SYMBOLIZING INSTITUTIONAL CHANGE:
MEDIA REPRESENTATIONS AND LEGALITY IN THE PAYDAY LOAN AND
MEDICAL MARIJUANA INDUSTRIES

by

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for any proprietary material contained therein
To my Lord and Savior Jesus Christ

To my parents:

for a lifetime of guidance and support

for teaching me what can be gained from failure

for teaching me what can be lost from success
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of Tables</td>
<td>viii</td>
</tr>
<tr>
<td>List of Figures</td>
<td>ix</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>x</td>
</tr>
<tr>
<td>Abstract</td>
<td>1</td>
</tr>
<tr>
<td>Chapter 1: Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Chapter 2: The Sociopolitical Landscape of Industries</td>
<td>14</td>
</tr>
<tr>
<td>Historical Characterizations Industries: The Formal and Informal Economy</td>
<td>15</td>
</tr>
<tr>
<td>The role of legality and legitimacy</td>
<td>17</td>
</tr>
<tr>
<td>A Framework of the Sociopolitical Status of Industries</td>
<td>18</td>
</tr>
<tr>
<td>Political Decision Making</td>
<td>21</td>
</tr>
<tr>
<td>Media Representations</td>
<td>23</td>
</tr>
<tr>
<td>Chapter 3: Mechanisms to Influence Political Decision Making</td>
<td>26</td>
</tr>
<tr>
<td>Rhetoric</td>
<td>27</td>
</tr>
<tr>
<td>Framing</td>
<td>29</td>
</tr>
<tr>
<td>Logics</td>
<td>31</td>
</tr>
<tr>
<td>Influencing Legitimacy Perceptions through Arguments</td>
<td>32</td>
</tr>
<tr>
<td>Multiple Arguments in Media Representations</td>
<td>35</td>
</tr>
<tr>
<td>Chapter 4: Background</td>
<td>41</td>
</tr>
<tr>
<td>Medical Marijuana</td>
<td>44</td>
</tr>
<tr>
<td>Payday Loans</td>
<td>49</td>
</tr>
<tr>
<td>Recent Trends in Industry Legality</td>
<td>55</td>
</tr>
<tr>
<td>Chapter 5: Coding for Arguments</td>
<td>59</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Chapter 15: Conclusions</td>
<td>162</td>
</tr>
<tr>
<td>Limitations</td>
<td>165</td>
</tr>
<tr>
<td>Future Research</td>
<td>167</td>
</tr>
<tr>
<td>Bibliography</td>
<td>172</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1: Wave One Sampled States, Legality, and Number of Newspaper Articles..  69
Table 2: Wave Two Sampled States, Legality, and Number of Newspaper Articles..  71
Table 3: Example Coding of Arguments in the Medical Marijuana Industry………  75
Table 4: Example Coding of Arguments in the Payday Loan Industry………………  77
Table 5: Summary Arguments and Corresponding Rhetoric, Framing, and Logics
   (Medical Marijuana)..................................................................................  82
Table 6: Summary Arguments and Corresponding Rhetoric, Framing, and Logics
   (Payday Loans)..........................................................................................  86
Table 7: Coding for Arguments Summary of Conclusions..................................  96
Table 8: Dialectical Difference in Supportive and Oppositional Rhetoric…………  105
Table 9: Dictionaries Used to Measure Symbolic Features of Arguments…………  109
Table 10: Sufficient Configurations of Arguments in the Medical Marijuana
   Industry.........................................................................................................  137
Table 11: Sufficient Configurations of Arguments in the Payday Loan Industry…..  145
Table 12: Configurations of Arguments Results Summary (MM)………………….  148
Table 13: Configurations of Arguments Results Summary (PL)………………….  149
LIST OF FIGURES

Figure 1: A Framework of the Sociopolitical Status of Industries....................... 21
Figure 2: Research Model.................................................................................... 40
Figure 3: Legitimacy and Legality in the Medical Marijuana Industry................. 49
Figure 4: Legitimacy and Legality in the Payday Loan Industry......................... 55
Figure 5: Coding for Rhetoric, Framing, and Logics........................................... 73
Figure 6: Prevalence of Industry Rhetoric.............................................................. 116
Figure 7: Prevalence of Frames........................................................................... 117
Figure 8: Prevalence of Logics............................................................................ 118
Figure 9: Effective Configurations of Rhetoric, Framing, and Logics (MM)........ 132
Figure 10: Effective Configurations of Rhetoric, Framing, and Logics (PL)........ 140
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Six years ago I joined the organizational behavior Ph.D. program as somewhat of an émigré. I was not asked to join the program in the same manner as most of my classmates (i.e., through formal application and acceptance). Instead, I avoided the drawbridge leading to organizational behavior in favor of crossing the threshold at the postern gate by switching from the information systems department to the organizational behavior department after my first semester of studies. I first considered transitioning into the OB department based on a growing desire to explore organizational behavior topics. To this day, approaching the IS faculty to discuss my growing interest in OB was one of the most difficult things I’ve done at Weatherhead. I was quite literally enamored and inspired by the IS faculty and the last thing I wanted to do was disappoint them by “jumping ship” to another department. Had it not been for the kind words, sage advice, and complete support of Kalle Lyytinen, Dick Boland, and Fred Collopy, I would not have had the courage to overcome these reservations. Therefore, any words of gratitude that stem from this dissertation must necessarily begin with acknowledgement these three fine gentlemen.
As my transition took place, the whole experience of being a Ph.D. student was still very new and somewhat bizarre to me. Upon shifting departments I felt as though I was living a life in Willy Wonka’s chocolate factory and had just moved from the “chocolate golden egg sorting room” to the “candy gardens” (you know, the room with all the edible trees, flowers, etc). I knew I was in the same illustrious building surrounded by the same perspicacious people, but the rules, purposes, boundaries, incentives, and processes seemed to have all changed. Were it not for my new cohort of fellow students—spectacular friends—including Weylin Burlingame, Wasseem Abaza, and Renuka Hodigere—I would have failed miserably at making this transition.

My first formal experience in the OB department came as a student in Dave Kolb’s experiential learning class. I will never forget the red wagon he would roll down from the fourth floor to our meeting space every class period to provide us with a little slice of his heaven in the form of native Hawaiian folk music and coffee. His delicate, insightful, and bold comportment set the tone for what I would come to know as organizational behavior. For this I am eternally grateful to Dave. I do not think a student could gain any better introduction to the field of organizational behavior than by catching a glimpse of it through his looking glass.

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Symbolizing Institutional Change:

Media Representations and Legality in the Payday Loan and Medical Marijuana Industries

Abstract

by

ANDREW K. SCHNACKENBERG

In this dissertation, I examine the influence of arguments on political decisions related to the legality of two industries in transition: medical marijuana and payday loans. To date, no theoretical explanation exists in the organization theory literature to explain the role of arguments to influence political decisions related to industries that suffer negative or “illegitimate” social evaluations. I propose a model of the sociopolitical status of industries that highlights the often overlooked reality that public perceptions of industry legitimacy seldom perfectly support or endorse existing industry laws and regulations. Arguments made by public figures influence the sociopolitical status of industries by asserting a perspective of industry activities that provide social actors—including political decision makers—with “symbolic resources” to justify and broadcast support or opposition for the industry.

Using this framework, I examine the influence of three factors—rhetoric, framing, and logics—that work through arguments to influence political decision making. While prior characterizations of rhetoric, framing, and logic suggest they exist as distinct elements influencing industry legality, I found evidence that all arguments include
aspects of rhetoric, framing, and logic. Specifically, I found evidence of rhetoric signaling a perspective of support or opposition towards the industry. In addition, I found evidence of nine frames commonly used to categorize dialectical differences into conventional topics of conversation: enforcement, regulation, taxes, jobs, character, forthrightness, products, administration, and cost. I also found evidence of three overarching logics used to build a perspective of industry activity: the state, the community, and the market.

Finally, I found evidence that arguments consisting of distinct configurations of rhetoric, framing, and logics influenced political decision making. These findings supported a number of proposition related to the role of rhetoric, framing, and logics in guiding sociopolitical change. Specifically, decreasing industry legality is possible across a greater diversity of framed topics of conversation than increasing industry legality. Arguments derived from the state logic are more useful to influence political decision making when the industry is considered more legitimate and arguments derived from the market logic are more useful to influence political decision making when the industry is considered less legitimate.
Chapter 1: Introduction
Conventional wisdom suggests that public perceptions of industry activities seldom change but rather remain fixed (Rumelt, 1991). Yet in the formal economy today, many of the most lucrative products and services were once highly scrutinized by members of society (e.g., women’s pants prior to World War I vis-à-vis women’s pants today) or deemed wholly illegal by political decision makers (e.g., digital music sales in the late 20th century vis-à-vis digital music sales today). By contrast, other historically celebrated products and services are facing new challenges from shifting social interests (e.g., smoking in the mid 20th century vis-à-vis smoking today) such that some have even been recast by political decision makers as completely illegal (e.g., the over-the-counter sale of ephedrine in the late 20th century vis-à-vis the over-the-counter sale of ephedrine today). Over the past half century, globalization has heightened public awareness of industry activities and their potential impact on society (e.g., hydraulic fracturing in petroleum refinement, food additives in processed foods, high-frequency trading in finance, etc) (Davis, Morrill, Rao, & Soule, 2008). Taken together, these trends suggest that (1) public perceptions of industry activities are seldom fixed but rather constantly in motion, (2) industries are increasingly susceptible to public evaluation, and (3) public perceptions can have a tremendous impact on industries through their ability to influence political decision making (Webb, Tihanyi, Ireland, & Sirmon, 2009).

Despite the fact that “contemporary organizations theory increasingly acknowledges that important aspects of organizational activity occur within legal environments” (Suchman & Edelman, 1996: 903), we currently know relatively little about the factors that influence the legal status of industries. This omission has tremendous implications for organizations operating in industry contexts characterized by
fuzzy legal boundaries. Schmalensee (1985), for example, has found that upwards of 20 percent of the variance in business-unit profits can be attributed to industry effects. Business-unit returns are likely even more susceptible to industry-level effects when the legal boundaries of industries are contested, as is increasingly the case with industries in the formal economy today (Doh & Guay, 2006).

Notwithstanding limited available knowledge about the factors that influence industry legality, the organization theory literature suggests that choices made by political decision makers about industries—including voting citizens and elected officials—are dependent to some degree on their perceptions of industry legitimacy (Greenwood, Suddaby, & Hinings, 2002; Suchman, 1995; Thornton & Ocasio, 1999, 2008).

Legitimacy is an amorphous concept that includes aspects of social categorization and social perception (Tajfel, Billing, Bundy, & Flament, 1971). It is a social judgment that is ultimately accorded the industry by its constituents including political decision makers and other industry stakeholders (Ashforth & Gibbs, 1990).

Suchman (1995) suggests that industries gain legitimacy in one of three ways: by conforming to expectations of moral conduct (moral legitimacy), by accommodating the self-interests of the public (pragmatic legitimacy), or by cloaking or embedding the industries activities in socially accepted practices so that they become largely taken-for-granted (cognitive legitimacy). Zucker (1986) and others (e.g., Boxenbaum, 2008; Rao, 1994; Rao, Monin, & Durand, 2003) suggest an alternative view that distinguishes between cognitive, normative, and regulative legitimacy. Put simply, cognitive legitimacy is similar to Suchman’s (1995) definition of cognitive legitimacy in that it implies the taken-for-granted assumption that an industry’s activities are desirable,
proper, and appropriate within a widely shared system of norms and values (Scott, 1987). Normative legitimacy contributes to the industry’s overall status in society through endorsement by powerful collectives. Regulative legitimacy adds to the industry’s social status through the active inclusion of its activities by formal systems of government. Taken together Boxenbaum (2008) has suggested that moral, pragmatic, and cognitive legitimacy stem from individualized evaluations of industry activities while normative and regulative legitimacy are accorded the industry by means of the industry’s membership in, or endorsement by, a respected community. From this perspective, the social status of industries is based on public perceptions of the industry’s moral, pragmatic, and cognitive value to society as well as its perceived membership in, and endorsement by, respected communities.

Political decision makers face a great many influences when settling on a perspective of industry legitimacy. These influences stem from advocacy organizations, lobbyists, professional associations, internal confidants, and external constituents (Wright, 1990). The organization theory literature suggests that these groups act as “institutional entrepreneurs” when they unilaterally attempt to influence the legitimacy perceptions of political decision makers. For example, research on institutional entrepreneurship suggests that interest driven actors can shift the very rationality used by political decision makers to evaluate industry activities (e.g., Garud, Hardy, & Maguire, 2007; Leblebici, Salancik, Copay, & King, 1991). The institutional entrepreneurship literature has focused primarily on the role of single actors (individuals, groups, or organizations) as the drivers of changes in rationality (Munir & Phillips, 2005; Zietsma & Lawrence, 2010). The term institutional entrepreneurship literally refers to “activities of
actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Maguire, Hardy & Lawrence, 2004: 657). For instance, Tracey, Phillips, and Jarvis (2011) examined how institutional entrepreneurs worked to establish new ways of thinking about homelessness in the UK social services industry to generate a change in practices. This line of research suggests that institutional entrepreneurs might be able to influence the legitimacy perceptions of political decision makers through the advancement of alternative ways of thinking about the very meaning of acceptable practices.

Unlike institutional entrepreneurs who unilaterally attempt to influence the legitimacy perceptions of political decision makers, professional associations and advocacy groups can act as social movement organizers to build support for a cause of action. In the organization theory literature, social movements have been examined in the context of the mobilization of power and resources to shift legitimacy perceptions (e.g., Lounsbury, Ventresca & Hirsch, 2003; Schneiberg & Lounsbury, 2008). Within this literature, theorists have studied how protest movements—which emerge outside institutional centers of power and seek to promote relatively radical social change—have shifted conventional beliefs about the legitimacy of industry activities. Examples include the rise of shareholder activism to contest managerial control over corporations (Davis & Thompson 1994), the growth and spread of the feminist movement and its influence on women’s rights (Minkoff, 1997), and the mobilization of dispersed movements in pursuit of environmentalism (e.g., Laraña, Johnston, & Gusfield 1994). Social movement theorists have also examined mobilizations that were spurred in part by elite actors such as institutional investors and policymakers to examine the role of status in the collective
action process (e.g., Davis & Thompson, 1994; Hargrave & Van de Ven, 2006; Strang & Jung, 2005). Together, these studies suggest that perceptions of industry legitimacy held by political decision makers can vary according to the mobilization of collective interests in favor of (or against) the industry.

In addition to these perspectives, industry associations and advocacy groups can influence the legitimacy perceptions of political decision makers through incremental and often decentralized claims made about the industry (Dorado, 2005; Lawrence & Suddaby, 2006; Lawrence, Suddaby, & Leca, 2011). From this perspective, claims made by distributed actors about industries move through complex webs of social interaction that are often not under the control of any single actor or collection of actors but rather organic and emergent (Perkmann & Spicer, 2008). For instance, Edelman (1992) has examined how affirmative action in personnel administration gained legitimacy as managers in different organizations made independent decisions about how to implement it. David and Strang (2006) have examined how the legitimacy of Total Quality Management (TQM) depended on consulting advice given by independent generalists with relatively weak ties to the technical foundations of the practice. Overall, the literature on institutional work suggests that perceptions of industry legitimacy held by political decision makers can vary depending on the claims made by independent actors connected via overlapping interests in the industry through, for example, lobbying or consultation.

Professional associations and advocacy groups acting as institutional entrepreneurs, social movement organizers, or actors partaking in political conversations influence legitimacy perceptions through one of three mechanisms: rhetoric, framing, or
logics. Many studies argue that legitimacy perceptions are a matter of rhetoric—that is, convincing political decision makers of the legitimacy of industry conduct depends on the social actor’s persuasive use of language (McCloskey 1998). Research on rhetoric examines the persuasive use of language to convey knowledge in a more convincing fashion. For instance, Alvesson (1993) has shown that knowledge intensive firms rely heavily on rhetoric to lull their audiences into a sense of comfort around inherently ambiguous issues. Carruthers and Espeland (1991) have shown that one of the primary tasks of corporate accountants is to use rhetoric to convince various audiences of the legitimacy of business ventures. Ashforth and Gibbs (1991) have found that organizations in contested industries are particularly likely to rely on rhetoric as a means to overcome negative judgments stemming from perceived illegitimacy. These studies suggest that opinions about industry activity can change based on the sender’s persuasive use of language.

The study of framing suggests that presenting explanations of industry activity that are consistent with (or in opposition to) dominant ways of thinking will have an influence on the legitimacy perceptions of political decision makers. Research on framing examines the struggle over the production and mobilization of ideas and meanings (Benford & Snow, 2006). Although there are a variety of framing processes, the social movement literature has focused on framing as a tool used by social actors seeking (or inhibiting) institutional change by making distinctions and advancing claims that define the criteria for what it means to support or oppose a cause of action (Misangyi, Weaver, & Elms, 2008). By attending to both the importance of cultural building blocks and the embedded ways in which topics of social interest shape systems of meaning, frames
contextualize broader cultural beliefs by tailoring them to local settings (Creed, Scully, & Austin, 2002). Developing and deploying alternative frames and models is particularly crucial for successful social reconstruction because actors use such frames and models to mobilize commitment and resources for political action (Seo & Creed, 2002). These perspectives imply that legitimacy perceptions vary according to how social actors—including professional associations and advocacy groups—frame contested issues as consistent with (or in opposition to) broader social interests.

Rooted in the belief that “multiple forms of rationality underlie change in organizational fields” (Lounsbury, 2007: 289), the study of logics suggests that differences in the very criteria used by political decision makers to evaluate industry activity will influence legitimacy perceptions. Logics provide the rules of action that help individuals and firms cope with environmental uncertainty by highlighting particular issues, determining which of these issues require attention, and describing possible solutions (Thornton 2002; Tracey et al., 2011). For example, Lounsbury (2002) has documented how the industry of finance was fundamentally altered as the longstanding logic of regulation was replaced with a new market logic that emphasized financial service competition and a blending of previously segregated organizational forms in the mid 20th century. This shift coincided with the adoption of an alternative criterion by which to assess the legitimacy of finance companies by political decision makers which ultimately resulted in the passage of the Depository Institutions Deregulation and Monetary Control Act in 1980. Taken together, the tearing down of old logics and the construction of new ones opens up possibilities for political decision makers to make new
kinds of judgments and status claims about industry activities based on alternative forms of rationality (Lounsbury & Glynn, 2001).

Overall, the marketplace of public opinion about industry activities—characterized by professional associations, lobbyists, advocacy groups, and other constituents—is based on the use of rhetoric, framing, or logics by social actors operating as institutional entrepreneurs, social movement organizers, and actors partaking in conversations about the industry. To give voice to these concepts in practice, the organizational theory literature emphasizes the use arguments. Arguments—which have been variously defined as legitimating accounts (Creed et al., 2002), problematizations (Maguire & Hardy, 2009), or claims (Elbash & Sutton, 1992) in the organization theory literature—influence legitimacy perceptions by bringing to light points of tension (e.g., Purdy & Gray, 2009), asserting a point of view (e.g., Creed et al., 2002), theorizing new possibilities (e.g., Suddaby & Greenwood, 2005), or bridging differences (e.g., Fiss & Zajac, 2006).

Popular arguments offer “symbolic resources” used by political decision makers to broadcast support or opposition towards the industry (Dunn & Jones, 2010: 141). In the organization theory literature, the concept of symbolism has been studied to in the context of entrepreneurship (Zott & Huy, 2007), work computerization (Prasad, 1993), strategic change (Gioia, Thomas, Clark, & Chittipeddi, 1994), organizational climate formation (Ashforth, 1985), corporate governance (Westphal & Zajac, 1998), and the implementation of civil rights laws (Edelman, 1992). In the context of political decision making, arguments offering the greatest amount of symbolic value are those that appear most compelling to the political decision maker (e.g., Turner, Hogg, Oakes, Reicher, &
Wetherell, 1987) as well as those that persist across contexts of debate (e.g., Pondy, Morgan, Frost, & Dandridge, 1983). For example, Glynn and Abzug (2002) studied organizational names as carriers of symbolic meaning and demonstrated that organizations gained legitimacy when they communicated names that were in line with the expectations of industry constituents. To uncover the influence of arguments on political decision making, a critical challenge is to identify the arguments that carry the greatest amount of symbolic value.

In sum, the organization theory literature has developed vivid accounts of the factors that can shift the legitimacy perceptions of political decision makers. However, there are a number of problems inhibiting a more complete explanation of the changing legal status of industries. First, although political decision makers are often portrayed as receptors of arguments made by professional associations, lobbyists, constituents, and advocacy groups, they too carry beliefs about industry activities that are voiced through public media. Arguments made by political decision makers interact with arguments made by social actors through public media to form a discordant and complex tapestry of perspectives about industry activities. To understand changes in industry legality, we must first unpack the complex array of arguments presented about industry activities from all points of view. To date, no attempt has been made in the organization theory literature to explain the social construction of industries as a function of arguments made in public media that convey multiple and distinct perspectives about industry activities.

Second, knowledge about the changing legal status of industries is incomplete without a firm grasp of the theoretical mechanisms that influence opinions and legitimacy perceptions through arguments made in public media. Although researchers often
describe rhetoric, framing, or logics as fundamental to influence legitimacy perceptions (Fiss & Zajac, 2006; Maguire & Hardy, 2009; Suddaby & Greenwood, 2005), distinctions are rarely made as to how these concepts relate or how they influence political decision making. We therefore know very little about (1) the types of rhetoric, framing, and logics that are most influential to political decision making; (2) the relative importance of rhetoric, framing, and logics to influence political decision making; or (3) the circumstances under which alternative forms of rhetoric, framing, and logics are more influential to political decision making. Taken together, my research question is summarized succinctly as:

*How do arguments made in public media about industry activities influence political decision making?*

To answer this question, I examined changes in legal arrangements through a comparative historical analysis of two industries in transition—medical marijuana and payday loans—by looking at patterns of rhetoric, framing, and logics in prevailing arguments made within each industry context. I selected these industries because they (1) represent two contexts locked in a struggle to gain legitimacy and legality within their respective fields (healthcare and finance); (2) reflect similar underlying industry characteristics (relatively small retail outlets that are primarily regulated at the level of the state); and (3) allow empirical assessment of industry legality across two distinct trajectories of change (medical marijuana as gaining legality and payday loans as losing legality). Accordingly, they offer ripe opportunities to study the impact of arguments on legitimacy perceptions and political decision making across two distinct paths of change.
Chapter 2: The Sociopolitical Landscape of Industries
In this chapter I discuss the landscape of opinions confronting political decision makers weighing issues related to the legal status of industries. Drawing on historical characterizations of industry activities as either formal or informal, I develop a model of the sociopolitical status of industries that illustrates how common perceptions of industry activities are formed. Perceptions about the sociopolitical status of industries vary according to the extent to which actors believe the industry should be treated as more or less legitimate and legal. Using this model, I discuss political decision making as the result of a complex process involving arguments made by “protagonists” and “antagonists” in favor of (or against) the industry. Arguments made by protagonists and antagonists influence the legal status of industries by swaying political decision makers’ opinions about the sociopolitical status of industries. Finally, I explain how media representations offer the most comprehensive picture of the arguments made in favor of (or against) industry activities.

**Historical Characterizations Industries: The Formal and Informal Economy**

Debates about the social and political value of economic activity have anchored theoretical, empirical, and policy discussions in many disciplines for more than half a century, yet the concepts of formal and informal economy have only recently been introduced into the organization sciences. Prior notions of the legal status of economic activity were rooted in anthropological, political, and economic views of resource mobilizations. For instance, in the 1940s the Dutch anthropologist Boeke (1942) developed a vision of economic development as a dual process, consisting of both the formal market economy and a less visible component which lay outside the formal economy. In the 1950s, Lewis (1954) asserted a two-sector model of economic growth in
which one sector was comprised of capitalist firms that maximized profits and the other sector was composed of peasant households that operated under a separate set of rules and regulations. In the 1980s and 1990s, detailed work on the management of common property rights shed new light on what were once considered informal economic arrangements (McCay & Acheson, 1987; Ostrom, 1990).

Over time, these studies have coalesced into two interdependent streams of economic thought. On the one hand, industry activities that take place as a function of the rights and responsibilities set forth by governments and society take place in the formal economy (Guha-Khasnobis, Kanbur, & Ostrom, 2006). On the other hand, industry activities that persist despite being discredited as “black” (outside the formal economy) by institutions in the formal economy exist in the informal economy (Smith, 2002). Examples of industry activities in the informal economy include organized crime (McCalister, 2004), salary lending (or “loansharking”, see Haller & Alviti, 1977 and Peterson, 2003) and drug trafficking (Andreas, 2004; Araujo, 2002; Fleming, Roman, & Farrell, 2000).

Despite these advances, researchers have long noted a need for greater care and nuance in the scholarly application of ideas relating the formal and informal economies as contexts to distinguish the social status of industry activities (Guha-Khasnobis, et al., 2006; Lipton, 1984). Castells and Portes (1989) argue that the informal economy is a common-sense notion with moving social boundaries whose properties require considerable theoretical clarification. In an attempt to clarify and extend the conditions that constitute the formal and informal economy, organization scholars Webb et al. (2009) have suggested that economic activity can be meaningfully subdivided according
to the extent to which it is 1) observed by society as legitimate and 2) sanctioned by
government as legal. This modified view of economic activity melds two overlapping but
distinct approaches to the study of industries: Namely, the *legal* (or “functional,”
“materialist,” or “rational choice”, see Edelman & Suchman, 1997 and Hall & Taylor,
1996) and the *social* (or “cultural”, see Mahoney & Rueschemeyer, 2003; Meyer &

**The role of legality and legitimacy.** Scholars studying the legal context of
industries approach the issue of economic activity from the perspective of governance,
rules, and regulations (e.g., Lipton, 1984). Government policies are considered the “core
determinants” of the formal-informal market structure (Lindauer, 1989: p.1871). The
informal economy is seen as unique to the formal economy in that it is unregulated by the
legal institutions of society (Castells & Portes, 1989). Therefore, an industry is treated as
either “black” or “white” depending on the legality of its practices.¹ For example, Jones,
Ram, and Edwards (2006) used UK labor laws to differentiate industry activities in the
formal economy (legal workers) from industry activities in the informal economy (illegal
immigrant workers) to examine the impact of minimum wage standards in the British
economy.

