographical segregation of Democrats and Republicans along partisan divides (Brown and Enos, 2021).

In addition, the data reveals the deep embeddedness between market and social environments as social considerations impact decisions within the real estate market. Social considerations play a significant role in decision-making when considering actions within the real estate market. Upon examination of the survey data, it is evident that the real estate market maintains an embedded relationship with social considerations. Figure 4 visualizes the propensity of individuals to desire segregation along partisan lines when considering residential relocation.

Figure 4: Political Polarization and Residential Relocation Choices.
Among all 12 environments measured, respondents reported the second-highest levels of affective polarization when considering a move to a town with the majority of the population being members of the opposing party. The environmental affective score of this environment is -32, revealing a strong inclination to segregate along partisan lines. The only environment that encouraged more division was the social environment of dating, which yielded a score of -54. In summary, Figure 8 demonstrates individuals' tendency to segregate along partisan lines when considering a move, revealing the presence of the second required meso-institutional trend and evidence of the deep embeddedness between market and social environments. The data from the convenience sample indicates sentiments when considering a new home environment but does not address the social environments individuals engage with to buy a new home, consisting of interaction with a real estate agent, new school districts, work environments, and more. Future research should explore this relationship further by asking individuals to report their sentiments when considering working with a real estate agent representing the opposing partisan identity.

**Interpretation of survey**

This work utilizes data from the Pew Research Center, American National Election Surveys, national market data, and a convenience sample of locally oriented market actors to reveal correlated trends among rising affective polarization, diminishing cross-cutting identities, aligning ideological groups, concentration of retail trade markets, nationalization, and rising partisanship in economic dimensions of individual lives. Survey data provided by the convenience sample supplements the argument. National survey data and literature illustrate the relationship between markets and polarization on the macro level, while the convenience sample provides micro-level insights into the relationship.
Meso-institutional environments establish incentive structures as they unite or divide individuals by restricting or enabling tribal tendencies to divide. Due to the nationalization of politics, markets, and identities, meso-institutions lost their ability to unite through automatic self-regulating punishment mechanisms. Like other meso-institutions, markets are losing their ability to incur costs to partisanship in its meso-institutional environment. The meso-institutional environment gradually became overwhelmed by self-reinforcing mechanisms, further intensifying already present levels of affective polarization by discouraging engagement with partisan and ideological opposition. The meso-institutional environments that have garnered intellectual attention include the media, interest groups, and political parties. Efforts to regulate the self-reinforcing mechanisms inherent to these three primary meso-institutions may lead to one of two outcomes delineated by James Madison, "one, by destroying the liberty which is essential to its existence; the other, by giving to every citizen the same opinions, the same passions, and the same interests." (Madison, 1787). To avoid the destruction of liberty and the forceful mutual identification of all citizens, one must look at indirect environments of political engagement: meso-institutions. The meso-institutional environment of the market acts as an indirect avenue for mitigating affective polarization through automatic enforcement mechanisms that place a cost on partisanship in the market by emphasizing the salience of immediate egoistic gain. This section revisits previous data points to address the central research question, placing the market into the meso-institutional analysis of polarization.

The central research question asks: Is the market a meso-institution, and if so, can it potentially prevent affective polarization? To address this question, I utilize the convenience sample to portray two levels of definitional requirements. The convenience sample identifies two market-related trends to fit the market into the sociological definition of meso-institutions. These
trends include maintaining less division in market settings than social equivalents and an observable degree of embeddedness between market actions and social considerations. Additionally, I provide three commonalities among the meso-institutions examined in Pierson and Schickler’s meso-institutional analysis of polarization. These commonalities include maintaining an observable degree of nationalization, segregation of identities and ideologies, and cyclical reactionary measures within meso-institutions. To conclude the discussion, I explore the potential utility of the meso-institution of the market in mitigating polarization by increasing the salience of immediate egoistic gain in market settings.

Evidence of embeddedness between market and social lives reveals the market's definitional requirements to be considered a meso-institution. The convenience sample adequately provides this evidence through two data points. The first data point consists of measures of affective polarization across twelve environments, classified as either market or social. The existence of preferences to engage in homogeneous market environments reveals an embedded relationship between market actions and social considerations. Although market environments maintained less affective polarization than social counterparts, an embedded relationship between market actions and social considerations is clear. The second data point examines engagement with the real estate market. Respondents overwhelmingly considered partisan evaluations when considering their actions within the real estate market. Of all settings examined in this study, the environment of individuals determining where to move ranked as the second most divisive environment, only behind dating considerations. Our data shows that market considerations are not void of social evaluations. Social evaluations, represented by negative partisan considerations within this study, are not the sole variables under consideration by individuals but a dominating one. Market contexts are partly social, revealing the deep
embeddedness between market and social lives, placing the market into the meso-institutional analysis of civil society.