Scholars studying the social context of firms, by contrast, approach the issue of
economic activity from the perspective of legitimacy. Legitimacy is defined as “a
generalized perception or assumption that the actions of an entity are desirable, proper, or
appropriate within some socially constructed system of norms, values, beliefs, and
definitions” (Suchman, 1995: 574). Unlike studies examining the legal context of

¹Within the capacity of governments to facilitate, regulate, and constitute economic activity through laws
(see Edelman & Suchman, 1997)
industries which treat industry status as relatively fixed, studies of the social context of organizations and industries focus on the factors the create, maintain, and disable institutions. Accordingly, most conceptions of legitimacy adopt a multidimensional view of the issue of social acceptability (e.g., Meyer & Rowan, 1977; Deephouse, 1999). Organization scholars, for example, have asserted a perspective that suggests legitimacy perceptions are based on cognitive, pragmatic, or moral evaluations (e.g., Elsbach, 1994; Lounsbury, 2007; Suchman, 1995; Westphal & Zajac, 1998; 2001). Cognitive legitimacy refers to evaluations of industry activity that are necessary or inevitable based on some taken-for-granted cultural norm (e.g., Rogers & Larsen, 1984); pragmatic legitimacy is based on the self-interested calculations of an industry's constituents (e.g., Palazzo & Scherer, 2006); and moral legitimacy rests on judgments about whether the activity is the right thing to do (e.g., Johnson & Holub, 2003). Sociological studies point to collective perceptions of legitimacy that include two additional dimensions: normative, and regulative (Hunt & Aldrich, 1996). Entities such as ranking agencies, the sciences, and professional associations that publicly laud and support industry activities provide normative legitimacy (Scott, 1995) while regulative legitimacy is gained through the industry’s adherence to broader sets of social tenets established by legitimate institutions such as the government (Edelman & Suchman, 1997; Zimmerman & Zeitz, 2002). Taken together, the legitimacy status of industries is based on moral, pragmatic, and cognitive evaluations of industry activities as well as the industry’s perceived membership in, and endorsement by, respected communities.

A Framework of the Sociopolitical Status of Industries
Both legal and social perspectives are integral to explain the processes that endow an industry’s practices with status in the formal economy, yet surprisingly little research exists to integrate the two. To address this, Webb et al. (2009) suggest that industry practices are best subdivided into three categories according to the extent to which they are considered legal and legitimate. For the purposes of developing their framework, Webb et al. do not distinguish between moral, pragmatic, cognitive, normative, and regulatory aspects of legitimacy but instead rely on the more general concept of legitimacy. Industry practices that are legally sanctioned and generally accepted by society reside in the *formal economy*; industry practices that are not legal but considered acceptable by some social groups reside in the *informal economy* (e.g., downloading pirated music, hiring undocumented workers, or selling counterfeit goods); and industry practices that are neither legal nor sanctioned by society reside in the *renegade economy* (e.g., organized theft or drug trafficking).

Intriguingly, Webb et al. (2009) do not discuss the condition that exists when an industry’s practices are legally sanctioned but considered illegitimate by society. Yet researchers have elaborated a number of examples of industries that appear to fit these criteria. For instance, men’s bath houses (Hudson & Okhuysen, 2009) and shadow banking (Pozsar, Adrian, Ashcraft, & Boesky, 2010) are examples of industries that fall under the category of legally sanctioned and frequently discredited by society. In order to account for all dimensions of the legality and legitimacy axes occupied by these industries, I argue for augmenting Webb et al.’s (2009) framework with one additional economic condition termed the *shadow economy*. As seen in Figure 1, I suggest that the shadow economy consists of industry activities that are legally sanctioned but often
considered illegitimate by society. Consistent with Webb et al. (2009), I do not distinguish between separate aspects of legitimacy derived from various points of industry evaluation (i.e., moral, pragmatic, cognitive, normative, and regulative). These factors comprise all known dimensions of legitimacy and are therefore referred to collectively as *legitimacy* perceptions (e.g., Suchman, 1995). An industry can be located in one or more of the spaces illustrated in Figure 1 depending on the legitimacy perceptions accorded it by members of society.
Figure 1 illustrates the boundary conditions that define the sociopolitical status of industries. Political decision makers—as well as organizations, industry associates, advocacy groups, lobbyists, and political constituents—all carry perspectives about how industry activities should be treated. Their perspectives can be distinguished according to the way industry activities are treated by members of society. For example, when industry activities are treated as illegal and considered by members of society to be relatively legitimate (e.g., downloading music through online file-sharing) they reside in the informal economy. Social actors that believe such industry activities should be treated as legal are protagonists because the actor’s perspective works with public perceptions of
industry legitimacy to justify an increment in legality. Alternatively, using the same example of online music file-sharing, if the social actor believes those activities should remain strictly illegal, the social actor’s stance on the issue is *antagonist*. That is, the social actor is working against public perceptions of industry legitimacy to inhibit a change in legality.

This protagonist-antagonist distinction is equally valid when industry activities are treated as illegitimate by society. For example, when industry activities *are* treated as legal and relatively illegitimate (e.g., activities associated with high frequency trading) they reside in the shadow economy. Social actors that believe those activities *should* be treated as illegal will carry a *protagonist* stance on the issue because the actor is working with public perceptions of industry illegitimacy to justify a decrement in legality. Alternatively, using the same example of high frequency trading, if the social actor believes those activities should remain strictly legal, the social actor’s stance on the issue is *antagonist*. That is, the social actor is working against public perceptions of illegitimacy to keep the industry legal.

Across industry activities commonly treated as either legitimate or illegitimate, antagonists exist more to buffer or inhibit knee-jerk changes in legality sought by protagonists working with public perceptions of legitimacy. For example, Lounsbury and Crumley (2007) examined the creation of active money management practices in the mutual fund industry. Protagonist arguments justifying active money management practices triggered political conflict within the industry as ‘old guard’ funds antagonistically argued that new approaches to the management of mutual funds would undermine the foundations of the industry. Ultimately, this conflict was resolved by
efforts to re-theorize the mutual fund money management field to incorporate this new kind of activity. Taken together, protagonists work to enable change in legality (by increasing or decreasing legality) and antagonists work to block change in legality (by inhibiting legality or illegality).

**Media Representations**

The more contested the industry’s practices, the more quadrants the industry will likely occupy based on variations in public perceptions. Therefore, in contested industries political decision makers are faced with a cacophony of voices—including their own—expressing a wide variety of perspectives about the sociopolitical status of industries. In addition, actors do not work in concert in this system; there are multiple paths into and out of the formal economy that imply different temporal progressions based on unique arguments asserted by social actors. To isolate the voices that are most influential to change the legal status of industries, it is useful to separate the idea of political decision making from the idea of political decision makers. Political decision makers can be protagonists or antagonists depending on their perspectives of the industry relative to the general public. They represent one of many groups attempting to influence the legal status of industries. Political decision making is a process that results from power arrangements and other forms of influence between social actors and political decision makers (Wright, 1990). Arguments that successfully influence political decision making are those that convey the most convincing images of industry activity across groups of political decision makers (e.g., Dowling & Pfeffer, 1975).

The challenge of explaining changes in the legal status of industries is to uncover the most effective arguments to influence political decision making. The most influential
arguments might overlap significantly with the most common arguments made in each industry context or they might overlap very little. Yet only the most effective arguments build impressions of industry activity so that the industry gains (or loses) the support needed to participate in the formal economy (e.g., Eadington, 1984).

These arguments are composed and conveyed in the artifacts that characterize prevailing industry discourse. The artifacts of this system (i.e., of contested industries) are media representations (Deephouse, 2000). Media representations both record knowledge and opinions about industries as well as influence public knowledge and opinions about industries (Gans, 1979; Shoemaker & Reese, 1991). Media representations include arguments presented by actors carrying diverse beliefs about the industry. In addition, they illustrate different ways of characterizing those arguments thereby enabling a study of the most effective configurations of arguments. Because media representations are used as heuristics by social and political actors to build impressions and make judgments about industry activities (Kahneman & Tversky, 1979; List, 2004; Tversky & Kahneman, 1974), they present a viable avenue by which to uncover the prevalence of arguments in public discourse as well as the influence of arguments on political decision making.

To summarize, perceptions about the sociopolitical status of industries vary according to the extent to which actors believe the industry should be treated as more or less legitimate and legal. Political decision making is the result of a complex process involving arguments made by “protagonists” and “antagonists” in favor of (or against) the industry. These arguments influence the legal status of industries by swaying political decision makers’ opinions about the sociopolitical status of industries. In addition, media
representations offer the most comprehensive picture of the arguments made in favor of (or against) industry activities. Therefore, media representations can be used to uncover both the prevalence (i.e., frequency) of arguments as well as the effectiveness of arguments to influence political decision making.
Chapter 3: Mechanisms to Influence Political Decision Making
In this chapter I examine in greater detail the aspects of arguments that influence political decision making. Specifically, I discuss the role of rhetoric, framing, and logics as separate aspects of arguments that have the capacity to influence perceptions of the sociopolitical status of industries. The institutional entrepreneurship, social movements, and institutional work literatures talk a great deal about changing beliefs in the context of rhetoric, framing, and logics. These approaches are seldom studied in tandem but instead as unique avenues by which to understand the changing belief structures of individuals, organizations, and industries (Snow, Rochford, Worden, & Benford, 1986; Thornton & Ocasio, 1999). To understand how rhetoric, framing, and logics relate, I first unpack each concept for its distinguishing characteristics in the sections that follow.

**Rhetoric**

Within arguments, rhetorical justifications involve providing reasons or proof that a point of view is just or right (Staw, McKechnie, & Puffer, 1983). Rhetoric is used by protagonists and antagonists to point out dialectical differences in underlying belief systems about industry activities (Cheney, Christensen, Conrad, & Lair, 2004). For instance, bargainers engaged in negotiations use rhetoric to point out contradictions and gain leverage by illustrating the ways in which oppositional forces view underlying issues (Putnam, 2004). Through their ability to convincingly portray dialectical differences, rhetorical modes of communication are powerful tools that encourage more favorable interpretations of industry activities (Westphal & Zajac, 1998). To illustrate, Sillince and Brown (2009) have shown how 43 geographically based English and Welsh constabularies used rhetoric to construct justifications of police activity that maintained or enhanced the legitimacy of the police force.
Social actors rely on one of three rhetorical modes of communication when attempting to influence political decision making: pathos, logos, and ethos. Pathos rhetoric includes justifications made on the basis of emotional appeal. Logos rhetoric includes justifications made on the basis of logical reasoning. Ethos rhetoric includes justifications made on the basis of socially accepted norms and mores (Green, 2004). The use of these forms of rhetoric is pervasive in organizations. For instance, organizations commonly provide lengthy verbal explanations that reflect both substance and symbolism in the course of justifying the adoption of CEO compensation plans (Zajac & Westphal, 1995). In general, all three forms of rhetoric have a direct effect on the formation of legitimacy perceptions in that more compelling rhetorical arguments are more likely to increase or decrease legitimacy perceptions (Creed et al., 2002; Green, 2004).

To influence political decision making, rhetoric can be used as a means to make inherently complex and ambiguous realities meaningful and comprehensible by drawing out underlying dialectical differences between perspectives (Alvesson, 1993). Through the act of persuasion, social actors necessarily create—either explicitly or implicitly—a sense of “otherness” associated with the opposition’s perspective (Putnam, 2004). When successful, rhetoric changes perspectives by silencing, circumventing, or subverting oppositional perspectives. For example, Suddaby and Greenwood (2005) examined the jurisdictional struggle that developed when a Big Five accounting firm purchased a law firm in 1997. For over a century before this, the jurisdictional boundaries between lawyers and accountants in North America were distinct. The authors outline how the American Bar Association (ABA) and the Securities and Exchange Commission (SEC) became locked in a struggle to reset the criteria used to govern lawyer-accountant
relations. Pivotal to this process was the skillful use of rhetoric as a means to guide the formation of new legislation. This example points to the use of rhetorical tactics to modify opinions in such a way that makes formerly illegal practices legal.

**Framing**

Within the organization theory literature, social movement researchers have suggested a series of approaches to explain how actors use framing to influence legitimacy perceptions. To make industry activities appear more legitimate, social actors can develop coalitions of shared ideologies based on framing tactics that shape beliefs about industry activities (e.g., Davis et al., 2008). For example, King and Haveman (2008) have analyzed how social actors influenced the growth of the antislavery movement in the US from 1790 to 1840. Mass media (specifically, print media) and religious groups (specifically, the Church) were identified as critical social entities that brought voice and legitimacy to the antislavery movement by framing the movement’s ideals as being compatible with the logics of society (Roscigno & Danaher, 2001).

Social actors use framing to draw attention to specific aspects of industry activities by asserting a perspective about the industry that is in accordance with (or directly confronts) the receiver’s perspective (King & Haveman, 2008). This can be accomplished through bridging (linking ideologically similar but structurally unconnected groups experiencing shared grievances), amplification (highlighting the values and beliefs of a movement amongst constituents that may be ambivalent or lethargic), extension (enlarging the movement’s advocacy pool by portraying its objectives or activities as attending to or being congruent with the values or interests of potential adherents), or transformation (jettisoning old values in favor of planting and
nurturing new ones) (Snow et al., 1986). These approaches enable social actors to draw attention to specific aspects of industry activity in ways that are consistent or inconsistent with the receiver’s perspective.

Through bridging, amplification, extension, and transformation social actors influence the salience of issues being debated which in turn influences political decision making. For example, Shah, Domke, and Wackman (1996) examined political decision making by examining information presented in media representations about political candidates. Information about candidates was controlled using different framing tactics around the candidate’s views on four topics: the economy, education, government, and health care. Results indicated that preferences for candidates differed according to how the candidate was framed according to these issues. To explain their results, Shah et al. (1996) examined two decision making models. The first was a more calculative decision making model in which respondents were expected to balance out or offset positive or negative evaluations based on the weighting and summing of all attributes (Beattie & Baron, 1991; Bettman, 1979). In the second one, respondents were expected to make salient a dominant or overriding criterion which was not easily offset by other positive or negative attributes (Payne, Bettman, & Johnson, 1992; Tversky, Sattath, & Slovic, 1988). Relative to the first model, the second model assumes individuals place greater emphasis on a few salient issues to evaluate a candidate’s overall worth. Results indicated that respondents followed the second non-additive model of decision making more often than the first model, suggesting that framing influences political decisions primarily through the portrayal of salient issues (e.g., the economy, education, etc) rather than the mere presentations of alternative attributes.
Logics

According to Thornton (2004), institutional logics are sets of overarching principles that prescribe “how to interpret organizational reality” as well as “what constitutes appropriate behavior” (p.70). Logics, in other words, provide guidelines on how to judge actions, events, and outcomes based on socially constructed categories of right and wrong (Friedland & Alford, 1991; Misangyi et al., 2008; Thornton & Ocasio, 1999, 2008; Thornton 2002; Tracey et al., 2011). Any particular industry is embedded in a complex web of logics held by members of society (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). For instance, organizations in the medical education industry have been evaluated differently by stakeholders adopting a logic of care versus a logic of science (Dunn & Jones, 2010); organizations in the social services industry have been evaluated differently by stakeholders adopting a for-profit logic versus a not-for-profit logic (Tracey et al., 2011); and organizations in the finance industry have been evaluated differently by stakeholders adopting a logic of regulation versus a logic of free-markets (Lounsbury, 2002).

Across these studies, Thornton, Ocasio, and Lounsbury (2012) describe ideal types of institutions that are guided by a distinct institutional logic: the market, the corporation, the professions, the state, the family, the religions, and the community. These logics have been shown to have both positive and negative effects on the extent to which industry activities are seen as legitimate by members of society. In the field of finance, for example, Lounsbury (2007) has shown how new practices related to the activities of independent money management firms gained legitimacy following the adoption of a logic of professionalism in the mutual fund industry. By contrast, Marquis
and Lounsbury (2007) have shown how new practices related to large, national banks’ acquisitions of smaller, local banks lost legitimacy following the adoption of a community logic in the banking industry. As these examples illustrate, logics define what it means to be rational in a given community (Friedland & Alford 1991; Thornton & Ocasio, 1999) thereby guiding social actors’ evaluations of the merits of industry activities.

To influence political decision making, social actors convey alternative logics that provide new criteria as to how to evaluate the question “should the industry’s activities be legal or illegal?” Particularly in the case of emerging fields, political decisions tend to be based on disparate, and relatively unorganized, sets of logics (Hardy, 1994). The lack of clearly dominant logics means that political decision makers are free to adopt perspectives that emerge from contested dialogues between protagonist and antagonist forces (e.g., Maguire et al., 2004). Therefore, part of the challenge for social actors is to produce convincing arguments that appropriately guide political decision making according to the social actor’s logics.

**Influencing Legitimacy Perceptions through Arguments**

Across studies in the institutional theory literature, researchers have taken an interest in arguments (either explicitly, Creed et al., 2002; Maguire & Hardy, 2009; or implicitly Fiss & Zajac, 2006; George, Chattopadhyay, Sitkin, & Barden, 2006; Lepoutre & Valente, 2012) for their ability to influence legitimacy perceptions. Research on arguments suggests that they are a function of a variety of factors including data, claims, warrants, qualifiers, rebuttals, and backing (Toulmin, 2003). These characteristics illustrate the components of arguments rather than the factors that distinguish between
separate arguments or between more effective and less effective arguments. To illustrate, although all arguments make claims, there is no underlying bases by which to evaluate one claim versus another or a more effective claim from a less effective claim. Toulmin (2003: vii) himself has stated that data, claims, warrants, etcetera were never intended to “expound a theory of rhetoric or … informal logic” but rather to simply call into question basic assumptions imbedded in “twentieth-century epistemology” related to arguments such that the practical utility of his formulations were largely coincidental.

A more practical approach is found in the organization theory literature. In the organizational literature, arguments have been studied for their ability to convince the receiver of an alternative point of view (i.e., through rhetoric), shift the perspective of the receiver (i.e., through framing), or convey alternative forms of rationality to the receiver (i.e., through logics). Across these studies, the organization theory literature has referred to arguments as being derived from factors such as rhetoric, framing, or logics. These formulations overcome prior limitations in descriptive models of argumentation by highlighting characteristics of arguments that distinguish between more effective and less effective arguments. For example, the use of pathos rhetoric is seen as more effective than ethos rhetoric when circumstances of debate are emotionally charged (Green, 2004). However, the literature has remained surprisingly silent on the issue of how rhetoric, framing, and logics relate in arguments. To build an understanding of how rhetoric, framing, and logics work through arguments to influence legitimacy perceptions, I now examine how they relate in arguments.

The organization theory literature has tended to view rhetoric as decidedly communicative (Alvesson, 1993; Zbaracki, 1998). It manifests explicitly in arguments
through the persuasive use of language to convince the audience of a given course of action. Rhetoric builds the case for a given point of view using pathos, logos, and ethos tactics that vary from argument to argument (Green, 2004). These tactics work in concert to point out dialectical differences between oppositional forces (Cheney et al., 2004). The role of rhetoric in argumentation is therefore to give life and justifications to issues in ways that clearly reveal the sender’s opinion (though not necessarily the sender’s logic as discussed below) through the manifest language used to support or oppose the industry.

By contrast, framing is often considered both a cognitive and communicative device (George et al., 2006; Kennedy & Fiss, 2009). It is cognitive in that it draws from evaluations of industry activity and communicative in that it connects industry activities to topics of conversation by categorizing those activities into classes of social interest. It therefore connects latent beliefs with material expressions of those beliefs through arguments that focus on specific topics of conversation and work in the sender’s favor. Consistent with this, Snow et al.’s (1986) framing tactics of bridging, amplifying, extending, and transforming reside along a range that is anchored by arguments that are framed and expressed as consistent with the receiver’s logic and arguments that are framed and expressed as inconsistent with the receiver’s logic. These framing tactics rely on the persuasive use of language to convey support or opposition to the receiver.

Unlike rhetoric and framing, logics are most often considered wholly cognitive (Purdy & Gray, 2009; Thornton & Ocasio, 1999). Logics are based on deeply held assumptions rooted in historically fixed beliefs that are seldom brought to life in a single argument (Lok, 2010). Logics exist as higher order rationality used by social actors to derive a cognitive perspective of industry activities. As higher order rationality, logics are
rarely expressed in prevailing discourse. The expression of logics comes by way of consistent adherence to an acceptable code of conduct often presumed to be taken-for-granted (Zilber, 2002). Logics are therefore implicit across arguments and operate more as guiding principles in the composition of arguments. That is, they give criteria as to what frames are most appropriate to discuss industry activities and what rhetorical approaches are most effective to justify a point of view. The implicit conveyance of rationality by social actors can reify a dominant ideology or call into question that ideology by providing alternative ways of thinking.

Taken together, arguments made in prevailing discourse can be understood as relying on rhetoric, framing, and logics. Each provides unique information as to the skillful use of language to justify a perspective about industry activities (rhetoric), the topics of social interest used to debate industry activities (framing), and the rationality used to evaluate industry activities (logics). Although studies in the organization theory literature imply that rhetoric, framing, and logics are influential to change institutional arrangements, the absence of their integration has inhibited us from realizing their full potential to explain the process of institutional change as mutually constitutive components of arguments.

**Multiple Arguments in Media Representations**

Arguments act as reference points and anchors from which opinions about industry activity are formed (Kahneman, 1992; Shah et al., 1996). Independent arguments rarely influence legitimacy perceptions as well as arguments strewn together in a coherent and convincing fashion (Kamoche, Kannan, & Siebers, 2014; Suddaby & Greenwood, 2005; Maitlis & Lawrence, 2007). This is because multiple arguments
provide a greater breadth of reference points for political decision makers to anchor opinions about industry activity around. For example, in the United States, a recent race-related scandal involving the owner of a professional basketball franchise prompted senate majority leader Harry Reid and 49 other senators to write the commissioner of the National Football League (NFL) Roger Goodell urging him to force a change to the name of one of the NFLs marquee franchises (Keim, 2014). The letter written by the senators framed the issue involving the professional basketball franchise as “an opportunity for the NFL to take action to remove the racial slur” from the name of the Washington Redskins football team suggesting that the term *redskins* was a derogatory representation of American Indians.

This relatively straightforward argument was met by a rebuttal letter to the NFL from Redskins general manager Bruce Allen, who highlighted several arguments starting with the origins of the word *redskins*. Allen cited a seven-month study by Smithsonian Institution senior linguist Ives Goddard who concluded the origin of the word was “benign and reflects more positive aspects of relations between Indians and whites.” Allen also argued that the current team logo depicting an American Indian was designed in 1971 by Native American leaders, including Walter "Blackie" Wetzel, a former president of the National Congress of American Indians. Allen used the words of Wetzel's son, Don, who stated “It needs to be said that an Indian from the state of Montana created that logo, and did it the right way. It represents the Red Nation and it's something to be proud of.” The rest of the letter spent time citing polls in support of the name, starting with a 10-year-old poll by Annenberg Public Policy Center of the University of Pennsylvania. The study found that 90 percent of 768 Native Americans
surveyed had no problem with the name. Allen also included a picture of a high school on an Indian reservation in Arizona that uses Redskins as a nickname and argued that a 2014 poll by the Associated Press found 83 percent of Americans were in favor of keeping the name. In response to both letters, NFL commissioner Roger Goodell decided to stave any attempt at forcing the Washington Redskins franchise to change its name, presumably reflecting the overwhelming evidence and support provided by Allen.

Across the arguments made by Allen, a variety of rhetoric, framing, and logics were used. For example, rhetoric was used through appeals to expertise and evidence to justify Allen’s perspective, framing was used to invoke history and to call attention to the origins of the word redskins as well as to highlight that Indians and whites have had—and continue to have—relatively positive impressions of the word, and logic was used to focus attention on Indian sentiment as well as the historical relations between Indians and whites as the primary factors that should be considered to evaluate the social meaning of the word. These complex configurations of rhetoric, framing, and logic were expressed across arguments to make a more compelling case for the social acceptability of the word redskins.

As this example illustrates, multiple arguments strewn together using different rhetoric, framing, and logics are more compelling than those conveyed in isolation. Specifically, multiple arguments provide a greater breadth of reference points and anchors from which to form opinions about industry activity. These reference points and anchors provide “symbolic resources” to political decision makers used to justify a perspective of the industry (Dunn & Jones, 2010: 141). Social actors select arguments offering the greatest symbolic value by focusing on the aspects of the argument that are
most compelling to the actor (e.g., Hogg & Terry, 2000; Turner et al., 1987). For example, US President Barak Obama’s campaign slogan of “Yes We Can” combined with his campaign chant of “Fired up! Ready to go!” during his run for president in 2008 was emblematic of his determination and resolve. By contrast, presidential hopeful John McCain’s campaign slogan of “Country First” combined with his campaign chant of “Drill, baby, Drill!” in 2008 was emblematic of his political priorities and ideology. These arguments acted as symbolic resources enabling voters, political pundits, and other actors to develop and broadcast support for one candidate or the other (Dunn & Jones, 2010).

In a similar vein, multiple arguments present an array of symbolic resources from which political decision makers can justify a perspective of the sociopolitical status of industries. Configurations of arguments that persist across contexts of debate are those that are presumed to carry the most symbolic value (e.g., Pondy et al., 1983). However, due to power arrangements and other forms of influence (e.g., lobbying) between social actors and political decision makers, it is also possible that the most prevalent arguments made in public discourse are not necessarily the most effective.

Media representations are ideal texts to examine the symbolic value of arguments (both in terms of pervasiveness and effectiveness) to derive their influence on political decision making. Media representations not only summarize and convey multiple arguments about industry activities, but amplify and spread arguments through investigative reports, editorials, and published letters to the editor. Theory suggests that political decision makers and social actors use media representations as heuristics to anchor perspectives about industry activities (Kahneman & Tversky, 1979; List, 2004;
Therefore, I examined the impact of arguments on political decision making by examining media representations. These representations were drawn from two industries—medical marijuana and payday loans.

The procedures I adopted to examine arguments made in media representations are depicted in Figure 2. To uncover prevailing arguments in each industry context, I open coded media representations for indications of rhetoric, framing, and logics using Atlas.ti (see chapters 5, 6, and 7). I then examined the prevalence of arguments according to rhetoric, framing, and logics across each industry context using Computer Aided Text Analysis (CATA) (see chapters 8, 9, and 10). Finally, I identified the most influential arguments on political decision making (i.e., those with the greatest symbolic value) by examining configurations of illustrative terms used in arguments through fuzzy set Qualitative Comparative Analysis (fsQCA) (see chapters 11, 12, and 13). Together, these three approaches produced a variety of insights as to the influence of rhetoric, framing, and logics on political decision making (see chapter 14). Prior to this, however, I describe the historical development of the medical marijuana and payday loan industries by highlighting recent changes in sociopolitical status (chapter 4).
Research Model to Uncover the Influence of Arguments on Political Decision Making

How Do Arguments Influence Political Decision Making Related to the Legal Status of Industries?

Coding for Arguments

What Arguments Exist in the Medical Marijuana and Payday Loan Industries?

Identifying the Prevalence of Arguments

What Arguments Appear Most Often in the Medical Marijuana and Payday Loan Industries?

Identifying Configurations of Arguments

What Configurations of Arguments are Most Impactful to Influence Political Decision Making?
Chapter 4: Background
To empirically study the influence of arguments on political decision making, I examined two industries in transition: medical marijuana and payday loans. Medical marijuana and payday loans have experienced movement across different spaces of legitimacy and legality such that each provides a fruitful context to study changes in political decision making. To examine changes within and between each industry, I adopted a comparative historical approach. Comparative historical methods are particularly appropriate to study change over time (Van de Ven & Poole, 1990) provided that the chosen contexts are similar enough to be compared and distinct enough to yield meaningful insights about the theoretical phenomena under study (Weil, 1985).

The medical marijuana and payday loan industries are distinct in that they produce dissimilar products and services at the manifest level. Theoretically, however, these industries are strikingly similar in that they (1) reflect similar underlying industry characteristics (relatively small retail outlets that are primarily regulated at the level of the state); (2) represent two contexts locked in a struggle to achieve legitimacy and legality within their respective fields (healthcare and finance); (3) include arguments in support of (and against) the social acceptance of each industry; and (4) are in the midst of traversing legal lines indicating that each industry is politically contested. Because of this, these industries allow empirical assessment of industry legality across two distinct trajectories of change (medical marijuana as progressively gaining legality and payday loans as progressively losing legality).

Comparative analyses employ a wide range of strategies for causal assessment. For example, Mahoney and Rueschemeyer (2003) suggest that theorists can analyze multiple cases against one another or analyze changes that take place within individual
cases. In this chapter, I examine changes that have occurred within each industry over the past few decades to describe constitutive points in each industry’s development that have guided public perceptions of industry legitimacy and shifted the status of industry legality. Specifically, I will use narrative analysis to discuss the historical development of these industries to build an intuition of the factors that have influenced legitimacy and legality over time.

Narratives are abstract conceptual models that can be used to explain observed phenomena (Pentland, 1999). Narrative analysis is a method used to reveal coherent temporal progressions of events that are typically located in some past time and place. In particular, it attempts to interpret the relationships between the experiences of the individuals and their social framework (Ochs & Capps, 2001). In the context of this dissertation, a careful construction of a history of the medical marijuana and payday loan industries derived from conversations in each domain should help to build the scaffolding from which a more focused analysis of the arguments in each industry can effectively unfold.

I relied on archival data and historical accounts to build a narrative of industry growth and development while remaining focused on major changes in legitimacy and legality over the past half century. Documents for this narrative analysis were gathered from online sources including government websites (e.g., in the payday loan industry, the Consumer Financial Protection Bureau CFPB), organizational websites, and advocacy websites (e.g., in the medical marijuana industry, the National Organization for the

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2 CFPB is a national organization that seeks to build economic security for low-income and other economically disadvantaged individuals.
Reform of Marijuana Laws or NORML\(^3\) and Save Our Society or S.O.S.\(^4\) and in the payday loan industry, the Community Financial Services Association of America or CFSA\(^5\). I continued to collect documents until I reached a point of saturation that revealed a clear picture of the evolution of events in each industry.

**Medical Marijuana**

The topic of marijuana has sparked discussions and debate in the US for well over a century (Rubin, 1999). Activities associated with growing, distributing, and selling marijuana have a long history of contention dating back to the mid 18\(^{th}\) century (Stack, 2009). Over time, the industry has been contested such that its activities have been treated differently depending on the historical context within which it was debated. In the following sections, I describe significant events in the marijuana industry that have positioned practices associated with its cultivation, distribution, and consumption into different categories of economic activity.

*Shadow economy.* The growth, distribution, and sales of marijuana existed primarily in the shadow economy throughout the 19\(^{th}\) century as a consequence of its unregulated nature. During the 19\(^{th}\) century, the US population generally considered marijuana an illicit and addictive substance (Stack, 2009). Yet marijuana received far less of the nation’s attention than its equally unregulated cousin, morphine. The use of morphine for medical use rose during the care of the injured in the American Civil War and contributed to addiction among many veterans (Pizarro, Silver, & Prause, 2006). In the late 19\(^{th}\) century, between 2\% and 5\% of the US population was addicted to morphine.

\(^3\) NORML is an organization focused on moving public opinion to achieve the repeal of marijuana prohibition.

\(^4\) S.O.S. is an organization committed to informing the public about the consequences of marijuana use.

\(^5\) CFSA is a national membership trade association that provides services exclusively geared towards the advancement of the payday loan industry.
(Stack, 2009). To prevent the country from being washed over by morphine, the
government introduced the Pure Food and Drug Act in 1906, creating the Food and Drug
Administration. While the regulation of chemical substances was a major shift in
American drug policy, it did not explicitly apply to marijuana. Although some legislation
to control marijuana use existed in “poison laws” before 1870, practices related to the
growth, distribution, and consumption of marijuana remained largely unregulated,
placing the industry squarely in the shadow economy.

Renegade economy. During the first half of the 20th century, various temperance
movements and other social pressures lead to the passage of the Harrison Act in 1914.
The Harrison Act made the non-medical use of narcotics (in this case, morphine and
cocaine) illegal (Inciardi, 2008). While the Harrison Act did not explicitly make smoking
marijuana illegal, it made it difficult to acquire. Prices increased, often leading to
increased criminal activity by addicts. In an attempt to quell increasing criminal activity,
many states outlawed marijuana until the mid 1930s. In 1937, the federal government
passed the Marihuana Tax Act, which made the medical use of marijuana illegal. Only
the birdseed industry, which argued that hemp seeds gave birds' feathers a particularly
shiny gloss, was exempted (Stack, 2009). Marijuana remained an entirely illegitimate
substance in eyes of society as only two percent of those responding to a national survey
in the 1940s reported having ever taking it (Johnson & Gerstein, 1998).

In 1961, federal efforts to modernize and coordinate international narcotic control
lead to the signing of the Single Convention on Narcotic Drugs treaty, which placed
additional constraints on marijuana sales and distribution. A few years later, the federal
government sealed the fate of marijuana use by passing the Controlled Substance Act,
which officially categorized marijuana as a “Schedule 1” narcotic. Schedule 1 narcotics are those with 1) a high potential for abuse, 2) no identifiable medical purpose, and 3) inherent risks associated with use. Under federal law, physicians are not able to write prescriptions for Schedule 1 narcotics. Taken together, between the early 20\textsuperscript{th} century and the mid 20\textsuperscript{th} century, the cultivation, distribution, and possession of medical marijuana was banned by all states, placing it squarely in the renegade economy (Musto, 1999).

**Informal economy.** Beginning in the late 1950s, marijuana use migrated from the renegade economy into the informal economy. Despite strict federal and state regulation, marijuana progressively became the most frequently used illicit substance in the United States (Cerda, Wall, Keyes, Galea, & Hasin, 2012). This was partially due to the increased use of narcotics following World War II and leading into the Vietnam War. After World War II, doctors and pharmacists freely distributed marijuana and other opiates to ailing soldiers suffering from posttraumatic stress disorder (Druley & Pashko, 1988). As a result, medical and nonmedical uses of marijuana steadily gained momentum in the years following 1945 (Johnson & Gerstein, 1998).

In addition, the popularity of marijuana among members of society grew in conjunction with the emergence of communities with more liberal norms and values (Lipperman-Kreda & Grube, 2009; Lipperman-Kreda, Grube, & Paschall, 2010). A few states went so far as to decriminalize very minor marijuana offenses (i.e., simple possession of an ounce or less) without regard to use. However, marijuana remained a forbidden substance in these states as minor offenses still triggered civil sanctions while more serious offenses remained subject to criminal penalties (Mikos, 2009). Thus, marijuana remained a strictly forbidden and usually criminal drug at the level of the state.
In addition, federal regulations were imposed based on the passage of the Boggs Act and the Narcotics Control Act in the 1950s which laid down mandatory sentences for drug offenders, including marijuana possessors and distributors (Stack, 2009). Taken together, these trends illustrate that marijuana gained a great deal of legitimacy around the mid 20th century despite remaining strictly illegal. Hence, activities associated with the growth, distribution, and use of marijuana during this time progressively moved into the informal economy.

**Formal economy.** Recent developments have boosted social awareness of the role of marijuana as a possible remedy to various ailments. As early as the late 18th century, American medical journals recommend hemp seeds and roots for the treatment of inflamed skin, incontinence and venereal disease (Stack, 2009). As early as the mid 19th century, records indicate that the US government recognized marijuana as having the potential to ease pain associated with neuralgia, depression, hemorrhages, pain relief, and muscle spasms (Rubin, 1999). These and other reports related to the medical effects of marijuana, coupled with the increasing legitimacy of marijuana in the eyes of the public, have enabled states to adopt laws to legalize marijuana for medical use despite the federal government’s reluctance to change policy. Medical marijuana’s transition from the informal to the formal economy was captured succinctly by Harrop (2000, I-03):

“Claims being made on behalf of the plant's virtues are not without merit. But underlying them is a radical change in public attitudes... Americans now regard smoking pot as a naughty but essentially harmless activity. And they think law-enforcement resources could be put to better use than prosecuting the taxpayer who lights up a joint.”
California started the wave of reform in 1996 with the passage of Proposition 215, popularly known as the Compassionate Use Act. This move was met with fierce opposition from the federal government, which threatened a crackdown on the medical use of marijuana as approved in Proposition 215 (Alvarado, 1997). Nevertheless, since the passage of Proposition 215 thirty one more states have passed legislation permitting residents to possess, use, cultivate, and (sometimes) distribute marijuana for medical purposes, and several more states seem poised to follow suit. These developments, along with evidence of increased legitimacy, suggest that medical uses of marijuana have begun to transition into the formal economy.

Taken together, activities related to the cultivation, distribution, and consumption of marijuana were placed in the shadow economy until the late 19th century, moved alongside other illicit products such as heroin and cocaine in the renegade economy until the mid 20th century, found a stronghold in the informal economy between the mid 20th century and the late 20th century, and began to break into the formal economy starting in the mid 1990s. Therefore, in the past half century, the medical marijuana industry appears to have transitioned from the renegade economy to the formal economy by way of the informal economy. Historical changes in the medical marijuana industry are summarized in Figure 3.

For a comprehensive list of states with medical marijuana laws, see “state-by-state medical marijuana laws” by the Marijuana Policy Project, 2011.
Figure 3

Legitimacy and Legality in the Medical Marijuana Industry

Payday Loans

Payday loans—small loans due in full on the borrower’s next payday—are marketed as quick solutions to emergent financial shortfalls (Borne, Frank, Smith, & Schloemer, 2011). The practice of short-term lending has a long and storied history in the United States that winds throughout the 19th, 20th, and 21st centuries. During this time, the practice has adopted many names including salary lending and loansharking. In the paragraphs that follow, I chronicle significant events in the payday loan industry that have positioned practices associated with short-term lending into different categories of economic activity.
Informal economy. The practice of modern day payday lending began as a form of financing offered by organizations to their employees in distressed neighborhoods. In the 1960s, mom-and-pop grocery stores and liquor marts in downtrodden neighborhoods in California cashed checks for free. Until the early 1970s, these organizations were cashing checks for anyone who walked into their stores (McGray, 2008). But between bad checks and bounced checks, shopkeepers in the neighborhood lost money, even though they would turn away people who looked risky. For the organizations, the benefits of free check cashing were in the increased foot traffic from customers who had cashed their checks and had money to spend.

This simple service was disrupted in the mid 1970s, when regulatory changes forced banks to begin paying closer attention to their profits and losses. Suddenly, local bank began charging mom-and-pop grocery stores and liquor marts a fee to deposit checks into their commercial banking accounts. Organizations soon realized they either had to stop cashing checks for people or start charging them for the service. As McGray (2008) explains, they first charged a dime. Customers got mad and left, but in a couple months, business returned. Then they charged 35 cents. The same thing happened. Then they started to charge 1 percent. Over time, these community organizations began to realize this might be a business.

These organizations progressively moved into the business of payday lending by offering to supply cash to customers who had not yet received their paychecks for a fee. Yet most mom-and-pop grocery stores and local liquor marts were not sanctioned by the government to charge fees or offer loans on bank deposits. However, overwhelming demand for short-term financing impelled them to engage in the practice of payday
lending. These organizations were looked at as providing a community service, indicating their overall value to society (McGray, 2008). This perception, coupled with the unsanctioned nature of early payday lenders, placed the practice of payday lending in the informal economy between the 1960s and the 1970s.

**Formal economy.** As officials began to identify and regulate payday lenders under state laws governing small-dollar loans, the practice of payday lending gained its first foothold in the formal economy. Although these early payday loan companies were required to abide by state usury laws, beginning in the 1970s rampant government expenditures on the Vietnam War compelled Federal monetary policy makers to slow the diminishing value of the US currency by allowing higher interest rates. In line with this, many states abolished all interest rate controls by the early 1980s. These and other changes opened the door for the practice of modern day payday lending to flourish in the formal economy. In effect, early payday lenders were granted authority to offer loans with interest rates more than twice as high as those typically offered by banks (Peterson, 2003). The legal status of payday lending, coupled with the general perception that payday loans were welfare enhancing in distressed neighborhoods, placed the payday loan industry in the formal economy.

**Shadow economy.** By the late 1980s, members of society began to view payday lending as inherently predatory and socially disruptive (i.e., illegitimate) (Peterson & Graves, 2005; Stegman, 2007). Throughout the 1980s and 1990s, payday lending was progressively associated with salary lending—a less legitimate precursor to modern day payday lending (Kaplan & Matteis, 1968). Examples began to appear in popular media of loan contracts being offered to borrowers by payday lenders under false pretenses (e.g.,
by unlicensed payday lenders, see McGray, 2008). If a borrower failed to meet his or her payments, collection was attempted by threatening to inform the customer’s employer, by harassment of various sorts, or by filing a law suit (Haller & Alviti, 1977). In addition, payday loan companies were scrutinized for their underhanded approaches to advertising loans to customers. As Grant (2012: C-1) states:

"A major concern about payday loans is that the packaging does not match the experience ... The loans are advertised as short-term, yet the average borrower is in debt for five months. Also, they advertise these loans as being important for emergencies, but the vast majority of borrowers return to these loans for basic living expenses such as rent, utilities, credit card bills and food. The gap between the packaging of these loans and their actual usage is wide and concerning."

These trends quickly shifted public perceptions of payday lending. In effect, although payday lenders were licensed to operate in most states, they were seen as illegitimate by members of society, placing activities associated with payday lending in the shadow economy beginning in the 1980s.

**Renegade economy.** Most recently, states have begun to establish laws that prohibit the practice of payday lending. Since the year 2000, eighteen states have debated initiatives to abolish payday loans with varying degrees of success. At the same time, payday lending has gone from being associated with salary lending to loansharking—a criminal brand of short-term lending offered in the mid 20th century by syndicates such as the mafia with concurrent interests in labor racketeering and other organized crime activity (Haller & Alviti, 1977). Although the vast majority of payday lenders entered the
business of providing short-term loans to capitalize on market conditions unrelated to organized crime activity, the high fees charged by payday lenders created an instant association between the industry’s practices and the practices of loan sharks.

As states have progressively attempted to abolish payday lending, the industry has gradually moved into the renegade economy. In part, the industry’s move into the renegade economy is reflected in the recent proliferation of unlicensed internet lenders who offer payday loans to borrowers who live in states that have expelled payday lending (Oravecz, 2014). At the same time, payday lenders have progressively introduced new products aimed at skirting legislation such as the “choice” line of credit, which allows customers to borrow up to $500 for a monthly participation fee of $150 (Sabatini, P. 2006b). Moreover, organizations in the formal economy such as banks and credit unions have progressively partnered with distressed payday lenders to create new products such as checking account advances that follow the basic formula of payday lending but are more favorably regulated (McGray, 2008). The creation of these loans has prompted some activists to brand them as a new form of legalized loan sharking (Johnson, 2007). These products were invented to capture market share from borrowers left stranded without financing as payday lending has progressively become criminalized across states, further illustrating the industry’s move into the renegade economy.

Taken together, activities related to offering short-term loans in the payday loan industry have a storied history that originated in the informal economy in the 1960s, moved to the formal economy between the mid 1970s and the mid 1980s, transitioned into the shadow economy between the mid 1980s and the mid 1990s, and fell into the renegade economy beginning in the mid 1990s. Therefore, in the past half century, the
payday lending industry appears to be transitioning from the formal economy to the renegade economy by way of the shadow economy. Historical changes in the payday loan industry are summarized in Figure 4.
Recent Trends in Industry Legality

As the preceding analysis illustrates, legitimacy perceptions of activities associated with medical marijuana and payday lending have seldom remained fixed but rather varied over time such that each industry has traversed different spaces of sociopolitical status. These industries have rarely settled in any one space of sociopolitical status for any long duration of time. They have slipped around because of conflicting legitimacy perceptions held by social actors.

Because these industries are socially impactful, actors have taken it upon themselves to assert perspectives about each industry with the aim of influencing political decision making. In the past 20 years, protagonists in the medical marijuana industry
have included wealthy billionaires such as George Soros of New York, an internationally
known financier; John Sperling, of Arizona, the millionaire founder of the University of
Phoenix; and Peter Lewis, an Ohio insurance executive (Schaefer, 1998). Support has
also come from wealthy business executives such as Laurance Rockefeller and George
Zimmer, owner of the Men's Wearhouse chain, and Nobel laureate economist Milton
Friedman (Alvarado, 1996). Other medical groups, including the San Francisco Medical
Society and the California Nurses Association, have long supported efforts to
decriminalize and study the medical use of marijuana (Alvarado, 1997). Antagonists in
the medical marijuana industry have mainly included governmental groups and anti-drug
organizations such as Citizens Against Legalizing Marijuana (Calm). In addition, some
wealthy advocates such as Sheldon Adelson—the mega-rich casino magnate—have
offered financial support to press against the legalization of medical marijuana (Breathes,
2014).

In the payday loan industry, protagonists against industry legality have included
the American Association of Retired Persons (AARP) as well as the U.S. Department of
Defense, which has cited concerns over the impact of payday loans on enlisted men and
women in the armed forces (Johnson, 2007). Additionally, the Federal Trade
Commission, the Consumer Federation of America, and the Consumers Union have
voiced strong concerns about the payday loan industry, saying they tend to prey on
lower-income and minority families as well as military personnel. Antagonists in the
payday loan industry have primarily included organizations operating in states where
payday loans are legal and their representative national associations such as the
Community Financial Services Association (CFSA) and the Alternative Financial Services Providers Association (AFSPA) (Sabatini, 2006a).

Because of the contested nature of these industries, medical marijuana and payday loans are viable candidates for a more focused examination of the influence of arguments on political decision making. Since the mid 1990s, states have either made legal or illegal activities associated with each of these industries. Specifically, states are making medical marijuana progressively more legal and payday loans progressively less legal. In fact, not a single state has voted to make activities associated with medical marijuana illegal since the year 2000 and not a single state has voted to make activities associated with payday lending legal since the year 2000. Therefore, these contexts are ideal to study the influence of arguments on political decision making across two distinct trajectories of change.

As Figures 2 and 3 illustrate, both the medical marijuana and payday loan industries have moved between spaces of sociopolitical status according to protagonist interests (i.e., in a counterclockwise pattern). However, during this period of transition antagonists have also had great success inhibiting changes sought by protagonists. In fact, attempts to make legal (medical marijuana) or illegal (payday loans) industry activities have failed more often than they have succeeded.\(^7\) The open dialogue between protagonist and antagonist interests within each of these industries suggests that they are socially contested. The variety of legal outcomes resulting from these debates within each industry suggests that they are politically contested.

\(^{7}\) For a complete list of state laws pertaining to payday loans see [http://www.paydayloaninfo.org/state-information](http://www.paydayloaninfo.org/state-information) and for a complete list of state laws pertaining to medical marijuana see [http://medicalmarijuana.procon.org/](http://medicalmarijuana.procon.org/).
For these reasons, medical marijuana and payday loans are ideal contexts to study the influence of arguments on political decision making. Cultural values and assumptions are brought to light in arguments when industries are socially and politically contested. To uncover the impact of arguments on political decision making, I examined (1) common arguments made in the medical marijuana and payday loan industries; (2) the prevalence of arguments made in the medical marijuana and payday loan industries; and (3) the influence of specific configurations of arguments on political decision making.
Chapter 5: Coding for Arguments: Method
In chapters 5 through 7, I examine common arguments made by protagonists and antagonists in the medical marijuana and payday loan industries. I then examined these arguments for indications of rhetoric, framing, and logic. Therefore, in these chapters I address the following questions: What arguments exist in the medical marijuana and payday loan industries? What aspects of rhetoric justify these perspectives? What frames guide typical conversations about industry activities? What logics guide the interpretation of events in order to render them meaningful?

Given that these industries are politically contested, I used them to sample arguments made in media representations. Arguments about the social value of industry activities abound in media representations and reveal both virtuous and unethical aspects of industry conduct (Deephouse, 2000; Rao, 1994). As previously described, media representations (specifically, newspaper articles) include multiple arguments such that a single representation provides multiple symbolic cues to influence political decision making. To examine arguments in media representations, I used Atlas.ti to open code newspaper articles to identify the most prominent arguments made in each industry. I then coded each argument for indications of rhetoric, framing, and logics.

As part of this analysis, I compared and contrasted arguments between each industry context to generate a detailed understanding of the similarities and differences that impel shifts in legality and legitimacy across separate sequences of sociopolitical change (Mahoney & Rueschemeyer, 2003). This approach produced a more complete picture of the factors that have shifted public perceptions of industry activities into and out of the formal economy.
Across each industry context, states were treated as distinct cases marked by political decision making related to the legality of each industry. I used state-level political decision making as opposed to federal-level political decision making as the criterion variable to select cases in this study because (1) both industries have been contested heavily at the level of the state and (2) the number of states that have considered the legal status of each industry enables a greater number of contrasts to be made between cases. Although it is important to note that federal debates about each industry can influence state-level decision making, historically speaking states have tended to make independent decisions about such matters when political authority rested at the level of the state (e.g., Stone, 1997).

The data for this study was gathered through newspaper articles that referred to each industry context. Newspaper articles are highly influential in shaping public opinion (Abrahamson & Fombrun, 1992; McQuail, 1985). Newspapers not only as vehicles for advertising and mirrors of reality reflecting industry actions, but also as active agents shaping information through editorials and feature articles (Fombrun & Shanley, 1990). Arguments made in newspaper articles have a powerful influence on prevailing discourse and legitimacy perceptions (e.g., Maguire & Hardy, 2009). For example, Purdy and Gray (2009) have examined how legitimacy perceptions of state offices of dispute resolution shifted as activists, judges, state government officials, and state office of dispute resolution directors all contributed to prevailing discourse about dispute resolution in the United States. Phillips, Lawrence, and Hardy (2004) argue that the very process of translating legitimacy perceptions from one context to the next is based on these discursive processes. In a direct examination of this proposition, Maguire and Hardy
(2009) were able to show how institutional outsiders produced and distributed texts that “problematized” industry practices to delegitimize them. The perceived legitimacy of industry practices shifted as texts were discursively translated and “reproblematized” by institutional actors through such avenues as the media.

Legitimate sources such as newspapers convey a great many arguments found in prevailing discourse that together illustrate both positive and negative aspects of organizations and industries (Zajac & Westphal, 2004). Investigative reporting by journalists charged with providing insights into each industry enable important arguments made both for and against the industry to be conveyed to political decision makers. Through their influence in the media, journalists have the capacity to act as institutional entrepreneurs, social movement organizers, and individuals doing institutional work as they reveal important issues that characterize industry activities as good or bad (Deephouse, 2000). Given this extensive support related to the social impact of arguments made in newspaper articles, I selected them to examine prevailing arguments made in each industry context.