Once the market is clearly defined as a meso-institution, I utilize Pierson and Schickler’s analysis of interest groups, the media, and state parties to identify three additional requirements to include the market in their analysis. Utilizing the convenience sample alongside external data points, I identify all three previously listed requirements within the market, placing it into their meso-institutional analysis of polarization.

Nationalization drives the transition from a self-regulating meso-institutional environment towards a self-reinforcing meso-institutional environment. The survey data illustrates the significant presence of nationalization as most of the population gravitates toward nationally oriented news sources over local counterparts. Revealing a significant degree of nationalization among market actors provides evidence of the first requirement for the market's inclusion in the meso-institutional analysis of polarization, being vulnerable to nationalization. The market must also represent some form of vulnerability to the observable levels of nationalization, and this is done by examining increases in perceptions of polarization over time. According to Pierson and Schickler, all meso-institutions are experiencing a period of devolution due to the dismantling of regulatory punishment mechanisms caused by the increasing nationalization of politics.

The survey measured increases in polarization over time to provide evidence that market actors experienced increases in polarization over the past decades. All three primary meso-institutions examined by Pierson and Schickler maintain increases in polarization over time, revealing a foundational commonality between the market and identified meso-institutions: the vulnerability to nationalization. Pierson and Schickler posit that this increase is due to the increasing nationalization of politics and identities represented by attempts to address social
issues on the national stage. Similar to the meso-institutions previously examined, the market maintains significant levels of nationalization and increases in polarization over time, revealing a vulnerability to nationalization.

I examine individual perceptions as they engage with the real estate market to identify the second required trend for inclusion in Pierson and Schickler’s meso-institutional analysis of polarization. As previously stated, all meso-institutions encourage the segregation of information along either partisan or ideological lines. I utilize data points from the convenience sample to reveal that the meso-institution of the market encourages the segregation of information along partisan lines. The survey data depicts a scenario where individuals maintain social considerations while engaging with the real estate market.

Examining individuals' perceptions of moving to a town with the majority of the population representing the opposing partisan identity progresses the argument in two distinct ways—by illustrating a degree of embeddedness between social considerations and market actions and by identifying incentives established within the market to segregate along partisan or ideological lines. The survey's data points signal that partisan considerations influence individuals' decision-making processes, encouraging the creation of homogeneous environments. These homogeneous environments encourage the formation of reinforcing identities that pit collectives against each other along partisan lines. Future research needs to further explore the dimensions of social interaction within the real estate market by surveying individuals on their willingness to interact with partisan real estate agents. Due to access limitations, this work exclusively explores participants' general willingness to engage with the real estate market in a way that would create a homogeneous partisan environment.
Individuals interacting with the market are experiencing gradual increases in polarization over time, revealing the final inclusionary requirement to meso-institutional analyses of polarization: maintaining a reinforcing relationship between levels of polarization and meso-institutional structures. Contemporary levels of affective polarization incentivize meso-institutions to shift their structures and practices, resulting in meso-institutions further incentivizing increases in polarization. Examinations of partisanship in corporate America reveal two ways the relationship between polarization and the market is reactionary and cyclical. Vyacheslav Fos and colleagues provide the first point of evidence as they measured increasing levels of homogeneous partisan work environments in corporate America. Tamara and colleagues provide the second, revealing that marketing agencies tailor their marketing strategies to individual beliefs, contemporary political events, and consumer mindsets (Charm et al., 2020). Primarily evident in external research measuring increases in partisanship in corporate America, the convenience sample supplements the argument with data revealing increases in polarization over time.

The market is a meso-institution due to the observable deep embeddedness between social considerations and market activities. Once placed into the meso-institutional framework provided by sociologists, I identify three requirements for placing the market into Pierson and Schickler’s meso-institutional analysis of polarization. We witness increasing salience of national influence, revealing the presence of the first trend: maintaining a degree of vulnerability to present levels of nationalization. Furthermore, levels of affective polarization are present among individuals perceiving a move to a town with the majority of the population being members of the opposing party, supporting the second required trend: meso-institutions encourage the segregation of information. External data points measuring partisanship in
corporate America alongside convenience sample data revealing continuous increases in polarization over time reveal the final requirement to inclusion: maintaining a cyclical and reactionary relationship between polarization and meso-institutions.