The procedures I followed to code for arguments in newspaper articles were both inductive and deductive (Strauss & Corbin, 1990). Traditionally, inductive—or grounded—approaches begin with the researcher reading through articles or other texts (e.g., interview transcripts) while taking notes and memos on aspects of the data that appear interesting. The objective at this point is simply to become immersed in the data. Next, the researcher begins the process of open coding to highlight relevant issues. At this stage, categories are freely generated from the texts. The list of categories is then surveyed by the researcher and grouped together under higher-order headings or “2nd
order” codes. This process is commonly termed axial coding. The aim of axial coding is to reduce the number of categories by collapsing some of categories that appear similar into broader categories. This process is repeated if the researcher identifies buckets of even higher-order headings or “3rd order” codes that appear to include multiple 2nd order codes. The final list of categories and headings is worked through and repetitious or very similar headings are removed (Burnard, 1991).

The inductive or “conventional” approach to content analysis is based on listening to the data to derive a theoretical explanation of the phenomena under study (Hsieh, & Shannon, 2005: 1277). The assumption underlying this approach is that strong theory does not exist to adequately explain the observed phenomena. Therefore, the researcher is motivated to develop an explanation from the data. In the case of political decision making, the organization theory literature has done a great deal to articulate potential factors that either enable or inhibit industry activities into the formal/shadow economy. As previously discussed, these factors include arguments conveyed using rhetoric, framing, and logics. Therefore, to examine the influence of arguments on political decision making, I adopted an approach to analyzing newspaper articles that was both inductive and deductive.

Inductive and deductive approaches to content analysis follow one of two forms: directed or summative (Hsieh, & Shannon, 2005). With a directed approach, analysis starts with a theory or relevant research findings as guidance for initial codes. A summative content analysis involves counting and comparisons, usually of keywords or content, followed by the interpretation of the underlying context. For the purposes of identifying relevant arguments in each industry context, I adopted a directed approach.
whereby I examined arguments for indications of rhetoric, framing, and logics based on a sequence of open coding described in chapter 6. In addition, to examine the frequency and effectiveness of arguments in the medical marijuana and payday loan industries, I adopted a summative approach as described in chapters 8 through 10 (counting of arguments) and chapters 11 through 13 (comparisons of arguments).
Chapter 6: Coding for Arguments: Analytical Procedure
Data for this analysis were gathered at two points in time. The first wave of data was gathered in 2012 and included articles across a range of states which were in the midst of considering industry legality at different points in time (e.g., in the medical marijuana industry, California in 1996 and New Mexico in 2007). I used these articles to immerse myself in the data and to gain a deep understanding of the basic factors at play in each industry context. I also used these articles to develop the coding procedure to identify arguments according to rhetoric, framing, and logics. The second wave of data was gathered in 2013 and included articles from states that were debating industry legality at similar points in time (e.g., in the medical marijuana industry, Arkansas in 2012 and Florida in 2013). The purpose of the second wave of data was to verify and extend the coding procedure developed from the first wave of data as well as to examine the prevalence and effectiveness of arguments to influence political decision making.

To identify arguments in media representations, I gathered newspaper articles from online media repositories. To find articles, I used Factiva’s advanced search options as well as LexisNexis and independent newspaper archives (e.g., ProQuest) to gather articles from state-level sources. Each of these allows for search options that remove duplicate articles. However, to avoid including duplicate articles from separate search engines, I examined each article’s title, date of publication, and article word count. If similarities were found on any of these dimensions, I compared the related articles side by side. Upon this assessment, if the two articles were found to be duplicates, one of them was deleted.

I used search terms such as “medical marijuana”, “medical cannabis”, and “medical pot” to find articles in the medical marijuana states and search terms such as
“payday loan”, “payday lenders”, and “payday lending” to find articles in the payday loan states. Articles retrieved from each of these search engines were examined for their relevance to the study objectives. The decision to include or exclude articles was subjective but followed a standard criteria based on the extent to which they were perceived to be relevant to determining industry legality. For example, articles about marijuana that had industry implications, such as those referring to agricultural aspects of growing medical marijuana within state lines or those referring to the influence of medical marijuana on workplace conduct, were included but articles about drug trafficking were excluded. Articles about high interest payday loans were included but articles about other types of high interest loans (e.g., auto title loans) were excluded.

I adopted a three year window prior to when the issue was brought to vote or otherwise decided upon to sample newspaper articles within each state. This window was deemed appropriate because political issues generally take two to three years to gain the necessary momentum (e.g., public awareness and public support) to be brought to vote in the state legislature. Beyond three years, it is more likely that discussions related to the legality of industry activities would be irrelevant. Therefore, the three year window was suitable to represent the state’s struggle with industry legality without including superfluous debate about industry activities that were relevant at another point in time.

Within this window, I identified three criteria to distinguish relevant articles from irrelevant articles based on the extent to which the article was seen to influence state-level political decision making by having a high potential readership within the state. First, articles from state-level newspapers (e.g., the Denver Post for payday loans) that discussed the industry within that state or in the context of another state (e.g., the Denver
Post reporting on new legislation to regulate payday loans in California) were included. Second, articles from state-level newspapers that discussed the industry at large were included. Third, articles in national newspapers (e.g., the Wall Street Journal) were included if they referred specifically to a given state (e.g., an article that discussed the use of medical marijuana in the workplace would be included if it referred to one of the selected states). In addition to these criteria, national newspaper articles that discussed the industry at large were included if the article was referenced within a state-level newspaper article. Therefore, national arguments that referred to the industry at large were included indirectly based on the extent to which they influenced state-level discourse through state-level articles reiterating the national newspaper’s perspective.

For the first wave of data, I gathered newspaper articles from online media repositories across four states in the medical marijuana industry and three states in the payday loan industry. The decision to examine four states in medical marijuana and three states in payday loans was made to maximize the time between votes. Having a broader variety of time periods at which the issue of legality was decided upon was ideal to gain a deep understanding of the arguments within each industry. Beyond this, the only criterion for selection was that the newspaper articles refer to industry activities in a state that was in the midst of considering industry legality in one way or another. Using these criteria, the final list of states in the medical marijuana industry included: California, Washington, Colorado, and New Mexico. The final list of states in the payday loan industry included: North Carolina, Pennsylvania, and Arkansas. The number of wave two articles sampled in each state, as well as information pertaining to industry legality in each state, is presented in Table 1.
Table 1
Wave One Sampled States, Legality, and Number of Newspaper Articles

<table>
<thead>
<tr>
<th>State</th>
<th>Legality</th>
<th>Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Marijuana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>California</td>
<td>Legal: November 5th 1996 Vote 56% Yes</td>
<td>117</td>
</tr>
<tr>
<td>Washington</td>
<td>Legal: November 3rd 1998 Vote 59% Yes</td>
<td>74</td>
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<tr>
<td>Colorado</td>
<td>Legal: November 7th 2000 Vote 54% Yes</td>
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<td>New Mexico</td>
<td>Legal: March 13th 2007 Vote 66% Yes</td>
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<td>Payday Loans</td>
<td></td>
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<td>Illegal: August 31st 2001 Sunset Legislation</td>
<td>68</td>
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<tr>
<td>Arkansas</td>
<td>Illegal: November 7th 2008 Struck Down in Court</td>
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<tr>
<td>Pennsylvania</td>
<td>Illegal: October 19th 2010 Struck Down in Court</td>
<td>67</td>
</tr>
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</table>

Based on available data related to public and congressional voting records

For the second wave of data, states were selected based on (1) the relative time at which the issue was brought to vote, (2) the outcome of the vote and (3) the relative geographical location of the state. These additional sampling criteria were added to the second wave of data to ensure subsequent analyses related to the prevalence and effectiveness of arguments could be performed. Based on these criteria, I gathered newspaper articles from online media repositories across ten representative states within each industry context. The decision to examine ten states was based on gathering as much data as possible given the relative timing of the vote between states. States that had decided on the issue of industry legality were selected based on the relative proximity of those decisions in time to keep differences in perspectives about each industry a matter of arguments made between states rather than arguments made between periods of time (i.e., arguments about medical marijuana were made under different circumstances in California in 1994 relative to arguments made about medical marijuana in Arizona in 2009).

Of the ten states selected in each industry, I selected five that had successfully made industry activities legal (in the case of medical marijuana) or illegal (in the case of
payday loans) with the remaining five states selected based on the criteria that they had failed to make industry activities legal (in the case of medical marijuana) or illegal (in the case of payday loans). To the extent possible, I selected states that were not close to each other to avoid any spillover effects from newspaper articles that might influence political decision making in nearby states as well as to reduce homogeneity in demographic, cultural, and political characteristics between states. Using these criteria, the final list of states in the medical marijuana industry included: Arkansas, Florida, Iowa, Maryland, South Dakota, Arizona, Connecticut, Delaware, Illinois, and Massachusetts. The final list of states in the payday loan industry included: Alabama, Kentucky, Texas, Washington, Wisconsin, Arizona, Colorado, Georgia, Oregon, and Virginia. The number of wave two articles sampled in each state, as well as information pertaining to industry legality in each state, is presented in Table 2.
### Table 2

Wave Two Sampled States, Legality, and Number of Newspaper Articles

<table>
<thead>
<tr>
<th>State</th>
<th>Legality</th>
<th>Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Marijuana</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arkansas</td>
<td>Illegal: Nov 6\textsuperscript{th} 2012 Vote 51.5% No</td>
<td>91</td>
</tr>
<tr>
<td>Florida</td>
<td>Illegal: May 3\textsuperscript{rd} 2013 Killed in Committee</td>
<td>89</td>
</tr>
<tr>
<td>Iowa</td>
<td>Illegal: May 23\textsuperscript{rd} 2013 Killed in Committee</td>
<td>83</td>
</tr>
<tr>
<td>Maryland</td>
<td>Illegal: March 25\textsuperscript{th} 2013 Killed in Committee</td>
<td>87</td>
</tr>
<tr>
<td>South Dakota</td>
<td>Illegal: November 2\textsuperscript{nd} 2010 Vote 63% No</td>
<td>85</td>
</tr>
<tr>
<td>Arizona</td>
<td>Illegal: November 2\textsuperscript{nd} 2010 Vote 50.1% Yes</td>
<td>82</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Legal: May 31\textsuperscript{st} 2012 Vote 64.6% Yes</td>
<td>78</td>
</tr>
<tr>
<td>Delaware</td>
<td>Legal: May 13\textsuperscript{th} 2011 Vote 71% Yes</td>
<td>80</td>
</tr>
<tr>
<td>Illinois</td>
<td>Legal: August 1\textsuperscript{st} 2013 Vote 55.2% Yes</td>
<td>114</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Legal: November 6\textsuperscript{th} 2012 Vote 63.3% Yes</td>
<td>87</td>
</tr>
<tr>
<td><strong>Payday Loans</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alabama</td>
<td>Legal: May 6\textsuperscript{th} 2013 Killed in Committee</td>
<td>84</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Legal: February 17\textsuperscript{th} 2011 Vote 56.5% No</td>
<td>88</td>
</tr>
<tr>
<td>Texas</td>
<td>Legal: May 7\textsuperscript{th} 2013 Vote 86.4% No</td>
<td>97</td>
</tr>
<tr>
<td>Washington</td>
<td>Legal: February 3\textsuperscript{rd} 2007 Killed in Committee</td>
<td>88</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Legal: October 7\textsuperscript{th} 2009 Vote 69.7% No</td>
<td>77</td>
</tr>
<tr>
<td>Arizona\textsuperscript{2}</td>
<td>Illegal: June 30\textsuperscript{th} 2010 Vote 59.6% Yes</td>
<td>99</td>
</tr>
<tr>
<td>Colorado</td>
<td>Illegal: May 5\textsuperscript{th} 2010 Vote 52.5% Yes</td>
<td>88</td>
</tr>
<tr>
<td>Georgia</td>
<td>Illegal: May 1\textsuperscript{st} 2004 Vote 85.3% Yes</td>
<td>77</td>
</tr>
<tr>
<td>Oregon</td>
<td>Illegal: July 1\textsuperscript{st} 2007 Vote 75% Yes</td>
<td>97</td>
</tr>
<tr>
<td>Virginia</td>
<td>Illegal: April 23\textsuperscript{rd} 2008 Vote 93.1% Yes</td>
<td>132</td>
</tr>
</tbody>
</table>

\textsuperscript{1}Based on available data related to public and congressional voting records

\textsuperscript{2}A poll of public opinion taken prior to lapsing payday loan laws was used as a surrogate measure

**Coding Procedure**

To become immersed in each industry context, I used the first wave of data collected in 2012. The content analysis procedures applied to this wave of data consisted of highlighting interesting phenomena related to industry legality across newspaper articles. Open coding was used to capture potential arguments that might inform the coding procedure developed for analysis of the second wave of data. To identify common arguments made in the medical marijuana and payday loan industries using the first wave of data, I relied on content analysis by open coding randomly selected articles from states that were in the midst of considering industry legality using Atlas.ti (50 articles total for
medical marijuana and 50 articles total for payday loans). From this analysis, I collected 488 highlights and 45 potential arguments in the medical marijuana industry and 667 highlights and 56 potential arguments in the payday loan industry.

The coding scheme I adopted to identify arguments according to rhetoric, framing, and logic emerged from an inductive and deductive process of comparing arguments found in the first wave of data to theoretical explanations of arguments found in the organization theory literature. This approach was consistent with the directed approach to content analysis described by (Hsieh, & Shannon, 2005). From this inductive and deductive process, I found that the first level of open coding involved identifying basic arguments made either for or against each industry using different forms of rhetoric. Therefore, the first level of coding yielded a list of arguments using various rhetorical tactics to justify a support or opposition for the industry. This analysis was supplemented with 2

order codes that revealed common topics of conversation that clustered specific arguments together. 2

order codes thus revealed aspects of industry activities that were commonly framed as important to assess the industry. Finally, 3

order codes were developed to connect topics of conversation to latent themes. These themes were seldom highlighted directly in the text but revealed the underlying logic guiding the adoption of frames used to debate industry activities. The coding process adopted as part of this study is depicted in Figure 5.
Types of Rhetoric, Framing, and Logics

The resulting arguments from the first wave of data were found to follow one of two types of rhetoric, one of nine types of frames, and one of three types of logics. Specifically, arguments in both the medical marijuana and payday loan industries relied on rhetoric to assert a supportive or oppositional perspective of industry activities. Therefore, I distinguished between rhetorical tactics in support of industry activities and rhetorical tactics in opposition to industry activities. My decision to use these distinguishing categories was based on the ubiquitous appearance of pathos, ethos, and logos rhetoric across arguments in each industry context. For example, the same argument presented using pathos (studies show that…) could be presented in a different
instance of myth making using logos (it is logical so surmise that…). Therefore, distinctions between pathos, ethos, and logos categories of rhetoric were less meaningful to distinguish types of arguments. Because rhetorical approaches were found to differ significantly between arguments in favor of industry activities and arguments in opposition to industry activities, I used these categories to examine the role of rhetoric in influencing legal change.

Frames existed as 2nd order codes that distinguished between common arguments voiced through supportive and oppositional rhetoric. Within the first wave of data, I identified nine topics of debate that adequately captured underlying supportive and oppositional arguments. These were industry enforcement, regulation, taxes, character, forthrightness, jobs, administration, products, and cost. Across these topics of debate, I identified three logics that appeared as 3rd order codes illustrating separate underlying criteria to evaluate industry activities. Specifically, I found evidence of logics of the state, the community, and the markets. Within the logic of the state, framed issues of debate included industry enforcement, regulation, and taxes. Within the logic of the community, framed issues of debate included industry character, forthrightness, and jobs. Within the logic of the markets, framed issues of debate included industry administration, products, and cost. Tables 3 and 4 depict sample arguments and points of view found in the first wave of data according to these categories of rhetoric, framing, and logics from each industry context.
Table 3

Example Coding of Arguments in the Medical Marijuana Industry

<table>
<thead>
<tr>
<th>Argument</th>
<th>1st Order Code</th>
<th>2nd Order Code</th>
<th>3rd Order Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Law enforcement is holding out the olive branch to people who smoke medical marijuana” (Isackson, 1999)</td>
<td>Supportive</td>
<td>Enforcement</td>
<td>State</td>
</tr>
<tr>
<td>“Santa Clara County prosecutor Dana Overstreet, who heads the district attorney's narcotics unit ... said her office cannot turn its back on actions defined by the Legislature as a crime” (Foley, 1996)</td>
<td>Oppositional</td>
<td>Enforcement</td>
<td>State</td>
</tr>
<tr>
<td>“Amendment 20 would allow dying and suffering patients to register with the state and use small amounts of marijuana” (Obmascik, 2000)</td>
<td>Supportive</td>
<td>Regulation</td>
<td>State</td>
</tr>
<tr>
<td>“Colorado already has problems with [regulating] illegal marijuana use” (Obmascik, 2000)</td>
<td>Oppositional</td>
<td>Regulation</td>
<td>State</td>
</tr>
<tr>
<td>“[New regulation] doesn't waste the community's money on police work that would not lead to successful prosecutions” (Isackson, 1999)</td>
<td>Supportive</td>
<td>Taxes</td>
<td>State</td>
</tr>
<tr>
<td>“To implement the statewide patient registry ... officials expect to ask the legislature for additional money” (Auge, 2000)</td>
<td>Oppositional</td>
<td>Taxes</td>
<td>State</td>
</tr>
<tr>
<td>“[The industry] is endorsed by the California Nurses Association, the Congress of California Seniors, the San Francisco Board of Supervisors, various AIDS advocacy groups” (Rogers, 1996)</td>
<td>Supportive</td>
<td>Character</td>
<td>Community</td>
</tr>
<tr>
<td>&quot;I don't want to be associated with black-market drug dealers” (Isackson, 1999)</td>
<td>Oppositional</td>
<td>Character</td>
<td>Community</td>
</tr>
<tr>
<td>“[The industry] has been in accordance with the law for some time” (Mintz, 1998)</td>
<td>Supportive</td>
<td>Forthrightness</td>
<td>Community</td>
</tr>
<tr>
<td>&quot;It's all a ruse. It's all a hoax&quot; (Lowe, 1998)</td>
<td>Oppositional</td>
<td>Forthrightness</td>
<td>Community</td>
</tr>
<tr>
<td>“In the name of helping farmers, several states now support the planting of industrial hemp” (Harrop, 2000)</td>
<td>Supportive</td>
<td>Jobs</td>
<td>Community</td>
</tr>
<tr>
<td>“There are jobs to protect in the war against drugs” (Harrop, 2000)</td>
<td>Oppositional</td>
<td>Jobs</td>
<td>Community</td>
</tr>
<tr>
<td>“If I can't get it [from a licensed dispensary], I can always get it somewhere</td>
<td>Supportive</td>
<td>Administration</td>
<td>Market</td>
</tr>
</tbody>
</table>
on the street. But that’s not safe for someone like me” (Reed, 1998)

“No pharmacy or prescription would be required for medical use of marijuana. That means patients on marijuana essentially could set their own doses” (Obmascik, 2000)

“Supporters say marijuana … reduce[s] pain among victims of cancer, AIDS, multiple sclerosis, arthritis and glaucoma” (Rogers, 1996)

"This is about smoking dope, smoking pot, plain and simple… Pot is not medicine” (Lowe, 1998)

“[The industry] will provide low-cost medical marijuana” (Rebels, 2002)

“Patients can’t afford to buy marijuana… An ounce of marijuana can run anywhere from $100 to $400” (Auge, 2000)
<table>
<thead>
<tr>
<th>Argument</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Order Code</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Order Code</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Order Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>“The [payday loan] industry has developed a legal rationale for the product” (Sabatini, 2006b)</td>
<td>Supportive</td>
<td>Enforcement</td>
<td>State</td>
</tr>
<tr>
<td>“Such high rates [charged by payday lenders] violate state usury laws” (Sabatini, 2006a)</td>
<td>Oppositional</td>
<td>Enforcement</td>
<td>State</td>
</tr>
<tr>
<td>“The state has permitted payday lenders to charge triple-digit interest rates” (Johnson, 2007)</td>
<td>Supportive</td>
<td>Regulation</td>
<td>State</td>
</tr>
<tr>
<td>“The state's Consumer Discount Company Act … effectively would block payday lending in the state by making the business unprofitable” (Sabatini, 2008)</td>
<td>Oppositional</td>
<td>Regulation</td>
<td>State</td>
</tr>
<tr>
<td>“[Making payday loans illegal would] nullify thousands of dollars in tax revenue to federal, state, and local governments” (Associated Press, 2003)</td>
<td>Supportive</td>
<td>Taxes</td>
<td>State</td>
</tr>
<tr>
<td>“The level of expenditures that are required [to regulate payday lenders] from the taxpayers is mind-boggling” (Svaldi, 2009)</td>
<td>Oppositional</td>
<td>Taxes</td>
<td>State</td>
</tr>
<tr>
<td>“[The payday loan industry] is providing a valuable service” (Jaffe, 2000)</td>
<td>Supportive</td>
<td>Character</td>
<td>Community</td>
</tr>
<tr>
<td>“Basically, the business [of payday lending] doesn't exist except to rip people off” (Gelles, 2012)</td>
<td>Oppositional</td>
<td>Character</td>
<td>Community</td>
</tr>
<tr>
<td>“[Payday lenders] fully disclose terms of the deal, quoting service fees both in flat-dollar terms and as an annual percentage rate” (Jaffe, 2000)</td>
<td>Supportive</td>
<td>Forthrightness</td>
<td>Community</td>
</tr>
<tr>
<td>“The loan papers didn't clearly state the terms [the customer would] face if he didn't repay by the original due date” (Gelles, 2003)</td>
<td>Oppositional</td>
<td>Forthrightness</td>
<td>Community</td>
</tr>
<tr>
<td>“The payday loan industry is a good thing because it provides jobs for 2,000 people” (Murray, 2004)</td>
<td>Supportive</td>
<td>Jobs</td>
<td>Community</td>
</tr>
<tr>
<td>“[Payday] loans are so dangerous to the fragile finances of the working poor” (Pa., 2012)</td>
<td>Oppositional</td>
<td>Jobs</td>
<td>Community</td>
</tr>
<tr>
<td>Quote</td>
<td>Supportive/Oppositional</td>
<td>Administration/Oppositional</td>
<td>Market/Market</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>“One of the attractive things about a payday advance is that it's simple [and] requires no credit check” (Jaffe, 2000)</td>
<td>Supportive</td>
<td>Administration</td>
<td>Market</td>
</tr>
<tr>
<td>“The Office of the Comptroller of the Currency visited [several payday loan outlets] and found that management was not adequately monitoring or controlling . . . loan origination activities, compliance responsibilities, quality assurance, or internal audit programs” (Gelles, 2003)</td>
<td>Oppositional</td>
<td>Administration</td>
<td>Market</td>
</tr>
<tr>
<td>“The [payday loan] company provides a needed service to people who have nowhere else to turn for cash to pay for medicines, car repairs or other essentials in an emergency” (Sabatini, 2006b)</td>
<td>Supportive</td>
<td>Products</td>
<td>Market</td>
</tr>
<tr>
<td>“Payday lending is very, very dangerous. For some people, I believe, it could become addictive” (Mauriello, 2005)</td>
<td>Oppositional</td>
<td>Products</td>
<td>Market</td>
</tr>
<tr>
<td>“[Payday loans] can be cheaper than paying the fees on bouncing a check or of failing to make certain payment” (Sabatini, 2006b)</td>
<td>Supportive</td>
<td>Cost</td>
<td>Market</td>
</tr>
<tr>
<td>“[Payday lending is] a practice that traps people in perpetual debt” (Fernandez, 2002)</td>
<td>Oppositional</td>
<td>Cost</td>
<td>Market</td>
</tr>
</tbody>
</table>
Upon completion of open coding for arguments using the first wave of data, I randomly selected five articles from each state in the second wave of data (50 articles total for medical marijuana and 50 articles total for payday loans) for content analysis to (1) verify the completeness of the coding procedure developed from the inductive and deductive process described above and (2) identify additional arguments that fit within each identified category of rhetoric, framing, and logics for further analysis. In the medical marijuana industry, I identified 44 arguments that fit within the same categories of rhetoric, framing, and logics described above. In the payday loan industry, I identified 37 arguments that fit within the same categories of rhetoric, framing, and logics described above. Thus, no new approaches to categorize arguments according to rhetoric, framing, and logic were found outside of the first 45 to 50 articles examined from the first wave of data.

Regarding the second objective mentioned above—to identify additional arguments within each category of rhetoric, framing, and logics—I found a variety of additional arguments that fit within each category. These arguments, in conjunction with the arguments I found in the first wave of data, comprise the results of my attempt to identify prevailing arguments in the medical marijuana and payday loan industries. In the following chapter, I discuss this complete list of arguments according to rhetoric, framing, and logics in greater detail to unpack the factors that appear to influence political decision making in each industry.
Chapter 7: Coding for Arguments: Results
From the data analysis completed on the second wave of data, I expected to find additional arguments across categories of rhetoric, framing, and logic to add to the list of arguments collected from the first wave of data. Results indicated a robust array of arguments that fit within each of the categories of rhetoric, framing, and logic identified from the second wave of data. All arguments derived from the first and second waves of data according to rhetoric, framing, and logics are summarized in Tables 5 and 6. In the following sections, I draw from these tables to describe the rhetorical, framing, and logical underpinnings of arguments in each industry.
Table 5

Summary Arguments and Corresponding Rhetoric, Framing, and Logics (Medical Marijuana)

<table>
<thead>
<tr>
<th>State Logic</th>
<th>Enforcement Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supportive Rhetoric:</strong> Prisons are overcrowded with people that haven't really committed a violent crime but instead have been convicted for smoking marijuana. Civil offenses for marijuana possession are overwhelmingly levied on youths, making it more difficult for them to get jobs and advance in life with a record. In some states, law enforcement is holding out the olive branch to people who smoke medical marijuana.</td>
<td></td>
</tr>
<tr>
<td><strong>Oppositional Rhetoric:</strong> In states where medical marijuana has been legalized authorities have seen an increase in crime, including violence and money laundering. Prisons would still be overcrowded even if all inmates incarcerated for marijuana related offenses were to be let go. States cannot turn their backs on actions defined by the Legislature as a crime. People don’t go to prison over possession of small quantities of marijuana. Law enforcement is against legalization because traffic risks and other criminal activities will rise. Legalization would lead to greater drug trafficking and arrests for individuals and distributors traveling between states.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulation Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supportive Rhetoric:</strong> Other addictive drugs have been successfully regulated (e.g., xanax and oxycontin) so why not marijuana? Medical marijuana is an issue of patients' rights. Legalization is a means to achieve healthcare freedom. It is an issue of prohibition. Public support for legalization is strong. If the industry is legalized, our regulations will be stiffer, tighter, more restrictive, and tougher than the regulations placed on medical marijuana in other states.</td>
</tr>
<tr>
<td><strong>Oppositional Rhetoric:</strong> States that have legalized marijuana have been ill prepared to manage the proliferation of new businesses. Licensing and oversight of the industry have been so bad that distributors and retailers face few penalties for lack of compliance. Regulation and oversight are inadequate to properly manage the industry. Chambers of commerce are against legalization because legalization would be a nightmare for employers. Legalization will increase pressure to legalize other harmful drugs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxes Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supportive Rhetoric:</strong> Legalization would produce tax revenues and registration and licensing fees that all support the local economy. The war on drugs costs tax payers too much money. Keeping it illegal wastes resources. In absence of legalization, only drug dealers profit from what local communities should be receiving in tax revenue.</td>
</tr>
<tr>
<td><strong>Oppositional Rhetoric:</strong> For every dollar in tax revenue generated from legalizing medical marijuana society will incur and equal</td>
</tr>
</tbody>
</table>
if not greater cost in medical care costs needed to treat those with addiction or other marijuana-related illnesses. In states that have legalized marijuana, owed taxes have not been paid. Regulation of medical marijuana will cost taxpayers too much money.

Community Logic

Character Frame

Supportive Rhetoric: Legalization in the name of compassion. It is morally reprehensible to deny use of the drug to patients. People who want to abuse marijuana already do, so don't punish patients in need of care. Many reputable organizations support the legalization of marijuana for medical use.4

Oppositional Rhetoric: Efforts to legalize marijuana for medical purposes are run by hippies and adolescents. Legalization would mean greater access of marijuana to children. The industry is irresponsible.5 Legalizing medical marijuana is tantamount to legalizing drug trafficking. Adverse health effects of marijuana on adults are exacerbated for children. Colorado study suggests increased use of medical marijuana may lead to more young children getting sick from accidentally eating food made with marijuana.

Forthrightness Frame

Supportive Rhetoric: Government officials from states where medical marijuana is legal say complaints about the industry are rare. The industry operates in accordance with state laws.

Oppositional Rhetoric: Wealthy marijuana advocates are bankrolling efforts to lobby legislators behind closed doors and out of public sight. This is a rogue enterprise that has shown little interest in complying with the laws of government in the past.

Jobs Frame

Supportive Rhetoric: Legalization would produce jobs. In states that have legalized marijuana formerly empty or abandoned buildings are full of industry participants.

Oppositional Rhetoric: Legalization will reduce jobs because more legitimate businesses will pull out of the community. If legalized, more people will lose their jobs because more people will be high at work.

Market Logic

Products Frame

Supportive Rhetoric: Marijuana is an effective product meant for healthcare purposes.6 Marijuana can be smoked which is helpful to patients who are unable to keep prescription pills down. Studies show that medical marijuana is harmless.7 Marijuana is safer than alcohol and cigarettes. Marijuana has 85 active components. Substitutes such as Marinol do not have this complete complement of constituent parts and lack the complex relationship that has proven relevant to its therapeutic value. Just as generic drugs sometimes do not work as well as the medications they mimic, so too is the case with marijuana replacements. There are jobs to protect in the war against drugs.
**Oppositional Rhetoric:** Studies show that marijuana is harmful. Marijuana is addictive and therefore often abused. Smoking is a dangerous means of ingesting a drug (respiratory problems). Studies show that patients can receive the benefits of marijuana through Marinol and other prescription drugs without the dangers of smoke inhalation. Synthetic marijuana (K2 or spice) is similar to marijuana and harmful so just like synthetic marijuana organic marijuana should not be legalized. The potency of the drug has been chemically engineered through agricultural processes to be stronger than marijuana was in the past.

**Administration Frame**

**Supportive Rhetoric:** Marijuana is an all natural and "green" product that is easy to cultivate and distribute. If customers can't get medical marijuana from a licensed dispensary, they have to get it on the street, which is not safe.

**Oppositional Rhetoric:** Marijuana is a gateway drug to other drugs like cocaine, heroin, and other methamphetamines. Legalization of medical cannabis is merely a way to allow recreational use of the drug. There is no way for physicians to monitor the dosage of medical marijuana used by their patients.

**Cost Frame**

**Supportive Rhetoric:** Red tape will keep product costs high and discourage recreational use (much like cigarettes). Marijuana is cheaper than substitutes such as Marinol.

**Oppositional Rhetoric:** Legalization will bring marijuana costs down, encouraging recreational and illicit use of the drug. Marijuana is too expensive for patients on Medicaid or Medicare to afford.

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1 These offenses include smuggling, possession, and intent to distribute charges.
2 Collecting enough signatures to have the issue brought to public vote is generally easy and polling suggests most citizens favor legalization.
3 Through taxes spent on enforcement of outdated marijuana laws.
4 For example, the California Nurses Association, the Congress of California Seniors, the San Francisco Board of Supervisors, various AIDS advocacy groups
5 Medical marijuana “edibles” include yummy-looking gummy candies, cookies and other treats that may entice young children.
6 Studies show that marijuana can help cancer patients cope with chemotherapy when they can’t eat or keep food down, help AIDS patients cope with pain, help patients with Lou Gehrig’s disease or ALS cope with pain, help patients with multiple sclerosis or MS cope with pain, help patients with hepatitis C, help patients with glaucoma, help people cope with anxiety, help people sleep, help patients with any chronic condition that produces cachexia or wasting, help other cases of severe and chronic pain, help with nausea, help with seizures, and help with severe and persistent muscle spasms.
7 State pharmacy boards, after hosting public forums and weighing the evidence, have increasingly asked state legislators to reclassify marijuana as a schedule II drug rather than a schedule I drug.
8 Marijuana use can lead to or aggravate mental illness. Studies show the risk of schizophrenia doubles in young users of marijuana. Studies show memory loss, susceptibility to being distracted, heightened likelihood of being in traffic accidents, and pregnancy complications are linked to
marijuana use. Several studies have drawn a link between men who smoke marijuana and a higher prevalence of problems that could cause infertility, including lower testosterone levels and testicular cancer.

9 Synthetic marijuana is an organic hallucinogenic that can alter perceptions and cause memory loss and other problems. There are documented instances of users killing themselves while under the influence.
Table 6

Summary Arguments and Corresponding Rhetoric, Framing, and Logics (Payday Loans)

State Logic

Enforcement Frame

Supportive Rhetoric: Payday lenders already face some of the stiffest penalties of all regulated financial institutions. Without payday loans criminal activity would increase because people who still need the money will seek alternative avenues to secure it.

Oppositional Rhetoric: Payday lenders should be convicted of the fraud they commit through deceptive collections practices and intimidation of defaulted borrowers. The high rates charged by payday lenders violate state usury laws.

Regulation Frame

Supportive Rhetoric: We should let people be responsible for their own financial decisions. It's an issue of free choice on the part of the consumer or borrower. Regulators should turn their attention to banks and other financial institutions that offer financial products that are more expensive than payday loans such as overdraft fees, ATM fees, and credit card advances.

Oppositional Rhetoric: It is an issue of social justice in defense of vulnerable populations. Unchecked, payday loans will mushroom into a systemic problem like the sub-prime housing bubble. Implementing a 36% interest rate limit would hinder lenders from engaging in irresponsible lending.

Taxes Frame

Supportive Rhetoric: State records indicate the industry adds financial capital to local economies through tax revenue.

Oppositional Rhetoric: Payday lenders do not generate sufficient revenues for the local community. Government records show that payday lenders often avoid paying their taxes.

Community Logic

Character Frame

Supportive Rhetoric: The industry helps vulnerable populations by offering them a financial option to avoid more expensive fees on delinquent payments such as for rent. Without payday loans borrowers would turn to unregulated internet lenders offering more disruptive products.

Oppositional Rhetoric: The industry goes after vulnerable populations and gauges them. Tactics include setting up shop outside of military bases. Payday lenders are like strip clubs, tattoo parlors, or other red-light-district businesses which don't serve the best interest of the community. Catholic teachings impel us to condemn payday loans on the basis of moral grounds. The industry's collections practices attempt to strong arm and intimidate defaulted borrowers into repayment. The industry's
marketing tactics are aggressive and inappropriate. Claims made in payday loan advertisements are dubious and often exaggerated.

**Forthrightness Frame**

*Supportive Rhetoric:* Organizations in the industry are honest and disclose to borrowers parameters of the loan. Organizations in the payday loan industry are transparent.

*Oppositional Rhetoric:* Payday lenders are deceitful, not disclosed, use small print, and ultimately nontransparent. Lenders hide information. The industry gets what it wants by lobbying government officials behind closed doors. Payday lenders have a general disregard and disrespect for laws and community wellbeing. Payday lenders always try to circumvent or skirt regulation.

**Jobs Frame**

*Supportive Rhetoric:* Government records show the industry provides needed jobs to the local community.

*Oppositional Rhetoric:* The industry stifles local job growth. Payday lenders inhibit cities from attracting more legitimate business investment for economic development.

**Market Logic**

**Products Frame**

*Supportive Rhetoric:* The industry provides those individuals in need of financial resources a temporary fix for family emergencies, medical bills, auto repairs, utilities, groceries, and unexpected bills. It is more convenient than other financial options. It is a viable alternative for people who may have limited options. It is a lifeline.

*Oppositional Rhetoric:* Payday loans are addictive. It is too difficult to track how allocated funds are spent by borrowers. Funds borrowed often don't go to emergency medical bills or other immediate expenses but instead find their way to casinos because they are taken out by people addicted to gambling.

**Administration Frame**

*Supportive Rhetoric:* The payday loan transaction is fast and efficient. Most borrowers pay their loans off on time (avoiding rollover charges) and are repeat customers. Lenders don't want customers to rollover their loans. Lenders want borrowers to pay off their loans as quickly as possible to avoid going into default (which is expensive).

*Oppositional Rhetoric:* There's no credit check completed on borrowers. It's too easy to get funds, inhibiting borrowers from doing their due diligence on other financial options. The industry is overall very inflexible. If the borrower's circumstances worsen there are few (if any) options for them to restructure the loan.

**Cost Frame**

*Supportive Rhetoric:* Payday loans are cheaper than other options such as credit card advances and overdraft fees. High rates are needed to cover the cost of doing business. It's a high risk enterprise. Payday loans are short-term transactions so using APRs
to assess their cost is nonsensical.

**Oppositional Rhetoric:** It is usurious because it is too expensive. It leads to bankruptcy. The industry's financial products are tantamount to economic servitude. Studies show that consumers are caught in a revolving cycle of debt from which they cannot escape. It is a long-term nightmare.

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1. For example, recipients of social security and veterans benefits as well as single mothers and disabled people.
2. In addition to Catholics, Baptist Christians, Lutherans, ministers, and other religious leaders and members of clergy condemn the industry as well as members of AARP and other powerful groups.
3. Examples include the use of bright lights and seductive ads to promote immediate financial satisfaction with little consideration to long-term debt.
4. Federal government investment in local military bases, for example, is dependent to some extent on the protections afforded to military personnel by the state against payday lenders.
Rhetoric

In the medical marijuana industry, arguments using industry supportive rhetoric often characterized marijuana itself as risk-free. For example, in the argument “studies have shown that medical marijuana is harmless” the contention is made that marijuana has no ill effects and therefore should be legalized. In addition, arguments using supportive rhetoric would list the potential health gains from marijuana to justify its value to patients. For example, in the argument “studies show that marijuana can help cancer patients cope with chemotherapy when they can't eat or keep food down, help AIDS patients cope with pain, and help patients with Lou Gehrig’s disease or ALS cope with pain” marijuana is justified as not only harmless, but beneficial.

Other arguments using industry supportive rhetoric would express the benefits of marijuana by highlighting its social rather than physical implications. For example, the argument “prisons are overcrowded with people that haven't really committed a violent crime but instead have been convicted for smoking marijuana” suggests that the problem of overcrowded prisons could be remedied by making marijuana legal. In addition, many arguments using industry supportive rhetoric referred to moral considerations when urging greater acceptance of medical marijuana. For example, in the argument “it is morally reprehensible to deny use of the drug to patients” the point is plainly made that the issue of medical marijuana is about social compassion.

Arguments using industry opposing rhetoric in the medical marijuana industry followed a similar pattern of citing studies relevant to the health implications of smoking marijuana. For example, the argument “studies show memory loss, susceptibility to being distracted, heightened likelihood of being in traffic accidents, and pregnancy
complications are linked to marijuana use” illustrates the potential dangers of smoking marijuana. In addition, arguments using industry opposing rhetoric often made the point that medical benefits derived from marijuana, if any, were replicable through the use of other legally sanctioned drugs. For example, the argument “studies show that patients can receive the benefits of marijuana through Marinol and other prescription drugs without the dangers of smoke inhalation” points to the benefits of Marinol—a legal prescription-based substitute—as being completely capable of delivering potential benefits derived from marijuana.

Other arguments using industry opposing rhetoric referred to the social implications of marijuana. For example, the argument “legalization will reduce jobs because more legitimate businesses will pull out of the community” points to potential social disturbances stemming from industry legality. In addition, some arguments invoked appeals geared towards community wellbeing to justify the harmfulness of the industry. For example, the argument “legalization would mean greater access of marijuana to children” suggests that society would be negligent towards its most vulnerable population (i.e., children) should it vote in favor of industry legality.

In the payday loan industry, arguments adopting industry supportive rhetoric were often based on the community benefit of keeping alive a needed stream of tax revenue. For example, in the argument “state records indicate the industry adds financial capital to local economies through tax revenue” the justification is clearly made that payday loans should be legal for the sake of government revenue. In addition, arguments were often based on the cost of payday loans relative to other forms of financing to justify their value to society. For example, the argument “payday loans help vulnerable populations
by offering them a financial option to avoid more expensive fees on delinquent payments such as for rent” draws a comparison between the cost of payday loans and other fees or short term loans. Still other arguments using industry supportive rhetoric depicted the moral character of payday lenders as positive. For example, in the argument “organizations in the payday loan industry are honest and disclose to borrowers parameters of the loan” payday lenders are portrayed as upstanding social citizens.

Arguments made against the payday loan industry using industry opposing rhetoric were sometimes based on studies that illustrated the financial burden imposed on borrowers by payday loans. For example, in the argument “studies show that consumers are caught in a revolving cycle of debt from which they cannot escape” payday loans are portrayed as captive devices that hold customers hostage with debts at high interest rates. Other arguments using industry opposing rhetoric referred to the transactions themselves as being inadequate to solve underlying customer problems. For example, in the argument “it's too easy to get funds, inhibiting borrowers from doing their due diligence on other financial options” payday loans are portrayed as products that are not administered in with the customer’s best interests in mind. Finally, some arguments using industry opposing rhetoric highlighted potential large scale disruptions due to payday loans. For example, in the argument “unchecked, payday loans will mushroom into a systemic problem like the sub-prime housing bubble” the comparison is made between payday loans and the sub-prime housing bubble to illicit fear of the social consequences of keeping the industry legal.

Framing
A number of common themes emerged across arguments that illustrated categories of debate relevant to each industry context. For instance, activities in both the medical marijuana and payday loan industries were often discussed in the context of how government would punish deviant industry behavior illustrating a frame of enforcement. In this frame, the issues being debated referred to the conditions under which deviant industry activities would be treated as criminal or civil offenses. For example, the extent to which legalizing medical marijuana would influence drug trafficking (i.e., criminal) or the extent to which payday loan companies cleverly circumvented state laws (i.e., civil).

In addition to this frame, industry activities were often discussed in the context of how government would draw boundaries around the industry illustrating a frame of regulation. In this frame, industry activities were debated according to the role of government as inhibitors or enablers of industry activity. For example, the decision to require state registry of all cultivated marijuana by dispensaries (i.e., constrain) or the extent to which payday lenders should be loosely regulated as banks (i.e., enable) or tightly regulated as other financial institutions (i.e., constrain).

Next, industry activities were often debated in the context of the monetary implications of the industry for the local government illustrating a frame of taxation. In this frame, industries were debated according to the extent to which they provided tax revenue to governments thereby lowering deficits or increasing surpluses. For example, arguments were often voiced about potential revenue that might be generated if the medical marijuana industry were to be legalized. In a similar vein, arguments were often made about existing revenue that would be lost should the payday loan industry become illegal. Industry activities were also discussed in the context of how upstanding
organizations appeared to be illustrating a frame of *character*. This frame was marked by debate about the virtuousness or charitableness of each industry. For example, organizations in the medical marijuana industry were portrayed as compassionate (i.e., ethical) or cruel (i.e., unethical) depending on the perspective held by the social actor of the medical implications of marijuana. Similarly, organizations in the payday loan industry were portrayed as equitable lenders (i.e., ethical) or loan sharks (i.e., unethical) depending on the perspective held by the social actor of the merits of payday loans.

Industries were also discussed in the context of how reliable and trustworthy organizations appeared to be illustrating a frame of *forthrightness*. In this frame, organizations were evaluated based on how sincere, accountable, and trustworthy they appeared to be towards society. For example, medical marijuana dispensaries were portrayed as shady and dishonest (i.e., untrustworthy) or authentic (i.e., trustworthy) depending on the extent to which social actors believed in the intentions of distributors to sell marijuana for medical purposes. Similarly, payday lenders were portrayed as deceptive (i.e., untrustworthy) or transparent (i.e., trustworthy) depending on the extent to which social actors approved of the contracts used to enforce terms between lender and borrower. In addition, issues were often raised about how the industry would impact local employment illustrating a frame of *jobs*. This frame was relatively straightforward in that it dealt with the perceived gains or losses to the local economy through employment opportunities stemming from industry legality. For example, opinions were offered as to the new jobs that might be generated if medical marijuana were to be legalized or the existing jobs that might be lost should payday loans become illegal.
Industries were also discussed in the context of how valuable the industry’s products and services were to society illustrating a frame of products. In this frame, concerns were raised about the industry’s ability to produce products and services that solved the social problems they purported to address. For example, products in the medical marijuana industry could be portrayed as toxic (i.e., useless) or safe (i.e., useful) depending on the social actor’s perspective of the health implications of marijuana. In a similar manner, products in the payday loan industry could be portrayed as useless or effective depending on the social actor’s perspective of the product’s ability to effectively finance borrowers.

Next, activities were also discussed in the context of how well organized the industry was in delivering products and services illustrating a frame of administration. This frame focused on the extent to which organizations were able to seamlessly transfer products and services to customers. For example, activities in the medical marijuana industry were seen as disorganized or careless to some and competent and attentive to others while activities in the payday loan industry were seen as sluggish by some and efficient by others. Finally, industries were often discussed in the context of how expensive those products and services were illustrating a frame of cost. In this frame, products that were too expensive were generally, but not always, considered less valuable to society. For example, arguments in favor of low prices for medical marijuana were based on the view that low prices would enable patients in need of care to ascertain the drug. To others, higher prices for medical marijuana were seen as a positive industry characteristic. Arguments in favor of higher prices for medical marijuana were made based on the view that higher prices would dissuade non-medical users from attempting
to secure the drug. By contrast, in the payday loan industry the high cost of payday loans was almost universally seen as a negative attribute.

**Logics**

Across these frames, a number of themes emerged as significant to motivate specific topics of discussion. Specifically, social actors often debated government-industry relations through frames such as enforcement, regulation, and taxes. Following Thornton et al.’s (2012) explanation of institutional logics, I characterized the criteria to interpret industry activities according to government-industry relations as the *logic of the state*. For social actors adopting this logic, the most important aspects of industry legality were based on the government’s ability to effectively regulate and enforce industry conduct as well as the monetary implications of the industry on government tax revenue.

Next, debates often referred to the social characteristics of the industry through frames such as character, forthrightness, and jobs. Again following Thornton et al.’s (2012) explanation of institutional logics, I characterized the criteria to interpret industry activities according to the social characteristics of the industry as the *logic of the community*. For social actors adopting this logic, the most important aspects of industry legality were the industry’s perceived sense of commitment to the community including its perceived role as upstanding citizen as well as the potential gains to social welfare produced by the industry in the form of jobs.

Finally, debates were often based on how efficient the industry was at coordinating internal activities between suppliers and distributors or how effective the industry was at delivering products and services to customers using such frames as products, administration, and cost. Using Thornton et al.’s (2012) explanation of
institutional logics, I characterized the criteria to interpret industry activities according to exchanges between industry participants as the logic of the market. Social actors adopting this logic would focus on the particular contracts and efficiencies that appeared to meet, exceed, or fall short of the standards set forth by society to evaluate industry activities.

Discussion

A summary of findings from the coding procedures developed and applied to newspaper articles in the medical marijuana and payday loan industries is presented in Table 7. Overall, arguments in each industry were found to include aspects of rhetoric, framing, and logics. Each industry context relied on unique rhetoric to distinguish between supportive and oppositional positions. These perspectives were framed through similar topics of debate that included enforcement, regulation, taxes, character, forthrightness, jobs, products, administration, and cost. These frames were guided by similar underlying logics which included the logic of the state, the community, and the markets.

Table 7

Coding for Arguments Summary of Conclusions

<table>
<thead>
<tr>
<th>Arguments</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhetoric</td>
<td>Arguments are conveyed using industry supportive and oppositional rhetoric</td>
</tr>
<tr>
<td>Framing</td>
<td>Nine framing categories or “topics” of debate including enforcement, regulation, taxes, character, forthrightness, jobs, products, administration, and cost</td>
</tr>
<tr>
<td>Logics</td>
<td>Three logics used as guiding criteria to evaluate industry activities including the state, the community, and the markets</td>
</tr>
</tbody>
</table>

To reduce the number of arguments depicted in Tables 5 and 6 to a more meaningful set characterized by common appearances of rhetoric, framing, and logics in media representations, I scanned for the prevalence of arguments using Computer Aided
Text Analysis (CATA). The rationale for this analysis—as well as procedures adopted and the results—are presented in chapters 8, 9, and 10, respectively.
Chapter 8: Identifying the Prevalence of Arguments: Method
In chapters 8 through 10, I examine the prevalence of arguments in the medical marijuana and payday loan industries. Results from chapter 7 revealed a great many supportive and oppositional arguments in each industry context. However, we still lack knowledge as to what arguments are most prevalent in each industry. Identifying the most prevalent arguments in each industry context helps to distinguish more common arguments from less common arguments. More common arguments are those that are potentially more meaningful based on their broad diffusion across contexts of debate. Using these results, an assessment of the relationship between the most prevalent arguments and the most effective arguments at influencing political decision making can then be made (chapters 11 through 13). Therefore, in the following chapters I address one question: What arguments—as distinguished by rhetoric, framing, and logics—are most commonly made by social actors and political decision makers to convey a perspective about activities in the medical marijuana and payday loan industries?

As previously discussed, political decision makers pay close attention to arguments made in media representations because the industries being debated are socially impactful (Kushin & Yamamoto, 2010). These arguments act as symbolic resources used by political decision makers to broadcast support or opposition towards the industry. The most pervasive arguments are presumed to be those that carry the greatest symbolic value. To uncover the pervasiveness of arguments in each industry, I content analyzed illustrative terms used in arguments across media representations for their influence on legality using Computer Aided Text Analysis (CATA). This step yielded a count of the number of times specific terms used in each argument appeared in the media.
Because of the difficulty of hand coding arguments across such a large number of
texts, I adopted CATA as a means to develop constructs (or dictionaries) of terms that
illustrated underlying aspects of arguments. CATA provided a useful approach to
examine the frequency of arguments appearing in media representations. Specifically,
counts of the frequency of arguments made in each industry context can be used as data
in subsequent analyses to identify the most effective configurations of arguments. This
approach is consistent with summative content analysis which involves counting (as
described in chapters 8 through 10) and comparisons (as described in chapters 11 through
13) to interpret and understand content presented in media representations (Hsieh, &
Shannon, 2005). In addition, it builds on the directed approach to hand coding arguments
I applied in chapters 5 through 7.

**Computer Aided Text Analysis (CATA)**

Using findings related to arguments made across industry contexts, I examined
the pervasiveness of specific arguments across all articles gathered in the wave two
dataset using CATA. Like other qualitative procedures, CATA is a research method used
to examine qualitative materials. However, CATA uses a set of procedures to classify
discursive texts in ways that allow focused inferences about the factors that shape a
particular narrative (Krippendorff, 2004; Weber, 1990). CATA is particularly well suited
to scan for words and short phrases that reflect underlying beliefs in discursive texts
(Smith, 2000). Similar applications of content analysis have produced important insights
about a variety of organizational phenomena including CEO performance (e.g., Short &
Palmer, 2003); organizational sensemaking (e.g., Gioia & Chittipeddi, 1991);
organizational sensegiving (e.g., Maitlis & Lawrence, 2007); organizational values
Kabanoff, Waldersee, & Cohen, 1995); corporate disclosure and concealment of
negative organizational outcomes (Abrahamson & Park, 1994); and various aspects of
organizational learning (Uotila, Maula, Keil, & Zahra, 2009).