To illustrate the potential utility of markets in mitigating polarization, I identify that market settings encourage more interaction with partisan opposition than social equivalents. Revisiting measures of affective polarization across twelve distinct environments. The social environments encompassed scenarios where individuals contemplated exposure to partisan opposition in aspects such as dating, forming friendships, being neighbors, and more. On the other hand, market-based environments involve interactions between firms, workers, suppliers, customers, and governments as they interact directly or through mediating agents or institutions to obtain or distribute wealth, goods, or services. These interactions occur as individuals engage with each other while shopping, working, or vacationing. The convenience sample indicates that market environments maintain significantly lower levels of affective polarization than social counterparts, indicating the potential utility of market environments to mitigate polarization. All participants, regardless of age or ideological identification, prefer market over social setting, but even when they engage in market environments, they maintain social considerations. To halt the contemporary increases in polarization, meso-institutions must abolish the divisive incentive structures that are creating homogeneous environments. Furthermore, markets must replace them with structures that incentivize the creation of heterogeneous environments that encourage the formation of cross-cutting identities.

Regarding policy implications, this research identifies a need for reevaluating economic and market regulations with consideration of their impact on the meso-institutional environment of the market. Our research indicates that economic and market regulations unconsciously
incentivize individuals to maintain varying degrees of social considerations as they engage with the market. Market engagement is an ideal catalyst for cross-cutting identities, which are proven to mitigate prejudice and polarization. Policymakers examining the regulatory system of the market need to gravitate towards regulations that encourage interaction by raising costs to partisanship without infringing upon individual liberties. The greater spread of diverse market environments, sidestepping social barriers to unity through heightened salience of immediate egoistic gain, could halt the increases in affective polarization that have been occurring in the United States in recent decades. Encouraging the formation of cross-cutting identities in environments where individuals maintain the least partisan considerations mitigates affective polarization by creating bonds stronger than partisanship: market unity.

**Conclusion**

In conclusion, the escalating phenomenon of affective polarization, driven by the nationalization of politics and identities, is attributable to the lack of self-regulating punishment mechanisms within meso-environments. While previous literature identifies polarizing trends among the meso-institutions of the media, interest groups, and political parties, this work directs researchers toward the meso-institution of the market. The survey identifies the current state of polarization, nationalization, and market relations among a collective of locally oriented market actors, revealing a significant degree of embeddedness between markets and social evaluations, identifying the market as a meso-institution. Markets foster interactions of necessity as individuals converge in their pursuit to obtain or distribute wealth, goods, or services and provide the ideal environment to mitigate affective polarization through the heightened salience of immediate egoistic gain.
The survey supplements the overarching argument by providing data points that align with previous literature to depict a relationship of embeddedness between the meso-institution of the market and social evaluations. This particular convenience sample set provides data aligning with previous work to indicate general polarizing trends of increasing affective polarization and nationalization. In addition to identifying the presence of nationalization within the market, the survey data illustrates increasing polarization over time, the segregation of information and identities, and deep embeddedness between individual market actions and social considerations. The current status of the meso-institution of the market studied reinforces already present levels of affective polarization.

The limitations of this research project reside in the convenience sample. The convenience sample allows for a snapshot into the state of affairs among a collection of locally oriented market actors interacting with the self-reinforcing mechanisms of the market. The lack of nationally relevant data limits the scope of this work, requiring future researchers to examine the phenomenon further. This work aims to direct researchers of affective polarization studies toward the meso-institution of the market.

Although flawed, the convenience sample of locally oriented market actors reveals five primary conclusions, foundational to the argument that the meso-institutional environment of the market is intrinsically connected to contemporary levels of affective polarization. First, like in other meso-institutions, polarization increased over time among this surveyed collective. Secondly, the phenomenon of nationalization is significant among this population's news preferences. Thirdly, considerations of partisanship overwhelm individual decision-making processes as they consider engagement with the real estate market, revealing a tendency for the meso-institution of the market to encourage the segregation of information along partisan lines.
The final two conclusions provided by the survey are unique to the market. The first identifies the preference of individuals to engage with partisan oppositions in market settings over social equivalents. Finally, the convenience sample detects a deep embeddedness between social considerations and market actions. These conclusions identify the market as a meso-institution and place it into the meso-institutional analysis of polarization studies.