CATA is an approach to content analysis that enables the rapid analysis of a great
number of documents (Moss, Short, Payne, & Lumpkin, 2011). CATA allows for the
systematic analysis of large quantities of texts to produce counts of words and short
phrases that together constitute a construct. In general, constructs developed under CATA
have been shown to produce higher reliability than human coding with lower cost and
greater speed (Neuendorf, 2002). CATA is useful to measure features of arguments
across a large number of texts by reducing them to words or short phrases that
characterize the argument. For example, an argument can be reduced to words or short
phrases such as “unethical”, “shark”, and “expensive loan” which are used to measure
attributes of the argument using tools such as CATA (Chock, 1991). These data can then
be used for further descriptive or inferential analysis.

Lists of words and short phrases (termed “dictionaries” in CATA) are developed
and validated through a deductive and inductive process of word generation (see Short,
Broberg, Cogliser, & Brigham, 2010 for a comprehensive review). This process typically
begins with the researcher generating a deductive list of terms that appear to capture the
focal content areas of the construct. Following this, the researcher uses analytic software
such as DICTION or CATScanner to generate an inductive list of every word in the
primary texts. During this step, words with little descriptive meaning (e.g., “but”, “or”,
and “is”) are generally removed unless the researcher stipulates otherwise. Both the
deductive and inductive word lists are then combined to yield a master list of words that
compose the focal content areas of the construct. The master list is then sent to colleagues and experts to have each word sorted according to the dimensions of the construct. Measures of agreement are normally calculated using approaches such as Holsti’s (1969) method or Fleiss’ (1971) kappa to test for interrater reliability.

The resulting master list of words or “dictionary” of terms is then inputted back into software such as CATScanner to scan the primary texts for the existence of those words. Once the primary documents are scanned, results include a count of the number of times a dictionary term appeared in the primary texts, the overall number of words in each primary text, and the overall number of characters in each primary text. These results can be exported for further descriptive and inferential analysis.
Chapter 9: Identifying the Prevalence of Arguments: Analytical Procedure
For the purposes of this study, I developed constructs that measured supportive or oppositional rhetoric within each framing category (i.e., nine framing categories by supportive or oppositional rhetoric equaling 18 total constructs). To retain rhetoric as an explanatory factor in political decision making, I measured frames according to the underlying dialectical differences found in supportive and oppositional rhetoric. I measured rhetoric as the extent to which the argument expressed support or opposition towards the industry. As previously discussed, framing connects latent logics used to evaluate industry activity to manifest expressions of rhetoric used to justify a perspective of industry activity. Consistent with this, the constructs developed in this study were organized according to frames but included aspects of industry support or opposition based on rhetorical arguments made within those frames. Table 8 illustrates the underlying dialectics of supportive and oppositional rhetoric within each framing category that were used to count words.
Table 8
Dialectical Difference in Supportive and Oppositional Rhetoric

<table>
<thead>
<tr>
<th>Logic and Framing</th>
<th>Supportive Rhetoric</th>
<th>Opposing Rhetoric</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Logic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcement Frame</td>
<td>Civil</td>
<td>Criminal</td>
</tr>
<tr>
<td>Regulation Frame</td>
<td>Facilitative Laws</td>
<td>Inhibitive Laws</td>
</tr>
<tr>
<td>Taxes Frame</td>
<td>Net Gain/Deficit Reducing</td>
<td>Net Loss/Deficit Increasing</td>
</tr>
<tr>
<td><strong>Community Logic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Character Frame</td>
<td>Ethical</td>
<td>Unethical</td>
</tr>
<tr>
<td>Forthrightness Frame</td>
<td>Trustworthy</td>
<td>Untrustworthy</td>
</tr>
<tr>
<td>Jobs Frame</td>
<td>Net Gain/Adequate Jobs</td>
<td>Net Loss/Inadequate Jobs</td>
</tr>
<tr>
<td><strong>Market Logic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products Frame</td>
<td>Useful</td>
<td>Useless</td>
</tr>
<tr>
<td>Administration Frame</td>
<td>Efficient</td>
<td>Inefficient</td>
</tr>
<tr>
<td>Cost Frame</td>
<td>Affordable/Cost Effective</td>
<td>Unaffordable/Cost Inhibitive</td>
</tr>
</tbody>
</table>
I developed constructs which included words and short phrases exemplifying industry supportive rhetoric as well as industry opposing rhetoric for all nine framing categories with the exception of two. For the frames of “taxation” and “jobs” it was not possible to identify all words and short phrases used to express industry supportive or industry opposing rhetoric. For example, industry supportive rhetoric related to taxation might be express as “increase state tax revenue”, “increase the state’s taxes”, “help reduce the deficit”, “help the state’s tax situation”, or any number of other combinations. Creating lists of words and short phrases to measure all derivative expressions related to industry supportive or oppositional rhetoric was not possible for the frames of taxation and jobs. Instead, I created one construct capturing basic words related to taxation and another capturing basic words related to jobs to identify just those articles referencing taxes and jobs using CATA. I then examined each article and manually counted it as either industry supportive rhetoric or industry opposing rhetoric in situ.

In this study, I created a deductive list based on common words that illustrated the underlying intent of industry supportive or oppositional rhetoric. For example, within the frame of “regulation” arguments in support of industry legality portrayed the government’s role as one of facilitating industry activity while arguments against industry legality portrayed the government’s role as one of inhibiting industry activity. Words and short phrases were selected that best illustrated support (e.g., facilitate) or opposition (e.g., inhibit) towards the industry. Words associated with industry support generally carried more positive connotations and words associated with industry opposition generally carried more negative connotations (Osgood, Suci, & Tannenbaum, 1957). Lists of words associated with industry supportive or oppositional rhetoric were
built using synonyms of these words. Words within each list were then cross-checked to identify their embedded meaning within randomly sampled documents in each industry context. Words that appeared to capture the argument within the context of the text were retained in the dictionary.

I used CATScanner to produce an inductive list of words from all texts in the medical marijuana and payday loan industries. The inductive word list generator in CATScanner returns only words used more than three times across the texts. Working through this list, I deleted all words that carried little descriptive meaning (e.g., “but”, “or”, and “is”). Words that appeared to signal important aspects supportive or oppositional rhetoric according to one framing category or another were added to the corresponding dictionary. As with the deductive list of words, the resulting list of inductively derived words was cross-checked to identify each words embedded meaning within a randomly sampled set of documents in each industry context.

The inductive and deductive lists were then combined to form a master list. The master lists were sent to colleagues and experts to have each word sorted according to the dimensions of the construct (i.e., industry supportive or oppositional rhetoric by framing category). Measures of agreement were then calculated. Unfortunately, due to last minute modifications in a number of words and short phrases included in the master list for each construct, these estimates were unusable. In addition, time constraints hindered the collection of new data for the purposes of assessing agreement. Therefore, calculating agreement was not possible. Based on these results, I produced a final dictionary of terms.

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8 Specifically, I was unable to complete the qualitative comparative analysis due to software limitations given the high number of framing categories that were initially developed and validated. Therefore, I combined and modified dictionaries into a smaller set of theoretically parsimonious categories. Due to time limitations I was unable to validate these new dictionaries.
for each construct that best captured industry supportive or industry opposing rhetoric (Short et al., 2010).

In addition, because I was measuring industry supportive and industry oppositional rhetoric, I created “not” dictionaries to count the number of times a word or phrase appeared in the negative. For example, industry opposing rhetoric in the frame of character included “predatory” and “corrupt”. To capture instances of “not predatory” and “not corrupt”, I created an additional dictionary that measured “not predatory” and “not corrupt”. All dictionaries were then used to scan texts using CATScanner to reveal patterns of argumentation across the media representations. Results indicated that very few “not” dictionary terms were found in the newspaper articles. However, for the sake of measurement precision resulting counts of constructs in each “not” dictionary were subtracted from counts of constructs in each primary dictionary to yield a true estimate of the prevalence of industry supportive and oppositional rhetoric. A list of all the words and short phrases included in this study to capture symbolic features of arguments is presented in Table 9.
Table 9  
Dictionaries Used to Measure Symbolic Features of Arguments

<table>
<thead>
<tr>
<th>Construct</th>
<th>Dictionaries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enforcement</strong></td>
<td>probate, seize, seized, seizing, seized, fined, fining, ban, banned, banning, bans, penalty, penalties,</td>
</tr>
<tr>
<td><strong>Frame</strong></td>
<td>misdemeanor, confiscate, confiscated, confiscating, confiscates, commandeer, commandeered,</td>
</tr>
<tr>
<td><strong>Supportive</strong></td>
<td>commandeering, commandeers, violation, transgression, infraction, injunction, restitution, reparation,</td>
</tr>
<tr>
<td><strong>Rhetoric</strong></td>
<td>interdict, interdiction, interdicted</td>
</tr>
<tr>
<td><strong>Oppositional</strong></td>
<td>imprison, imprisoned, imprisoning, imprisons, incarcerate, incarceration, incarcerated, incarcerates,</td>
</tr>
<tr>
<td><strong>Rhetoric</strong></td>
<td>penitentiary, penitentiaries, arrest, arrested, arrests, arresting, prison, prisoner, prisons, prisoners, lock up,</td>
</tr>
<tr>
<td><strong>Regulation</strong></td>
<td>permitted, permit, permits, permitting, allow, allowed, allowing, allows, authorize, authorized, authorizing,</td>
</tr>
<tr>
<td><strong>Frame</strong></td>
<td>authorizes, enable, enabled, enabling, enables, entitle, entitled, entitling, entitles, facilitate, facilitated,</td>
</tr>
<tr>
<td><strong>Supportive</strong></td>
<td>facilitating, facilitates, facilitative, support, supported, supportive, supporting</td>
</tr>
<tr>
<td><strong>Rhetoric</strong></td>
<td>facilitating, facilitates, facilitative, support, supported, supportive, supporting</td>
</tr>
<tr>
<td><strong>Taxes Frame</strong></td>
<td>tax, taxes, taxing, taxation, taxpayer, taxpayers, state revenue, state revenues, government revenue,</td>
</tr>
<tr>
<td></td>
<td>government revenues, county revenue, county revenues, state coffers, government coffers, county coffers, deficit, surplus</td>
</tr>
<tr>
<td><strong>Character</strong></td>
<td>care, caring, compassion, compassionate, honorable, moral, ethical, principled, righteous, venerable, tolerant,</td>
</tr>
<tr>
<td><strong>Frame</strong></td>
<td>forgiving, humble, empathetic, sympathetic, merciful, charitable, benevolent, graceful, altruistic,</td>
</tr>
<tr>
<td><strong>Supportive</strong></td>
<td>generous, sportsmanship, cooperation, cooperative, equitable, virtuous, conscientious, courageous,</td>
</tr>
<tr>
<td><strong>Rhetoric</strong></td>
<td>upstanding, distinguished, acclaimed, chivalrous</td>
</tr>
<tr>
<td><strong>Character</strong></td>
<td>shark, sharks, sharking, trafficker, traffickers, trafficking, predatory, predators, predator, mobsters, mobster,</td>
</tr>
<tr>
<td><strong>Frame</strong></td>
<td>mob, cartels, cartel, smugglers, smuggler, smuggling, barracuda, barracudas, leech, leeches, corrupt,</td>
</tr>
<tr>
<td><strong>Oppositional</strong></td>
<td>dishonorable, immoral, indecent, sinful, unethical, wicked, merciless, intolerable, disgraceful, shameful,</td>
</tr>
<tr>
<td>Rhetoric</td>
<td>self serving, self indulgent, greedy, narcissistic, hostile</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>Forthrightness</td>
<td>reliable, compliant, trustworthy, trusted, trusting, dependable, honest, upright, truthful, respectable, respected, loyal, authentic, credible, sincere, candid, forthright, frank, genuine, responsible, accountable, irreplaceable, unimpeachable, inculpable, unpretending, explicit, transparent, straightforward, lucid, understandable</td>
</tr>
<tr>
<td>Supportive Rhetoric</td>
<td>fake, faker, fakers, faking, scam, scams, scammer, scammers, scamming, sham, deceptive, deceiving, conspiring, conspirator, conspirators, dishonest, two faced, deceitful, unforthcoming, unreliable, insincere, untrustworthy, untruthful, duplicitous, mendacious, undependable, sneaky, evasive, dodgy, sly, lying, liars, liar, suspicious, irresponsible</td>
</tr>
<tr>
<td>Jobs Frame</td>
<td>job, jobs, employment, employ, employer, employers, employing, employees, employee, unemployed, unemployment, career, careers, workforce, workers, labor force, hire, hiring, hired, hires</td>
</tr>
<tr>
<td>Products Frame</td>
<td>safe, safer, safest, harmless, healthy, wholesome, nontoxic, useful, usable, usefully, practical, functional, instrumental, user-friendly, handy, valuable, coveted, fascinating, alluring, appealing, enchanting, elegant, attractive, flavorful, tasteful, delicious, appetizing, pleasing, enjoyable, pleasurable, satisfying, creative, innovative, inventive, imaginative, ingenious</td>
</tr>
<tr>
<td>Oppositional Rhetoric</td>
<td>unsafe, toxic, poison, poisonous, dangerous, harmful, harming, hurtful, debilitating, debilitative, unhealthy, deadly, injurious, malfunctioning, useless, worthless, impractical, faulty, detrimental, defective, disgusting, unattractive, inelegant, ugly, unpleasing, unpleasant, hideous, grotesque, unappealing, deformed, tasteless, bland, flavorless, unimaginative, uncreative</td>
</tr>
<tr>
<td>Administration</td>
<td>fast, faster, fastest, speedy, swift, rapid, rapidly, timely, agile, agility, nimble, efficient, productive, constructive, orderly, organized, coordinated, competent, competently, experienced, trained, educated, informed, mindful, mindfully, attentive, attentively, careful, carefully, prepared, qualified, flexible, accommodating</td>
</tr>
<tr>
<td>Oppositional Rhetoric</td>
<td>time-consuming, time consuming, sluggish, slow, slower, slowest, stagnant, inefficient, disorderly, counterproductive, disorganized, unprofessional, incompetent, ignorant, negligent, amateur, amateurish, inexperienced, untrained, uneducated, uninformed, mindless, mindlessly, oblivious, obliviously, inattentive, inattentively, careless, carelessly, unprepared, unqualified, inflexible, unaccommodating</td>
</tr>
<tr>
<td>Cost Frame</td>
<td>afford, affordable, free, inexpensive, cheaper, cheapest, discount, discounted, rock bottom, cut rate, fire sale, markdown, bargain, cost effective, marked down, on sale, cut price, reasonable rate, reasonable rates, reasonable price, reasonably priced, reasonable cost, reasonable fee, reasonable fees, low price, low prices, low-interest, low interest, low rate, low rates, low cost, low fee, low fees</td>
</tr>
</tbody>
</table>
Cost Frame
usury, usurious, high-interest, high interest, expensive, exorbitant, overpriced, steep cost, spendy, pricey,

Oppositional Rhetoric
pricy, unaffordable, rip off, gouging, overcharge, overcharged, overcharging, markup, high cost, high fee,

Rhetoric
high fees, arm and a leg, high price, high prices, highly priced, costly, overpriced, unreasonable fee,
unreasonable fees, unreasonable cost, unreasonable price, unreasonable prices, unreasonably priced,
unreasonable rate, unreasonable rates

1 The taxes frame included basic words related to taxes which were used to identify articles discussing the issue of taxes. These articles were then manually coded for supportive or oppositional rhetoric.

2 The jobs frame included basic words related to jobs which were used to identify articles discussing the issue of jobs. These articles were then manually coded for supportive or oppositional rhetoric.
Chapter 10: Identifying the Prevalence of Arguments: Results
The prevalence of arguments made in each industry is illustrated in Figures 6, 7, and 8. These figures depict the frequency of arguments according to industry supportive and oppositional rhetoric, framing, and logics, respectively. Conventional wisdom would suggest that these results should reveal relatively more supportive rhetoric in the medical marijuana industry and relatively more oppositional rhetoric in the payday loan industry. This is because the payday loan industry is increasingly suffering from negative evaluations while the medical marijuana industry is increasingly seen as acceptable (viz, see chapter 4). Regarding framing, I would expect to find the topic of products to be more prevalent in the medical marijuana industry. This is due to the basic assertion that medical marijuana is different from regular medical marijuana because of the health implications of the product. I would also expect to find the topic of cost to be more prevalent in the payday loan industry. This is due to conventional beliefs that payday loans are contentious mainly because of the high price of the product. Finally, I expected to find a general preference for the logic of the state. This is due to both industries being in the midst of legal change.

Regarding rhetoric, I found evidence that arguments were generally made using industry supportive rhetoric when the topic of conversation was regulation (see Figure 6). This finding appeared constant across both industry contexts. In addition to regulation, industry supportive rhetoric generally existed across both contexts when the topic of conversation was taxes, jobs, forthrightness, and administration. Industry opposing rhetoric appeared more often in the medical marijuana industry when the topic of conversation was enforcement or products. In the payday loan industry, opposing rhetoric appeared more often when the topic of conversation was character or cost. Overall,
industry supportive rhetoric appeared to be slightly more prevalent in the medical marijuana industry as opposed to the payday loan industry. Specifically, there was roughly one industry supportive term for each 1,500 words in the payday loan industry while there was roughly one industry supportive term for each 665 words in the medical marijuana industry. These results are consistent with conventional expectations. In addition, these results indicate that differences in the frequency of industry supportive rhetoric are dependent on (1) the topic of debate and (2) the industry context.

Figure 7 illustrates the prevalence of frames in each industry context. As this chart indicates, the framing of regulation was prevalent in both industries and enforcement was prevalent particularly in the medical marijuana industry. Enforcement, taxes, and products appear relatively less prevalent in the payday loan industry as compared to the medical marijuana industry. Instead, the framing of costs, jobs, and forthrightness appear relatively more often in the payday loan industry as compared to the medical marijuana industry. I expected that products would be more prevalent in the medical marijuana industry. The top two areas of debate were clearly industry enforcement and regulation. However, as compared to other framing categories within the medical marijuana industry, products appeared relatively often. This finding supports conventional wisdom that the health implications of marijuana are a focal area of debate the medical marijuana industry. Next, I expected that cost would be more prevalent in the payday loan industry. Results indicated that cost was the second most referenced topic of debate in the payday loan industry, confirming my expectation that relative the price of payday loans is a notable area of contention within the industry.
Figure 8 illustrates the prevalence of logics in each industry context. As this chart illustrates, the logic of the state appears most prevalent. Particularly in the medical marijuana industry, the logic of the state is much more likely to guide evaluations of industry activities. In line with my expectations, this finding supports conventional wisdom that government-industry relations are pivotal considerations when industry activities are politically and socially contested. This finding suggests that social actors are more concerned about the means by which government will regulate the industry, how those regulations will be enforced, and how government efforts will be paid for than issues related to the industry’s impact on the local community and the transactions that unfold between industry participants.
Figure 6

Prevalence of Industry Rhetoric (Oppositional Below 0 and Supportive Above 0)
Figure 7

Prevalence of Frames (Total Standardized Industry Supportive and Oppositional Rhetoric)
Figure 8

Prevalence of Logics (Total Prevalence of Frames)

- The State
- The Community
- The Market
Chapter 11: Identifying Configurations of Arguments: Method
Results from chapters 7 through 10 provided important information related to the prevalence of arguments in media representations. However, we still lack knowledge as to what configurations of arguments are most important to generate a change in legality, and what aspects of rhetoric, framing, and logics underpin arguments in these configurations. To address these issues, I studied configurations of arguments that provided political decision makers with the most compelling symbolic resources to broadcast support or opposition towards the industry. Specifically, I used the results from the procedures applied in chapters 8 through 10 (i.e., counts of the number of times arguments appeared in media representations) to examine specific configurations of arguments that were sufficient to change legal arrangements in each industry using fuzzy set Qualitative Comparative Analysis (fsQCA). This step enabled a detailed assessment of the relative importance of rhetoric, framing, and logics to generate legal change.

Arguments reduced to a single word or short phrase measured through CATA provide a useful count of industry supportive and oppositional arguments (Chock, 1991). These arguments are the most prevalent, though not necessarily the most effective, at providing political decision makers with symbolic resources to justify a perspective of industry activity. That is, the most effective arguments might (or might not) include the most prevalent arguments. As indicated by the many arguments identified in each industry context, there is a tremendous amount of equifinality and causal ambiguity with regard to the ways in which arguments can be combined to influence political decision making. Arguments portrayed in media representations provide only one of many possible configurations that have the capacity to influence political decision making. There are many paths to successfully justify a perspective of the industry and each of
these paths provides a unique array of symbolic resources to political decision makers. To uncover the most effective arguments to change (or inhibit a change in) legal arrangements in each industry, I relied on QCA. In this chapter, I describe the basic procedures followed to complete a QCA.

**Qualitative Comparative Analysis (QCA)**

QCA is based on the idea that causal relations are frequently better understood in terms of set-theoretic relations rather than correlations (Fiss, 2007; Ragin, 1987, 2000; 2008). For instance, to explain what configurations of mechanisms lead to the outcome of legality, QCA examines members of the set of “legal” practices and then identifies the combinations of mechanisms associated with the outcome of interest (legality) using Boolean algebra and algorithms that allow logical reduction of numerous, complex causal conditions into a reduced set of configurations that lead to the outcome (Fiss, 2011). These features make set-theoretic methods attractive for organizational researchers, as several recent studies applying QCA and fuzzy sets in organizational settings have demonstrated (e.g., Fiss, 2007, 2009; Grandori & Furnari, 2008; Greckhamer, 2011). The methodological approach used here thus sheds new light on the causal relationship between configurations of arguments and the legality of industry activities.

Within QCA, distinguishing between conditions that indicate membership in a set is highly important. For example, distinguishing between conditions that indicate membership in the set of states that have successfully legalized medical marijuana is important to assess configurations of causal conditions related to that set. Researchers generally characterize membership in a particular set as either “crisp” or “fuzzy”. A crisp set is one that compares conditions when membership is either all or none. For example,
membership in the set of “legal industry activities” is crisp when activities are defined
dichotomously as either legal or illegal. Fuzzy sets, on the other hand, are powerful tools
because they allow researchers to calibrate partial membership in sets using values in the
interval between 0 (nonmembership) and 1 (full membership) without abandoning core
set theoretic principles (Ragin, 2000).

Before raw data can be inputted into QCA, it must be calibrated. The calibration
process links measurement to meaningful variation. For example, thermometer readings
can be calibrated to correspond with body temperature, enabling one to say that water is
“warm” when the temperature exceeds average body temperature (98.6 degrees
Fahrenheit). Before using conditions and outcomes in QCA, researchers calibrate the
conditions and outcome of interest into sets using meaningful variation. The decision to
convert conditions and outcomes into one of these types of set membership scores
depends on what makes the most sense for each condition or outcome (Schneider &
Wagemann, 2010). In general, the researcher can calibrates partial membership in fuzzy
sets with values ranging from non-membership (most often considered “0”) to full
membership (most often considered “1”) using a qualitative threshold (most often
considered “0.5”) where the value of a condition switches from being viewed as more in
the set to being more out of the set, or vice versa, around the threshold (Fiss, 2011).

Once the data are calibrated and a solution is estimated, causal factors such as
industry supportive or oppositional rhetoric are assessed as core or peripheral in QCA
(Fiss, 2011). Core elements are essential to the outcome and peripheral elements are less
important and perhaps even expendable or exchangeable (e.g., Hannan, Burton, & Baron,
1996). Specifically, the idea of “coreness” is based on causal connection to the outcome
of interest. Accordingly, core elements are those causal conditions for which the evidence indicates a strong causal relationship with the outcome of interest and peripheral elements as those for which the evidence for a causal relationship with the outcome is weaker. For example, industry lobbying is likely more closely related to the outcome of industry legality than industry expenditures on research and development. In this example, industry lobbying would be considered a core condition and expenditures on research and development would be considered a peripheral condition.

Coreness is evaluated in QCA on the basis of counterfactual analysis. QCA evaluates configurations of causal conditions using an algorithm distinguishes between parsimonious and intermediate solutions on the basis of “easy” and “difficult” counterfactuals (Ragin, 2008). Core conditions are those that are part of both parsimonious and intermediate solutions, and peripheral conditions are those that are eliminated in the parsimonious solution and thus only appear in the intermediate solution (for a detailed description of easy and difficult counterfactuals and how they relate to parsimonious and intermediate solutions in QCA, see Ragin, 2008 and Fiss, 2011). Accordingly, this approach defines causal coreness in terms of the strength of the evidence relative to the outcome, not connectedness to other configurational elements.

Solutions obtained in QCA are assessed based on two related measures: coverage and consistency. Coverage scores indicate the percentage of cases that take a given path to the outcome, allowing the researcher to evaluate the importance of different causal paths. Consistency questions the assumption that all parts of the configuration are equally necessary or important. It refers to the degree to which cases correspond to the set-theoretic relationships expressed in a solution. A simple way to estimate consistency...
when using fuzzy sets is as the proportion of cases consistent with the outcome—that is, the number of cases that exhibit a given configuration of attributes as well as the outcome divided by the number of cases that exhibit the same configuration of attributes but do not exhibit the outcome (Fiss, 2011).

The notion of equifinality underlies analyses completed using QCA. A model of causal core and periphery emphasizes the idea that several causal paths to an outcome exist—that is, equifinal configurations exist (e.g., Doty, Glick, & Huber, 1993; Gresov & Drazin, 1997; Payne, 2006). There are two kinds of equifinality as described by Fiss (2011). First-order equifinality refers to different core characteristics within solutions. Second-order equifinality refers to different core characteristics between solutions. Distinguishing between these two forms of equifinality portrays a more accurate picture of change over time. Specifically, although different permutations may be equifinal regarding an outcome, they are not equifinal regarding future states of development (Stadler, Stadler, Wagner, & Fontana, 2001).

Using fuzzy set Qualitative Comparative Analysis (fsQCA), I examined configurations of arguments for their impact on political decision making. As part of this analysis, I examined the coverage and consistency of estimates derived from different causal configurations (termed “causal recipes” in QCA). In addition, I examined the existence of both first-and-second order equifinality. The specific procedures I adopted to identify the most effective arguments in each industry context are described in chapter 12.
Chapter 12: Identifying Configurations of Arguments: Analytical Procedure
I applied fsQCA to gain a detailed understanding of the configurations of arguments that were sufficient to enable or inhibit a change in legal arrangements. fsQCA enables focused examination of factors that lead to an outcome when it is assumed that multiple “causal recipes” exist. In other words, fsQCA is a powerful tool used to evaluate causal conditions when it is assumed that the outcome is a function of the configuration of causal factors rather than the mere presence or absence of a single causal condition. Because arguments made in media representations are complex and equifinal (i.e., not all configurations of arguments are equally convincing to political decision makers), fsQCA is the most appropriate tool to evaluate multiple combinations of arguments that are equally capable of influencing political decision making.

To accomplish this, I first standardized the raw data derived from CATA by dividing the total number of times a dictionary term was found across media representation in a given state by the total number of words across all articles in that state. I then divided this number by the number of words in each construct. This process was completed for all 18 constructs (i.e., nine measuring industry supportive rhetoric and nine measuring industry opposing rhetoric) resulting in a standard count of the number of times a dictionary term was found in a given state that could be compared across states and other constructs.

Next, I reduced the number of causal conditions by combining industry supportive and oppositional rhetoric. Analyses performed in fsQCA are untenable beyond a relatively low number of causal conditions. This is because fsQCA estimates all possible configurations between the causal conditions in the process of analyzing set theoretic

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9 This step was completed after counts of constructs in each “not” dictionary had been removed
relationships. Therefore, if the number of conditions included in the analysis equals “k”, then the number of logical combinations of conditions in the analysis equals “$2^k$”. To manage the complexity derived from multiple causal conditions, the recommended procedure is to prioritize and then limit the number of conditions included in the analysis (Marx, 2010). I combined counts of industry supportive rhetoric and industry opposing rhetoric by subtracting industry oppositional rhetoric from industry supportive rhetoric. This produced a single value for each frame that captured the extent to which the topic was debated using industry supportive rhetoric. For example, I subtracted industry opposing rhetoric referring to products and services from industry supportive rhetoric referring to products and services to arrive at a single value of the extent to which that state debated products and services using industry supportive rhetoric.

Not surprisingly, the resulting standardized and combined values were low (i.e., below .1). To enable these values to be inputted into fsQCA, they must be between 0 (indicating nonmembership) and 1 (indicating full membership). To accomplish this, I calibrated counts of constructs using an algorithm developed by Ragin (2008). This algorithm calibrates numbers in any range into values between 0 and 1 according to the relative distance between the pre-calibrated numbers. Specifically, this function implements the direct method of transforming an interval-ratio variable into a fuzzy set, as described in Ragin (2008). I used the mean of pre-calibrated counts to distinguish membership in the set from nonmembership in the set. Therefore, frames in states that were debated using more than the average supportive rhetoric were considered members of the set of supportive rhetoric and frames in states that were debated using less than the
average supportive rhetoric were considered nonmembers of the set of supportive rhetoric. The resulting values ranged from “0” to “1” with a crossover point of “.5”.

To define membership in the set of legal cases as the dependent variable, I relied on public and legislative voting records and calculated the percent of affirmative votes. Using this procedure, three states in the medical marijuana industry and two states in the payday loan industry were found to have killed the initiative to legalize (in the case of medical marijuana) or make illegal (in the case of payday loans) the industry’s activities in a subcommittee. In each of these cases, the legislative session adjourned without committee action thereby effectively killing the initiative without vote. For these states, I used the value of “0” to illustrate nonmembership in the set of legal cases. The same calibration procedure was then applied to establish membership in the set of legal cases. To constitute membership in the set of legal cases, I applied a hard threshold of greater than .5 indicating an affirmative majority vote. The resulting values ranged from “0” to “1” with a crossover point of “.5”. To examine configurations that lead to the outcome of “failed to make legal” or “failed to make illegal”, I subtracted these values from “1”, which resulted in a measure in which membership was characterized by states that had failed to change legal arrangements. The resulting values in this measure also ranged from “0” to “1” with a crossover point of “.5”.

I used a refined measure of consistency introduced by Ragin (2006) that gives small penalties for minor inconsistencies and large penalties for major inconsistencies. I set the lowest acceptable consistency for solutions at greater than or equal to .80, which is above the minimum recommended threshold of 0.75 (e.g., Ragin, 2006, 2008). By

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10It was possible that membership could include states with more industry oppositional rhetoric than industry supportive rhetoric in absolute terms. However, the important distinction was that membership implied relatively more industry supportive rhetoric compared to other states.
increasing the lowest acceptable consistency, I ensured that the solutions obtained would be indicative of the factors that change legal arrangements.
Chapter 13: Identifying Configurations of Arguments: Results
As previously discussed, it is possible that the frequency at which arguments appear in media representations is an inaccurate representation of the importance of those arguments to influence political decision making. For instance, industry supportive arguments related to the topics of forthrightness and cost might not be very prevalent in the context of medical marijuana but they might be highly impactful if they were to provide political decision makers with powerful symbolic resources to broadcast support for the industry. As previously discussed, I examined the impact of configurations of arguments on political decision making using fsQCS. In the following sections, I describe the results of this analysis according to each industry context.

**Medical Marijuana Industry**

Figure 9 illustrates the results of my examination of the associations between configurations of arguments and legal arrangements in the medical marijuana industry. The illustration in Figures 3 was developed following guidelines provided by Ragin (2008). Specifically, circles with “X” in them represent industry opposing rhetoric and circles that are completely filled in represent industry supportive rhetoric. Furthermore, large circles indicate core conditions and small circles refer to peripheral conditions. Blank spaces in a solution indicate a “don’t care” situation in which the causal condition may be either present or absent. Solutions are grouped by their core conditions.
Figure 9

Effective Configurations of Rhetoric, Framing, and Logics (Medical Marijuana)\(^a\)

<table>
<thead>
<tr>
<th>Configuration</th>
<th>Made Legal</th>
<th>Failed to Make Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2a</td>
</tr>
<tr>
<td><strong>State Logic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcement Frame</td>
<td>×</td>
<td></td>
</tr>
<tr>
<td>Regulation Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Logic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Character Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forthrightness Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jobs Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market Logic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consistency</td>
<td>0.85</td>
<td>0.92</td>
</tr>
<tr>
<td>Raw coverage</td>
<td>0.24</td>
<td>0.40</td>
</tr>
<tr>
<td>Unique coverage</td>
<td>0.08</td>
<td>0.02</td>
</tr>
<tr>
<td>Overall solution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>consistency</td>
<td>0.84</td>
<td></td>
</tr>
<tr>
<td>Overall solution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>coverage</td>
<td>0.71</td>
<td></td>
</tr>
</tbody>
</table>

\(^a\)Black circles indicate the presence of industry supportive rhetoric and circles with “X” indicate the presence of industry opposing rhetoric. Large circles indicate core conditions and small circles indicate peripheral conditions. Blank spaces indicate “don’t care”
The solution table shows that the fuzzy set analysis results in four solutions exhibiting acceptable consistency (e.g., greater than .80) for the model of successful attempts to change industry legality and five solutions exhibiting acceptable consistency for the model of unsuccessful attempts to change industry legality. The solution table furthermore indicates the presence of both core and peripheral conditions across models. The presence of several overall solutions points to a situation of first-order, or across-type, equifinality of solutions, and the neutral permutations within solutions 2 (2a and 2b) in the “made legal” model and 4 (4a and 4b) in the “failed to make legal” model point to the existence of second-order, or within-type, equifinality. In terms of overall coverage, the models account for 71 percent of membership in the outcome of successfully legalized states and 73 percent of membership in the outcome of unsuccessfully legalized states. This indicates that solutions obtained within each of these models “overlapped” greatly with the outcomes of “made legal” and “failed to make legal”, respectively. Although these values are substantive, they also indicate some element of randomness or idiosyncrasy within configurations that lead to each outcome. Finally, the models in Table 2 indicate no instances of the presence or absence of a condition across solutions leading to either outcome (i.e., no consistent “blank spaces” or circles across both models). Therefore, there were no possible necessary conditions that are shared across all solutions of either outcome.

Regarding core conditions in the model illustrating successful attempts at legalization, solution 1 points to the existence of industry supportive rhetoric related to forthrightness and jobs as well as the existence of industry opposing rhetoric related to enforcement. This solution is counterintuitive in that it is the only solution found in either
model that consists of rhetoric that should work against the outcome. However, post hoc analyses revealed that some arguments related to industry enforcement in favor of legality included elements that would normally be considered industry opposing rhetoric. Specifically, the argument “prisons are overcrowded with people that haven't really committed a violent crime but instead have been convicted for smoking marijuana” includes the terms “prisons” and “crime” which would normally be associated with industry opposing rhetoric (as seen in the model illustrating unsuccessful attempts to legalize marijuana).

Solutions 2a and 2b point to arguments that directly support the character and forthrightness of organizations in each industry as being core conditions sufficient to produce a change in legal arrangements. These solutions also suggest the importance of the community logic as a guiding criterion by which to argue for industry legality. Substantively, solutions 2a and 2b suggest the importance of industry participants being portrayed as trustworthy healthcare providers who have the best interests of the community at heart. Solution 3 implies that arguments in support of enforcement and regulation of industry activities are core conditions sufficient to produce a change in legal arrangements. This solution also suggests the importance of the state logic as a guiding criterion by which to argue for industry legality. The implication of solution 3 is that industry activities are more likely to be legalized when deviance is discussed in the context of civil offenses rather than criminal offenses and potential government regulations are discussed in the context of industry facilitation rather than inhibition.

Regarding core conditions in the model illustrating unsuccessful attempts at legalization, solutions 4a and 4b point to the existence of industry opposing rhetoric
related to regulation and taxes as important to inhibit a change in legal arrangements. These solutions also suggest the importance of the state logic as a guiding criterion by which to argue against industry legality. Substantively, these solutions suggest that arguments geared towards potential industry taxes being insufficient to cover the cost of industry regulation are sufficient to inhibit a change in legal arrangements.

Solution 5 suggests the existence of industry opposing rhetoric related to enforcement and forthrightness is sufficient to inhibit industry legality. In terms of arguments, this solution implies that using rhetoric related to increased criminal activity and the untrustworthy nature of participants in the medical marijuana industry is sufficient to inhibit industry legality. Solution 6 points to the existence of industry opposing rhetoric related to enforcement, regulation, taxes, forthrightness, and jobs as sufficient to inhibit industry legality. Solutions 6 is therefore a catchall solution that suggests opposing rhetoric along all core dimensions in the “failed to make legal” model combine to symbolize the industry in a unique way that will inhibit industry legality. In other words, the unique coverage value of .09 found in solution 6 implies that arguments are qualitatively different when fewer than all five of these frames are applied using industry opposing rhetoric. Finally, solution 7 implies that industry opposing rhetoric related to enforcement and jobs is sufficient to inhibit a change in legal arrangements. Specifically, the potential for increased criminal activity and the inability of the industry to provide needed jobs to the community are sufficient arguments to inhibit industry legality.

Interestingly, no core conditions within the market logic were found across models, suggesting that issues related to products, administration, and cost were less
important to political decision makers. In other words, political decision makers cared less about the actual medical implications of marijuana, the efficiency of the market that would develop to provide medical marijuana, or the cost of products that would be sold to consumers once the industry was established, when drawing opinions about the legal status of the industry. In addition, industry opposing rhetoric related to taxes (e.g., that industry tax revenues would be insufficient to cover the cost of monitoring industry activity) was instrumental to inhibiting medical marijuana from becoming legal but industry supportive rhetoric related to taxes (e.g., that the industry would produce needed tax revenues) was relatively unimportant in producing a change in legal arrangements. Across these findings, illustrative arguments associated with each model in the medical marijuana industry are depicted in Table 10.
Table 10
Sufficient Configurations of Arguments in the Medical Marijuana Industry

<table>
<thead>
<tr>
<th>Core Conditions To Make Industry Activities Legal</th>
<th>Illustrative Arguments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs, Forthrightness, and Enforcement Framing</td>
<td>Legalization would produce jobs. In states that have legalized marijuana formerly empty or abandoned buildings are full of industry participants. Government officials from states where medical marijuana is legal say complaints about the industry are rare. Prisons are overcrowded with people that haven't really committed a violent crime but instead have been convicted for smoking marijuana.</td>
</tr>
<tr>
<td>Character and Forthrightness Framing</td>
<td>Legalization in the name of compassion. It is morally reprehensible to deny use of the drug to patients. Government officials from states where medical marijuana is legal say complaints about the industry are rare.</td>
</tr>
<tr>
<td>Enforcement and Regulation Framing</td>
<td>Civil offenses for marijuana possession are overwhelmingly levied on youths, making it more difficult for them to get jobs and advance in life with a record. Medical marijuana is an issue of patients' rights. Legalization is a means to achieve healthcare freedom. It is an issue of prohibition. If legalized, our regulations will be stiffer, tighter, more restrictive, and tougher than the regulations in other states.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Conditions To Keep Industry Activities Illegal</th>
<th>Illustrative Arguments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation and Taxes Framing</td>
<td>States that have legalized marijuana have been ill prepared to manage the proliferation of new businesses. Licensing and oversight of the industry have been so bad that distributors and retailers face few penalties for lack of compliance. For every dollar in tax revenue generated from legalizing medical marijuana society will incur and equal if not greater cost in medical care costs needed to treat those with addiction or other marijuana-related illnesses.</td>
</tr>
<tr>
<td>Enforcement and Forthrightness Framing</td>
<td>In states where medical marijuana has been legalized authorities have seen an increase in crime, including violence and money laundering. Law enforcement is against legalization because traffic risks and other criminal activities will rise. This is a rogue enterprise that has shown little interest in complying with the laws of government in the past. Wealthy marijuana advocates are bankrolling efforts to lobby legislators behind closed doors and out of public sight.</td>
</tr>
</tbody>
</table>
Legalization would lead to greater drug trafficking and arrests of individuals and distributors traveling between states. Prisons would still be overcrowded even if all inmates incarcerated for marijuana related offenses were to be let go. People don’t go to prison over possession of small quantities of marijuana. Legalization will reduce jobs because more legitimate businesses will pull out of the community. If legalized, more people will lose their jobs because more people will be high at work.

1Enforcement frame: Oppositional rhetoric in favor of industry legality.
Payday Loan Industry

Figure 10 illustrates the results of my examination of the associations between configurations of arguments and industry legality. The illustration in Figure 10 was developed following the same guidelines provided by Ragin (2008) as depicted in Figure 9.
Figure 10

Effective Configurations of Rhetoric, Framing, and Logics (Payday Loans)\textsuperscript{a}

<table>
<thead>
<tr>
<th>Configuration</th>
<th>Failed to Make Illegal</th>
<th>Made Illegal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1a</td>
<td>1b</td>
</tr>
<tr>
<td>\textit{State Logic}</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcement Frame</td>
<td></td>
<td>\bullet</td>
</tr>
<tr>
<td>Regulation Frame</td>
<td></td>
<td>\bullet</td>
</tr>
<tr>
<td>Taxes Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>\textit{Community Logic}</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Character Frame</td>
<td></td>
<td>\bullet</td>
</tr>
<tr>
<td>Forthrightness Frame</td>
<td></td>
<td>\bullet</td>
</tr>
<tr>
<td>Jobs Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>\textit{Market Logic}</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Frame</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consistency</td>
<td>0.86</td>
<td>0.93</td>
</tr>
<tr>
<td>Raw coverage</td>
<td>0.48</td>
<td>0.34</td>
</tr>
<tr>
<td>Unique coverage</td>
<td>0.22</td>
<td>0.18</td>
</tr>
<tr>
<td>Overall solution consistency</td>
<td>0.86</td>
<td></td>
</tr>
<tr>
<td>Overall solution coverage</td>
<td>0.63</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{a}Black circles indicate the presence of industry supportive rhetoric and circles with “X” indicate the presence of industry opposing rhetoric. Large circles indicate core conditions and small circles indicate peripheral conditions. Blank spaces indicate “don’t care.”
The table shows four solutions exhibiting acceptable consistency (e.g., greater than .80) for the model of failed attempts to change industry legality and six solutions exhibiting acceptable consistency for the model of successful attempts to change industry legality. The solution table furthermore indicates the presence of both core and peripheral conditions across models. Similar to the medical marijuana industry, the presence of several overall solutions points to a situation of first-order, or across-type, equifinality of solutions, and the neutral permutations within solutions 1 (1a and 1b) in the “failed to make illegal” model and 5 (5a and 5b) in the “made illegal” model point to the existence of second-order, or within-type, equifinality. In terms of overall coverage, the models account for 63 percent of membership in the outcome of failed to make illegal and 74 percent of membership in the outcome of successfully made illegal. This indicates that solutions obtained within each of these models “overlapped” greatly with the outcomes of “made illegal” and “failed to make illegal” respectively. Again, these values indicate some element of randomness within configurations that lead to each outcome. Finally, the models in Table 3 indicate no instances of the presence or absence of a condition across solutions leading to either outcome (i.e., no consistent “blank spaces” or circles across both models). Therefore, there were no possible necessary conditions that are shared across all solutions of either outcome.

Regarding core conditions in the model depicting unsuccessful attempts at making payday loans illegal, solutions 1a and 1b point to the existence of industry supportive rhetoric related to forthrightness and cost as important factors. These solutions carried a tremendous amount of unique coverage (.22 and .18), suggesting that they are highly related to the outcome. Specifically, arguments related to the trustworthiness of industry
participants as well as the relatively low cost of payday loans as compared to other financial products such as ATM fees and overdraft fees were sufficient to inhibit industry activities from becoming illegal. Solution 2 points to the importance of industry supportive rhetoric related to enforcement and administration. In other words, arguments made in favor of the efficiency of the payday loan transaction as well as the already stringent standards of enforcement faced by payday lenders were sufficient to inhibit a change in legal arrangements.

Solution 3 suggests that arguments in support of administration and cost are core conditions sufficient to inhibit a change in legal arrangements. This solution also suggests the importance of the market logic as a guiding criterion by which to inhibit industry illegality. The implication of solution 3 is that industry activities are less likely to be made illegal when the industry is discussed in the context of offering swift and efficient financing at a relatively low cost to borrowers. Regarding core conditions in the model illustrating successful attempts at illegalization, solution 4 points to the existence of industry opposing rhetoric related to administration as being important to enable a change in legal arrangements. This solution also suggests the importance of the market logic as a guiding criterion by which to argue against industry legality. In addition, it was the only one to include a single core condition. Substantively, this solution suggests that arguments depicting the payday loan industry as inefficient, careless, and disorderly are sufficient to change legal arrangements. Solutions 5a and 5b suggest the existence of industry opposing rhetoric related to jobs and products are sufficient to enable industry illegality. In terms of arguments, this solution implies that using rhetoric related to the
undesirability of jobs created by the payday loan industry and the worthless and detrimental nature of payday loans is sufficient to change legal arrangements.

Solution 6 points to the existence of industry opposing rhetoric related to character, jobs, products, and cost as sufficient to enable industry illegality. Solutions 6 is therefore a catchall solution that suggests opposing rhetoric along all core dimensions in this model (accept for administration) combine to influence political decision making in a unique way. In other words, the unique coverage value of .05 found in solution 6 implies that arguments are qualitatively different when configurations of these four frames are applied using industry opposing rhetoric. Finally, solutions 7a and 7b suggest that industry opposing rhetoric related to character and cost is sufficient to inhibit a change in legal arrangements. Specifically, these solutions imply that depicting industry participants as loan sharks peddling products that were too expensive for consumers was sufficient to enable industry illegality.

Across both models, only one core condition within the state logic was found, suggesting that issues related to enforcement, regulation, and taxes were less important to political decision makers. This finding is not overly surprising given that activities in the payday loan industry are already legal. Therefore, discussions related to the enforcement and regulation of the industry as well as the taxes generated by the industry might be less important compared to more visible issues related to industry character, forthrightness, jobs, products, administration, and cost. In addition, industry opposing rhetoric related to character, products, and jobs were instrumental to making payday loans illegal but industry supportive rhetoric related to character, products, and jobs were relatively unimportant to inhibit a change in legal arrangements. By contrast, industry supportive
rhetoric related to forthrightness was instrumental in keeping payday loans legal but industry opposing rhetoric related to forthrightness was relatively unimportant to produce a change in legal arrangements. Across these findings, illustrative arguments associated with each model in the payday loan industry are depicted in Table 11.
Table 11

Sufficient Configurations of Arguments in the Payday Loan Industry

<table>
<thead>
<tr>
<th>Core Conditions To Make Industry Activities Illegal</th>
<th>Illustrative Arguments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Framing</td>
<td>The industry is overall very inflexible. If the borrower's circumstances worsen there are few (if any) options for them to restructure the loan. There's no credit check completed on borrowers. It's too easy to get funds, inhibiting borrowers from doing their due diligence on other financial options.</td>
</tr>
<tr>
<td>Character and Cost Framing</td>
<td>Payday lenders are like strip clubs, tattoo parlors, or other red-light-district businesses which don't serve the best interest of the community. The industry's collections practices attempt to strong arm and intimidate defaulted borrowers into repayment. It is usurious because it is too expensive. It leads to bankruptcy. The industry's financial products are tantamount to economic servitude. Studies show that consumers are caught in a revolving cycle of debt from which they cannot escape. It is a long-term nightmare.</td>
</tr>
<tr>
<td>Jobs and Products Framing</td>
<td>The industry stifles local job growth. Payday lenders inhibit cities from attracting more legitimate business investment for economic development. Payday loans are addictive. Funds borrowed often don't go to emergency medical bills or other immediate expenses but instead find their way to casinos because they are taken out by people addicted to gambling.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Conditions To Keep Industry Activities Legal</th>
<th>Illustrative Arguments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forthrightness and Cost Framing</td>
<td>Organizations in the industry are honest and disclose to borrowers parameters of the loan. Organizations in the payday loan industry are transparent. Payday loans are cheaper than other options such as credit card advances and overdraft fees.</td>
</tr>
<tr>
<td>Enforcement and Administration Framing</td>
<td>Payday lenders already face some of the stiffest penalties of all regulated financial institutions. The payday loan transaction is fast and efficient. Most borrowers pay their loans off on time (avoiding rollover charges) and are repeat customers. Lenders don't want customers to rollover their loans. Lenders want borrowers to pay off their loans as quickly as possible to avoid going into default.</td>
</tr>
<tr>
<td>Administration and</td>
<td>The payday loan transaction is fast and efficient. Most borrowers pay their loans off on time (avoiding rollover charges) and are repeat customers. Lenders don't want customers to rollover their loans. Lenders want borrowers to pay off their loans as quickly as possible to avoid going into default.</td>
</tr>
</tbody>
</table>
rollover charges) and are repeat customers. Lenders don't want customers to rollover their loans. Lenders want borrowers to pay off their loans as quickly as possible to avoid going into default. Payday loans are cheaper than other options such as credit card advances and overdraft fees.
Discussion

A summary of the results obtained from each industry context is presented in Tables 12 and 13. Though these industries reflect differences in manifest attributes such as products and services, they also consist of similar latent attributes that justify a comparison between contexts. Contrasting the results obtained from both industry contexts, the logic of community appeared to be the most important criterion by which to evaluate industry activities. Within the medical marijuana industry, the logic of the state was also important to evaluate industry activities while in the payday loan industry, the logic of the market was also important to evaluate industry activity. Within the common logic of community, the models consisting of solutions that enabled a change in legal arrangements (i.e., “made legal” solutions in medical marijuana and “made illegal” solutions in payday loans) shared the frames of character and jobs. This suggests that debates about industry’s character as well as the industry’s ability to provide jobs are important topics of debate for protagonists seeking a change in legal arrangements. By contrast, the models consisting of solutions that were unable to change legal arrangements (i.e., “failed to make legal” solutions in medical marijuana and “failed to make illegal” solutions in payday loans) shared the frame of forthrightness. This suggests that debates about industry forthrightness are important for antagonists seeking to inhibit a change in legal arrangements. An added finding clearly points to the role of industry supportive rhetoric to make industry activities legal (i.e., medical marijuana) or keep them legal (i.e., payday loans) as well as industry opposing rhetoric to keep industry activities illegal (i.e., medical marijuana) or make them illegal (i.e., payday loans). These findings point to interesting directions for future research which are discussed next.
<table>
<thead>
<tr>
<th>Arguments</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhetoric</td>
<td>Industry supportive rhetoric is generally required to increase industry legality. Industry opposing rhetoric is required to inhibit industry legality.</td>
</tr>
<tr>
<td>Framing</td>
<td>Enforcement, regulation, character, forthrightness, and jobs are required topics of debate to increase industry legality. Enforcement, regulation, taxes, forthrightness, and jobs are required topics of debate to inhibit industry legality.</td>
</tr>
<tr>
<td>Logics</td>
<td>The state logic and the community logic are required to enable or inhibit a change in legal arrangements.</td>
</tr>
</tbody>
</table>
Table 13  
Configurations of Arguments Results Summary (Payday Loans)

<table>
<thead>
<tr>
<th>Arguments</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhetoric</td>
<td>Industry opposing rhetoric is generally required to decrease industry legality. Industry supportive rhetoric is required to inhibit industry illegality.</td>
</tr>
<tr>
<td>Framing</td>
<td>Character, jobs, products, administration, and cost are required topics of debate to decrease industry legality. Enforcement, forthrightness, administration, and cost are required topics of debate to inhibit industry illegality.</td>
</tr>
<tr>
<td>Logics</td>
<td>The community logic and the market logic are generally required to decrease industry legality. The community logic and the market logic are required to inhibit industry illegality.</td>
</tr>
</tbody>
</table>
Chapter 14: Propositions

“Don't raise your voice, improve your argument”

– Desmond Tutu

“We can complain because rose bushes have thorns, or rejoice because thorn bushes have roses”

– Abraham Lincoln

“No problem can be solved from the same level of consciousness that created it”

– Albert Einstein
In this chapter, I synthesize insights from throughout this dissertation to examine the influence of arguments on industry legality. My goal was to develop a set of propositions that synthesized findings from this dissertation to explain how arguments influence political decision making through patterns of rhetoric, framing, and logics. In considering the implications of this study, I combined insights related to the role of arguments to influence political decision making from each industry. To clarify the objectives behind a given argument or configuration of arguments in the following discussion, I often contextualize their purpose according to protagonist or antagonist intensions. Therefore, the following propositions speak directly to the factors that assist protagonists and antagonists in manipulating the social and political status of industries.