This research acts as the inception of a much-needed conversation within the field of polarization studies, highlighting the dire need to explore the environment in which individuals are at the will of the incentive structures within the market. Economic conditions of income inequality, unemployment, and wealth distribution have garnered significant attention from scholars in recent decades. This research focuses on the economic statistics that loom over the minds of individuals while overlooking the economic environments that act as arenas of engagement for representatives of opposing identities, parties, or ideologies. Neglected factors of individuals' economic environments include market concentration in retail trade and exposure through market interaction. This work bridges the gap in the literature between affective polarization and market studies. However, the path toward enlightenment in polarization studies requires an extensive exploration into the intricacies of this relationship.

Future research should explore the depth of interaction within the meso-institutional environment of the market on the national stage by pivoting away from examinations of economic statistics like income inequality, wealth distribution, and party spending toward the environment of market actors, environmental affective polarization scores, and limitations to partisan expressions. Affective polarization studies require further understanding of environments that encourage the creation of cross-cutting identities to mitigate the tendency for
individuals to desire separation from contradictory identities, ideologies, and partisan affiliations. An ideal starting point for understanding the market's influence is exploring mobility costs.

The meso-institutional environment of the market influences polarization among two distinct collectives: consumers and sellers. Consumers constitute the general population engaging in market interactions to obtain goods or services in exchange for wealth. Prices, mobility costs, social relations, and levels of competition drive consumers. Sellers and firms constitute the businesses and individuals engaging with the market in an attempt to distribute goods and services in exchange for wealth. Market trends, prices, competition, unemployment, income inequality, business activism, and economic policies drive sellers and firms. Mobility costs regulate the expression of partisan preferences within the market by consumers and sellers. Mobility costs measure levels of competition, costs, social relations, and accessibility of each actor to determine the degree of mobility individuals maintain within the market, enabling or restricting their attempt to express partisan or ideological considerations.

The market can encourage actors to base their decisions on immediate egoistic gain or social considerations depending on the salience of social issues. Mobility costs regulate appeals to social considerations by strengthening the salience of immediate egoistic gain. An individual interacting with the meso-institution of the market as they go to a barber for a haircut best illustrates the theory of mobility costs on consumers. Suppose a consumer is at the barbershop getting their haircut, and the barber, the seller, begins to talk about politics in a way that does not align with the consumer's views. Suppose there is high competition, and a barber across the street charges the same price. Granovetter summarized this relationship: “If traders encounter complex or difficult relationships, characterized by mistrust or malfeasance, they can simply move on to the legion of other traders willing to do business on market terms; social relations and their
details thus become frictional matters” (Granovetter, 484). In that case, mobility costs are low due to minimum to no transportation costs, price changes, or environmental changes. In this scenario, the consumer maintains significant incentives to go to a different barber. If the consumer does not return to the original barber and finds a new one, it is unlikely that they will formulate cross-cutting identities. In a low-competition scenario, when the other barber operates across town and charges a higher price for their haircut, the market environment encourages the individual seeking a haircut to remain with their original barber. In this example, mobility costs are high due to transportation costs, differences in price, and a change in environment. When the individual continues to get haircuts from the barber representing contrasting ideological or partisan opinions, they will likely get continuous exposure to opposing opinions. This exposure encourages them to formulate cross-cutting identities and better understand the rationality of opposing viewpoints.

High mobility costs incentivize actors within the meso-institution of the market to maintain their market norms and gradually form cross-cutting identities through routine engagement with opposition. Among consumers, high mobility costs encourage individuals to repeatedly shop within a single market environment, which enables them to create cross-cutting identities with other consumers and sellers. Among sellers and firms, high mobility costs encourage individuals to maintain employees with diverse political identities, which enables individuals to form cross-cutting identities within the workplace.

Mobility cost's ability to regulate polarization depends entirely on levels of competition. The meso-institutional environment must be highly competitive for the market to lose its ability to regulate polarization entirely. No market environments in the United States have reached such high levels of competition that they wholly dissolved the market's ability to regulate polarization.
Although diminished over recent years, market influence still unites individuals through immediate egoistic gain as they engage with one another to obtain or distribute wealth, goods, or services. I advocate for future research to explore the relationship between mobility costs and the actions of consumers and sellers.

As our research suggests, the meso-institutional environment of the market exerts an influential yet unconscious role in building and dismantling partisan and ideological preferences. If market environments are accessible and encourage the building of cross-cutting identities and, conversely, the dismantling of reinforcing identities, then levels of affective polarization should decline. If the meso-institutional environment of the market remains on its current trajectory, reinforcing identities will saturate the political landscape of the United States. The implications are clear: without further understanding of the incentive structures within the meso-institution of the market, affective polarization will continue to increase.
Appendix A:

You can skip any question if you do not wish to share the information. Please do not put your name or any contact information on this form. This survey is 100% confidential. The information obtained in this survey will be used to write a graduate-level thesis paper at the University of Montana with IRB approval.