**Coding for Arguments**

Using media representations to examine common debates in the medical marijuana and payday loan industries, I found evidence that all arguments include aspects of rhetoric, framing, and logic. This finding is significant because it redirects attention away from prior characterizations of rhetoric, framing, and logic as distinct elements influencing institutional change. Instead, rhetoric, framing, and logic are complimentary factors that mutually constitute arguments. Specifically, I found evidence of rhetoric according to underlying dialectical differences in language that signaled a perspective of support or opposition towards the industry. I also found evidence of nine frames commonly used to categorize dialectical differences into conventional topics of conversation: enforcement, regulation, taxes, jobs, character, forthrightness, products, administration, and cost. Finally, I found evidence of three overarching logics used to build a perspective of industry activity: the state, the community, and the market. Taken
together, these findings suggest strong support for the view that arguments are a function of rhetoric, framing, and logics.

**Prevalence of Arguments**

Using this induced list of arguments, I found evidence that industry supportive rhetoric was generally more prevalent in both the medical marijuana and payday loan industries. In addition, supportive rhetoric was found to be especially prevalent in the medical marijuana industry relative to the payday loan industry (see Figure 6). Specifically, there was roughly one industry supportive term for each 1,500 words in the payday loan industry while there was roughly one industry supportive term for each 665 words in the medical marijuana industry. This finding suggests that perceptions of industry legitimacy, as voiced through industry supportive rhetoric, are higher for medical marijuana relative to payday loans. This finding bolsters my confidence that the medical marijuana industry is traveling from the informal economy (legitimate but illegal) to the formal economy (legitimate and legal) while the payday loan industry is shifting from the shadow economy (illegitimate but legal) to the renegade economy (illegitimate and illegal).

I also examined the role of rhetoric in facilitating the expression of protagonist and antagonist interests. Looking at instances of supportive and oppositional rhetoric across industry contexts in Figure 6, I found evidence of supportive rhetoric in the medical marijuana industry when the topic of conversation was industry regulation, taxes, character, forthrightness, jobs, administration, or cost. The most prevalent of these was regulation. This finding suggests that, when industry activities are considered to be more
legitimate, arguments are most likely to work in the protagonist’s favor when the topic of conversation is regulation.

Additionally, I found evidence of opposing rhetoric in the medical marijuana industry when the topic of conversation was industry enforcement and products. This finding suggests that, when industry activities are considered more legitimate, arguments are most likely to work in the antagonist’s favor when the topic of conversation is industry enforcement or products. Together, these insights shed new light about the ways in which protagonist and antagonist interests are commonly expressed in media representations when industry activities are considered more legitimate.

In the context of less legitimate industries (i.e., the payday loan industry), I found evidence of opposing rhetoric when the topic of conversation was character or cost. This finding suggests that, when industry activities are considered to be less legitimate, arguments are most likely to work in the protagonist’s favor when the topic of conversation is industry character or cost. Additionally, I found evidence of industry supportive rhetoric when the topic of conversation was industry enforcement, regulation, taxes, forthrightness, jobs, administration, or products. The most prevalent of these was regulation. This finding suggests that, when industry activities are considered to be less legitimate, arguments are most likely to work in the antagonist’s favor when the topic of conversation is regulation. Together, these insights shed new light about the ways in which protagonist and antagonist interests are commonly expressed in media representations when industry activities are considered less legitimate (i.e., the payday loan industry).
Next, I examined the role of framing to facilitate debate between protagonists and antagonists in each industry (see Figure 7). I found evidence that arguments were most often framed as either enforcement or regulation in the medical marijuana industry. In addition, I found evidence that arguments were most often framed as either regulation or cost in the payday loan industry. Integrating these findings uncovers information as to the topics of conversation most commonly referenced by protagonists and antagonists to debate industry activity. Specifically, consistent among these findings is the frame of regulation. Across different trajectories of change in industry legality, debates about the social acceptability of industry activities will most likely refer to industry regulation. This finding is not particularly surprising given both of these industries are politically contested. Therefore, it affirms common intuition about the topics of conversation most likely to appear in prevailing discourse about contested industries.

With regard to logics, I found that industry activities were evaluated most often using the logic of the state (see Figure 8). Particularly in the case of medical marijuana, industry activities were more than twice as likely to be evaluated using the logic of the state than the logic of the community or the logic of the market. Yet even in the payday loan industry, the logic of the state was used most often to evaluate industry activities. These findings point to the importance of government enforcement, regulation, and taxes when evaluating the social and political status of industry activities. Once again, this finding is not particularly surprising given both of these industries are politically contested. Therefore, it affirms prevailing wisdom about the logics used to evaluate contested industries.

**Configurations of Arguments**
Using the results from fsQCA, I derived patterns of rhetoric, framing, and logics that were sufficient to enable or inhibit a change in legal arrangements. To accomplish this, I examined patterns of rhetoric, framing, and logics depicted in Figures 9 and 10. Where possible, findings from this analysis were then juxtaposed against results indicating the prevalence of rhetoric, framing, and logics to see if any counterintuitive insights could be gleaned about the underlying factors of arguments that are needed to influence political decision making.

**Rhetoric.** With regard to rhetoric, I found clear evidence that making industry activities legal (i.e., medical marijuana) or inhibiting them from becoming illegal (i.e., payday loans) requires the use of industry supporting rhetoric. I also found clear evidence that keeping industry activities illegal (i.e., medical marijuana) or making them illegal (i.e., payday loans) requires the use of industry opposing rhetoric. These findings suggest that shifting industry legality is based on persuasive language such that supportive rhetoric is needed to increase or maintain legality and opposing rhetoric is needed to decrease or inhibit legality. At first blush, these findings appear somewhat trivial. However, upon further examination they strongly suggest the importance of rhetoric to influence political decision making such that “losing the rhetorical battle” is tantamount to “losing the war on legality”.

The practical implication of these findings is that social actors favoring industry illegality will face greater challenges to convey arguments using industry opposing rhetoric. The finding that industry supportive rhetoric is needed to make industry activities legal or keep them from becoming illegal is consistent with earlier results indicating most rhetoric across industry contexts is supportive. However, the finding that
industry opposing rhetoric is needed to keep industry activities from becoming legal or to make them illegal suggests that social actors looking to keep industry activities illegal or make them illegal will face greater challenges to shift prevailing discourse through arguments that are industry opposing.

**Framing.** To examine the influence of framing on political decision making, I compared frames that were core conditions across solutions within each industry context. My objective was to identify core frames that were unique to only one model (e.g., in either “made legal” or “failed to make legal”). Because these core frames exist in only one model, they illustrate topics of conversation that are less risky to engage in. For example, if a frame is considered core in both legal conditions and a protagonist seeking to increase industry legality loses an argument with an antagonist seeking to inhibit industry legality (e.g., because of his or her inadequate use of rhetoric), the protagonist will have surrendered a core condition that can be used by the antagonist in conjunction with other frames and rhetoric to inhibit industry legality. By arguing within a frame that is not considered core to the antagonist, the protagonist does not risk such a blowback should the argument be lost.

In the medical marijuana industry, the core frame included in the “made legal” model but not the “failed to make legal” model was character. Therefore, protagonists will likely have a greater chance of making industry activities legal when they focus on the topic of industry character in conjunction with other frames. On the other hand, the core frame included in the “failed to make legal” model but not the “made legal” model was taxes. Therefore, antagonists will have a greater likelihood of inhibiting industry legality when they focus on the topic of industry taxes in conjunction with other frames.
Together, industry character is the least risky, and thereby most effective, topic of conversation to engage in for protagonists seeking to increase legality and industry taxes is the least risky, and thereby most effective, topic of conversation to engage in for antagonists seeking to inhibit legality.

**Proposition 1:** Protagonists will have a greater likelihood of increasing industry *legality* when they frame the conversation as a matter of industry *character*.

**Proposition 2:** Antagonists will have a greater likelihood of inhibiting industry *legality* when they frame the conversation as a matter of industry *taxes*.

In the payday loan industry, the core frame included in the “made illegal” model but not the “failed to make illegal” model was forthrightness. Therefore, protagonists will likely have a greater chance of making industry activities illegal when they focus on the topic of industry forthrightness in conjunction with other frames. On the other hand, the two core frames included in the “failed to make illegal” but not the “made illegal” model were character and jobs. Therefore, antagonists will have a greater likelihood of inhibiting industry illegality when they focus on the topics of industry character and jobs in conjunction with other frames. Together, industry forthrightness is the least risky, and thereby most effective, topic of conversation to engage in for protagonists seeking to decrease legality and industry character and jobs are the least risky, and thereby most effective, topics of conversation to engage in for antagonists seeking to inhibit illegality.

**Proposition 3:** Protagonists will have a greater likelihood of decreasing industry *legality* when they frame the conversation as a matter of industry *forthrightness*.

**Proposition 4:** Antagonists will have a greater likelihood of inhibiting industry *illegality* when they frame the conversation as a matter of industry *character or jobs*. 
Intriguingly, there were no findings that were consistent with earlier results that regulation was the most prevalent frame of conversation. The practical implication of this finding is that just because a certain frame is popular does not necessarily mean that it is effective. In this case, when industry activities are considered more legitimate social actors will be more successful if they focus on industry character (protagonists) or taxes (antagonists) rather than regulation. In addition, when industry activities are considered less legitimate social actors will be more successful if they focus on industry forthrightness (protagonists), character (antagonists), or jobs (antagonists) rather than regulation.

In addition to these findings, results from Figures 9 and 10 suggest that there are more “causal recipes” or solution paths (i.e., sufficient configurations) to inhibit or decrease legality compared to the number of paths to increase legality or inhibit illegality. Specifically, there were five paths to inhibit legality as compared to four paths to increase legality in the medical marijuana industry and six paths to decrease legality as compared to four paths to inhibit illegality in the payday loan industry. These findings suggest more approaches to configure frames in order to inhibit or decrease legality. In practice, this suggests that protagonists attempting to decrease industry legality and antagonists attempting to inhibit industry legality have a greater number of avenues by which to configure arguments successfully than antagonists attempting to inhibit industry illegality and protagonists attempting to increase industry legality.

Proposition 5: Protagonists attempting to decrease legality and antagonists attempting to inhibit legality will have an advantage in the number of ways to influence political decision making using different configurations of arguments.
I also found evidence that a greater number of frames were considered core or peripheral within solutions to inhibit legality or decrease legality (i.e., a greater number of circles in Figures 2 and 3) compared to solutions to increase legality or inhibit illegality. Specifically, there were an average of 5.2 frames per solution to inhibit industry legality and an average of 4.5 frames per solution to increase industry legality in the medical marijuana industry. In the payday loan industry, there were an average of 5.7 frames per solution to decrease industry legality and an average of 4.7 frames per solution to inhibit industry illegality. Taken together, these findings suggest protagonists attempting to decrease legality and antagonists attempting to inhibit legality will be more successful when they involve a greater number of frames than antagonists attempting to inhibit industry illegality and protagonists attempting to increase industry legality.

**Proposition 6:** Protagonists attempting to decrease legality and antagonists attempting to inhibit legality will have a greater likelihood of success when they draw on multiple frames.

The practical implications of propositions 5 and 6 are that utilizing multiple frames, even if they are not the most effective at influencing political decision making in isolation, can have residual benefits for social actors attempting to decrease or inhibit industry legality. For example, when industries are considered more legitimate, earlier results indicated that enforcement and regulation were the most prevalent topics of conversation. Although enforcement and regulation are not the most effective frames to inhibit industry legality (see proposition 2), they may contribute to inhibiting legality when they are combined with other frames. Therefore, highlighting multiple frames
including industry enforcement and regulation, though not the most effective to use individually, can be a viable approach to inhibit industry legality.

**Logics.** To examine the influence of logics on political decision making, I compared logics that were core conditions across solutions *and* industry contexts. My objective was to identify core logics that were unique to the industry. These logics indicate points of departure in the formulation of arguments that influence political decision making differently depending on the level of legitimacy accorded the industry. Therefore, they illustrate aspects of arguments that can influence political decision making when industry activities are seen as less legitimate (payday loans) or more legitimate (medical marijuana).

In the medical marijuana industry, core logics included the state and the community. By contrast, in the payday loan industry, core logics included the community and the market. This finding implies that arguments derived from the state logic are more useful to influence political decision making when industry activities are seen as more legitimate. In addition, arguments derived from the market logic are more useful to influence political decision making when industry activities are seen as less legitimate. Overall, the most versatile logic from which to compose arguments is the logic of the community. Taken together, these findings suggest important insights related to the formulation of arguments to influence political decision making depending on the legitimacy status of the industry.

*Proposition 7: Arguments derived from the state logic are more useful to influence political decision making when the industry is considered more legitimate by members of society.*
**Proposition 8:** Arguments derived from the *market logic* are *more useful* to influence political decision making when the industry is considered *less legitimate* by members of society.

**Proposition 9:** Arguments derived from the *community logic* are *useful* to influence political decision making *regardless of the legitimacy status* of the industry.

Similar to framing, the practical implication of these findings is that just because a certain logic is popular does not necessarily mean that it is effective. Although the most prevalent logic used to evaluate industry activities is the logic of the state, propositions 7 and 8 suggest that the state logic is only effective when industry activities are considered more legitimate (i.e., medical marijuana). In addition, proposition 9 suggests that the most effective logic to evaluate industry activities regardless of industry legitimacy is the logic of the community. Adopting the most prevalent logic of the state to evaluate industry activities is not effective when industry activities are considered less legitimate (i.e., payday loans). Therefore, logics commonly used to evaluate industry activities are often not the most effective.
Chapter 15: Conclusions
Conventional wisdom suggests that public perceptions of industries seldom change but rather remain fixed (Rumelt, 1991). Additionally, conventional wisdom suggests that public perceptions have a diminutive effect on industry growth and development. However, contrary to conventional wisdom, not only are public perceptions of industry activities constantly in motion, they can have a tremendous impact on industries through their ability to influence political decision making (Webb et al., 2009). Public perceptions therefore have the capacity to stabilize or destabilize industries, with obvious implications for industry growth and development. Despite this known fact, the organization theory literature has provided relatively little information about the factors that influence the legal status of industries. The motivation behind this dissertation was to uncover the mechanisms that influence the sociopolitical status of industries to develop a basis of knowledge about the factors that move industries into or out of the formal economy.

Through a variety of active streams of literature conducted almost exclusively on organizations and industries operating within the formal economy (e.g., institutional entrepreneurship, social movements, and institutional work), the organization theory literature has revealed a number of factors that are potentially important to explain the changing sociopolitical status of industries. For example, the organization theory literature has suggested arguments as conduits by which to influence political decision making. In addition to arguments, the organization theory literature points to rhetoric, framing, and logics as potentially important factors to explain changes in political decision making. Yet we know little about how arguments work with or against legitimacy perceptions to influence the legal status of industries. In addition, the
organization theory literature has treated rhetoric, framing, and logics as distinct concepts, thwarting out ability to explain their combined influence on political decision making.

To remedy this, I first developed a model of the sociopolitical status of industries that included a space for industries operating in the shadow economy (less legitimate but legal). Drawing from the organization theory literature, I then described how rhetoric, framing, and logics work through arguments to influence political decision making. Though prior research has tended to look at each of these mechanisms in isolation, this framework portrays a more holistic picture of the processes that guide changes in the legal status of industries. Specifically, rhetoric is used to assert a perspective of industry activities through the persuasive use of language, framing is used to control the topic of debate, and logics act as higher-order devices used to evaluate industry activities. From here, I explained how arguments provide political decision makers with symbolic resources to justify support or opposition towards the industry. In this way, arguments carrying the greatest symbolic value reveal important information about the social construction of industries through their influence on the legal status of industries.

This dissertation extends current knowledge about the sociopolitical status of industries by explaining the mechanisms that influence political decision making. First, it develops a more parsimonious and integrative model of industry status that is based on both the perceived legitimacy and legality of the industry. This model is useful to examine changes in the sociopolitical status of industries. Specifically, I found evidence of increased industry legitimacy through supportive rhetoric in the medical marijuana industry, suggesting that this industry is transitioning from the informal to the formal
economy. I also found evidence of reduced industry legitimacy through a relative lack of supportive rhetoric in the payday loan industry, suggesting that this industry is transitioning from the shadow to the renegade economy.

Second, this dissertation explains the mechanisms that move industries between quadrants of sociopolitical status by focusing on the role of arguments in the political decision making process. Drawing on data gathered from media representations in two contested industries, I found evidence of the factors that influence political decision making (i.e., rhetoric, framing, and logics) as well as new insights pertaining to how they influence political decision making (i.e., how rhetoric, framing, and logics relate in arguments). By comparing the frequency of arguments commonly presented in media representations to the configurations of arguments that ultimately influence political decision making, a number of important insights emerged. Overall, patterns of argumentation found in media representations often fail to tap into the most effective configurations of arguments to influence political decision making. In addition, specific aspects of rhetoric, framing, and logics are needed to influence political decision making. Taken together, this dissertation offers a glimpse into the mechanisms of social construction that can influence the status of industries into or out of the formal economy.

Limitations

The primary limitations of this dissertation relate to the confirmation of the coding scheme adopted to identify common arguments in each industry context as well as the substantiation of the words and short phrases used to measure arguments through computer aided text analysis. These issues present threats to both validity and reliability. To remedy this, additional procedures are needed to establish interrater reliability as well
as interrater agreement. Specifically, additional raters are needed to cross check the appropriateness of 1\textsuperscript{st}, 2\textsuperscript{nd}, and 3\textsuperscript{rd} order codes as well as to sort the words and short phrases used to measure arguments into their respective categories of industry supportive and oppositional rhetoric.

Referring back to Figure 1, it is possible that perceptions of industry legitimacy change over different durées of time depending on circumstances related to unexpected industry events. For example, Lounsbury (2002) examined how the concern voiced by society over the excessive influence held by highly placed financial institutions such as J. P. Morgan and Goldman Sachs contributed to the professionalization of the finance industry over a matter of decades during the early 20\textsuperscript{th} century. By contrast, Patten (1992) investigated how social opinions about the petroleum industry shifted rapidly following the Exxon Valdez oil spill resulted in a radical change in industry disclosure practices in the late 1980s. This dissertation examined two industries in transition across similar time periods (i.e., early 21\textsuperscript{st} century). Because of the contested nature of these industries, findings from this dissertation should generalize to other industry contexts that are transitioning between spaces of sociopolitical status—including those industries that are transitioning at slower or faster rates. However, it is possible that changes unfolding at faster or slower rates would reveal different results pertaining to the influence of arguments on political decision making.

Additionally, the final configurations of arguments found within each industry context are somewhat puzzling. Given the diversity of frames within each causal recipe, it is difficult to imagine how they would be connected together to provide a coherent and convincing story. There is a need for further examination of the presentation of these
arguments within media representations to see how they are effectively conveyed. Finally, I did not examine issues related to the consequences of changes in industry legality. This dissertation therefore speaks little to the ripple effects that can be generated in the formal economy as contested industries gain or lose sociopolitical status. In addition, it does not consider issues related to the factors that enable organizations in contested industries to thrive or deteriorate depending on changes in the sociopolitical status of the industries they operate within.

**Future Research**

We know from this dissertation that some combinations of arguments are more effective at influencing political decision making than others (Suchman, 1995; Lounsbury & Glynn, 2001). However, we know little about the factors that connect seemingly unrelated arguments into coherent and convincing accounts. Brown (1994) has suggested that arguments are often strewn together using culturally resonant ideas and images to persuade others of a given point of view. This perspective, known as myth making, relies on drawing connections between arguments to assert a point of view (e.g., Meyer & Rowan, 1977). Myth making has existed in the political science literature dating back to the mid 20th century (e.g., Johnson, 1965). During this time, myth making was referred to as a means to (1) create, maintain, and legitimize past, present, or future actions and consequences; (2) maintain and conceal political interests and value systems; (3) help explain and create cause and effect relationships under conditions of incomplete knowledge; and (4) rationalize the complexity and turbulence of activities and events to allow for predictable action taking (Thompson, 1967).
Although myths have historically been described as distorted accounts of real events, the term “myth making” does not imply that arguments made for or against the industry are devoid of substance or lacking in factual origin. Rather, as Phillips (1995: 626) and others (Boje, 1991; 1995) have pointed out, myth making is based on the premise that “the barriers between fiction and fact, and art and science, have become increasingly difficult to defend; rather than impassable bulwarks, they have become porous surfaces of contact.” Consistent with this, the concept of myth making suggests that images of industry activity derived from multiple arguments may be largely symbolic—although immensely consequential, nonetheless (e.g., Suchman & Edelman, 1996). For example, Chock (1991: 280) has shown how representatives from across the United States used myth making in their arguments to successfully cast undocumented immigrants as “illegal aliens” that were “stealing opportunities from Americans” during a congressional hearing on immigration reform in 1975.

In a similar vein, Kostova and Zaheer (1999) documented how a multinational enterprise launched a project to build a one million ton export-oriented salt extraction and processing facility in western India. Various local groups viciously opposed the project. For their arguments, these groups drew from history and from the symbolism of Mahatma Gandhi’s protest march against the salt tax imposed by the British in 1942 to suggest that foreign colonizers, once again, were threatening the country’s economic freedom. As this example illustrates, the use of myth making can have a profound impact on legitimacy perceptions through its ability to convey arguments that are more or less convincing (Rao, 1994).
The organization theory literature has adopted the concept of myths to explain aspects of social construction that guide modern discourses (Meyer & Rowan, 1977; Selznick, 1996). For example, researchers have examined myths in the context of organizations asserting alternative views to lawmakers and society for the sake of generating social change (Misangyi et al., 2008), to manage impressions surrounding acts of misconduct (Elsbach, Sutton, & Principe, 1998), or to evade public scrutiny for behaviors that might be perceived as unbecoming to members of society (Westphal & Zajac, 1994). The creation of myths has been examined from within industries through coup d’État, bureaucratic insurgency, or mass movements (Zald & Berger, 1978) or from outside industries through illegitimate actions (see Elsbach & Sutton, 1992 on ACT UP and Earth First!) or using mass media and the pulpit (King & Haveman, 2008).

Chock (1991) suggests that myth making relies on the authority of the speaker’s ideology (e.g., logics), the clarity drawn between expressed points of debate (e.g., framing), and the strategic use of language (e.g., rhetoric) to convince the audience of a point of view. Accordingly, myth making includes aspects of rhetoric, framing, and logics found in arguments which are tied together using metaphors, analogies, hyperboles, allegories, anecdotes, parables, similes, and even puns for the sake of persuasion. Using the concept of myth making, there appear to be fruitful avenues for future research to unpack the ways in which arguments are combined to present more coherent and convincing stories about industry activity.

In addition to studying the means by which arguments are combined to further explain the antecedents of changes in industry legality, there are a number of avenues for future research related to the consequences of changes in industry legality. For example,
the loss of sociopolitical status within the payday loan industry has opened up a variety of opportunities for banks and other financial institutions to capture customers who used to rely on payday loans for their financial needs. In fact, in recent years the practice of payday lending has entered into banks and many other legitimate businesses. For instance, payday lenders in states with more liberal usury laws (e.g., Delaware, North Carolina) have increasingly partnered with federally insured banks to offer loans across state lines (Graves, 2003). These loans, termed “checking account advances” have become increasingly popular in recent years (Borne et al., 2011). Checking account advances have received increased social support due to their association with more legitimate financial institutions. This sequence of events points to potential “opportunity voids” that arise when industries in the formal economy lose sociopolitical status.

By contrast, industry activities in the informal economy that are progressively gaining sociopolitical status appear to create disruptions in the formal economy such that incumbent industries face new threats and opportunities. For example, the medical marijuana industry has quickly grown into a large and attractive space for pharmaceutical companies to enter and exploit (Warner-Cohen, 2014). In a similar vein, Napster’s appearance in 1999 marked a new era in music distribution by making it possible for consumers to illegally share audio files on the Internet. As Napster gained legitimacy in the eyes of the public it progressively disrupted the music distribution industry in the formal economy. To capitalize on these changes, Apple Inc. launched iTunes in 2003 to give consumers the first legal option to purchase music on the Internet. The iTunes platform—which was based on Napster’s file sharing prototype—has since grown to dominate digital music sales (Waldfogel, 2010). In effect, Apple Inc. was able to modify
an illegal practice (digital file sharing) into a legal practice (digital file selling) by partnering with established organizations in the music industry to construct an entirely new distribution channel. This sequence of events suggests that gaining sociopolitical status into the formal economy has the capacity to shift power structures between incumbent industries such that it creates threats to existing product and service lines (i.e., traditional channels of music distribution) and opportunities for new product and service innovations (i.e., digital file selling).

In addition to opportunities that arise from substitute product and service innovations (e.g., physical versus digital music distribution), when an industry is fully accepted into the formal economy by way of legalization (e.g., the progressive inclusion of medical marijuana into the formal economy), it is possible that opportunities develop for complementary products and services. This type of shift can be observed in the medical marijuana industry, where complementary products such as bongs and edibles have grown at such a rate that they are virtually outpacing the growth in sales of medical marijuana itself. Therefore, future research should examine the impact of an industry’s increasing sociopolitical status on opportunities for both substitutive and complementary products and services in the formal economy.
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