1) How old are you? ________________
2) Have you ever voted? Yes
   No

Answer the following questions with one of three answers. Put (H) if you would be happy with the statement. Put (U) if you would be unhappy with the statement. Put (I) if you are impartial or do not care about the statement.

3) _____ If my friends were of the opposing political party(s).
4) _____ If someone I dated was of the opposing political party(s).
5) _____ If my neighbor was a member of the opposing political party(s).
6) _____ If a family member of mine was of the opposing political party(s).
7) _____ If I worked with someone of the opposing political party(s).
8) _____ If my boss was someone of the opposing political party(s).
9) _____ If the owner/CEO of my workplace was of the opposing political party(s).
10) _____ If the owner/CEO of my workplace donates to the opposing political party(s).
11) _____ If the owner/CEO of the places I shop at are of the opposing political party(s).
12) _____ If a town I moved to has a majority of the population being of the opposing party(s).
13) _____ If a place I vacationed had a majority of its population being of the opposing political party(s).
14) _____ If someone in my immediate family married someone of the opposing political party(s).

On a scale of 1-5, rank how likely you are to do the following statements. If it is extremely unlikely, put 1. If you believe it is extremely likely, put 5.

15-18) How likely are you to openly express your political opinions…

15) _____ with friends?
16) _____ with coworkers?
17) _____ with your family?
18) _____ with strangers you come across in everyday life?
19) Do you believe voters of the opposing political party(s) have lower moral standards than those within your party?
   Yes    No    Impartial

20) Do you believe voters of the opposing political party(s) are a threat to the nation's well-being?
   Yes    No    Impartial

21) Do you believe voters of the opposing political party(s) are becoming radicalized?
   Yes    No    Impartial

22) Do you believe voters of the opposing party(s) make more, less, or the same income as those within your party?
   More income  less income  similar amounts of income

23) Please circle where you believe you stand on a scale from 1 to 5. With 1 representing very liberal, 3 representing moderate, and 5 representing very conservative?
   1  2  3  4
   5

24) Where do you primarily find your news? You can choose more than one answer. If you select multiple answers, please rank them with a number next to the letter, with 1 representing the most viewed news source.
   A)___ Cable News Networks B)___ Social Media  C)___ Local Newspapers/Local Television
   D)___ Online websites/national papers (CNN, NYT, FOX, Washington Post, Economists)
   E)___ Word of Mouth
   F)___ Others (Streaming platforms, Radio, NPR, Podcasts, or fill in the blank.)

25) Regarding the **first election** you participated in, which issues do you consider to be a top priority? (If multiple answers are chosen, please rank them, if possible.)
   _____ wanted the identities/ideologies of your candidate to represent you.
   _____ feared the identities/ideologies of the opposing parties' candidates.
   _____ wanted your candidate's policies.
   _____ feared the opposing parties' policies.
   _____ participating in society/fulfilling my civic duty

26) Regarding the **most recent election** you participated in, which issues do you consider to be a top priority? (If multiple answers are chosen, rank them, if possible.)
wanted the identities/ideologies of your candidate to represent you.
feared the identities/ideologies of the opposing parties' candidates.
wanted your candidate's policies.
feared the opposing parties' policies.
Participating in society/fulfilling my civic duty

27) Regarding the first election you participated in, do you believe the country would be in a worse position today if the party you did not vote for won the election?

Yes    No    Impartial

28) Regarding the most recent election you participated in, do you believe the country would be in a worse position today if the party you did not vote for won the election?

Yes    No    Impartial

29) On a scale of 1-5, how positive are your feelings towards political parties and their voters? Put a triangle around the number representing your feelings towards your favored political party. Put a square around the number representing your feelings toward the opposing political party as a whole. Circle the number representing your feelings toward the voters of the opposing political party. (1 Represents extremely negative. 2 represents slightly negative. 3 represents neutral. 4 represents slightly positive. 5 represents extremely positive.

1  2  3  4  5
(Extremely Negative)     (Neutral)     (Extremely Positive)

Note: Margins were utilized to ensure the survey questions fit on a single piece of paper. That same goal is why the final question, #29, is structured as is. This was done to make participation seem more accessible.
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