Complexity Theory & Political Change: Talcott Parsons Occupies Wall Street

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June 1, 2012

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Abstract

1. Parsons’ model of societal systems

2. Using the model: flaws of societal structure

3. Fixing the flaws & OWS declaration

Summary
Abstract

Complexity (systems) theories can assist our understanding of social systems and social phenomena. This paper illustrates this assertion by linking Talcott Parsons’ model of societal structure to the Occupy Wall Street movement.

Parsons’ model is used to organize ideas about the underlying causes of the recession that currently afflicts the US. While being too abstract to depict the immediate factors that precipitated this crisis, the model is employed to articulate the argument that vulnerability to this type of event results from flaws in societal structure.

This implies that such crises can be avoided only if, in Parsons’ terms, structural change occurs in the relations between polity, economy, community, & culture. The Occupy movement has called attention to the need for such fundamental change.
Abstract

1. Parsons’ model of societal systems
   
   What the model essentially says
   Parsons’ action system
   Action in societal system; cybernetic hierarchy; Habermas
   Dyadic links (examples)
   Intra-component structures of polity, economy

2. Flaws of differentiation

3. Fixing the flaws

Summary
What the model (as applied here) essentially says

- A modern society, as distinct from a pre-modern society, is differentiated in that economy, polity, community, & culture are distinguishable from (but in interaction with) one another.

- In general, differentiation of a whole can be flawed: different aspects of a system can be linked together too weakly or too strongly, or one component can unduly influence other components.

- The current US political-economic crisis and similar crises in the past are arguably the result of flawed differentiation, i.e., relations between economy, polity, community, & culture are at least partially dysfunctional. This may be the underlying cause of many (but not all) of the crises endemic to Western societies. These crises are systemic, & avoiding them requires structural change.
Parsons’ action system

Parsons’ action system

- integration
- pattern maintenance
- goal attainment
- adaptation

(a)

Bennett’s similar system
(reasonful action)

- goal ideal
- direction theoretical
- instrument practical
- ground actual

(b)
Action in societal system

Parsons’ tetrad applied to societal systems

Hierarchical information (arrows) & matter-energy flows

(a) SYSTEM

\[ \text{culture} \quad \text{community} \quad \text{polity} \quad \text{economy} \quad \text{nature} \]

(b) ENVIRONMENT

information

\[ \text{culture} \quad \text{community} \quad \text{polity} \quad \text{economy} \quad \text{nature} \quad \text{matter-energy} \]

Habermas

“lifeworld”

“system”
### Dyadic links in differentiated society (examples)

<table>
<thead>
<tr>
<th>Component dyads</th>
<th>Relations (examples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy-polity</td>
<td>economy is partially autonomous and partially controlled by the polity</td>
</tr>
<tr>
<td>Community-polity</td>
<td>civil society determines and participates in the political order</td>
</tr>
<tr>
<td>Culture-community</td>
<td>cultural values guide but do not legally constrain private activity</td>
</tr>
<tr>
<td>Culture-polity</td>
<td>church is separated from state</td>
</tr>
<tr>
<td>Culture-economy</td>
<td>culture is independent of, yet supported by, commercial life</td>
</tr>
<tr>
<td>Community-economy</td>
<td>interpersonal relations not dominated by those of economic exchange</td>
</tr>
</tbody>
</table>
Intra-component structures

Parsons’ fractal scheme

Other decompositions
Abstract

1. Parsons’ model of societal systems

2. Using the model: flaws of societal structure

   Economy $\rightarrow$ polity reversal of control

   Loss of polity $\rightarrow$ economy control

   Economy as “leading part” (structure is non-normative)

   Economy $\rightarrow$ community negative externalities

   Intra-component flaws: polity, economy

3. Fixing the flaws

Summary
Economy → polity reversal of control

According to Parsons’ model

As it arguably is in US today

Because of:
lobbying,
benefits, e.g., campaign contributions
revolving door, etc.
Loss of polity $\rightarrow$ economy control

Deregulation, an absent (or ineffective) link

Corporate “personhood,” structurally, an error

Two organizing principles: (a consequence of differentiation)

democracy vs. capitalism
**Economy as “leading part”** *(structure is non-normative)*

If *economy dominates* other components, it is a “leading part” (von Bertalanffy), a “hub.”

Having a “leading part” reflects a structure that is not normative, given Parsons’ model, & reflects a kind of “fundamentalism.”

![Diagram showing system relationships with economy as the leading part]
Economy $\rightarrow$ community negative externalities

Immediate effects of recession:
loss of jobs, homes, savings

Longer term effect of economy as leading part:
extreme income inequality

Polity unable to prevent negative externalities of economy
or force them to be internalized.
Intra-component flaws: polity, economy

Polity:
Executive vs. legislative deadlock
Regulatory agency (intra-executive) ineffectiveness

Economy:
Hypertrophy of (finance sector of) informational sub-component
Profits of this sector disproportionate to its function.
Also hypertrophy of firms within finance sector:
“too big to fail”.

High connectivity in economy brings vulnerability to collapse.
Bubbles show non-optimality.
Abstract

1. Parsons’ model of societal systems
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3. Fixing the flaws

Needed changes & some Occupy demands

Weakening economy \(\rightarrow\) polity link

Strengthening polity \(\rightarrow\) economy link

Strengthening community \(\rightarrow\) polity link

Summary
Welcome to The 99% Declaration- There is a solution.
### Needed structural changes

**Parsons’ model**

<table>
<thead>
<tr>
<th>Direction</th>
<th>Change</th>
<th>Some Occupy demands (&amp; other correctives)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy → polity</td>
<td>(weaken)</td>
<td>Separate “guardian,” commercial functions (Jacobs, Plato)</td>
</tr>
<tr>
<td>Polity → economy</td>
<td>(strengthen)</td>
<td>Empower regulation keyed to scale</td>
</tr>
<tr>
<td>Economy → community</td>
<td>(modify)</td>
<td>Prevent, internalize, neutralize negative externalities</td>
</tr>
<tr>
<td>Community → polity</td>
<td>(strengthen)</td>
<td>Election reform, regulatory transparency</td>
</tr>
</tbody>
</table>
Weakening economy → polity link

Guardian ethics for the polity, separated from commercial ethics for the economy

Public funding of elections

Abolishing corporate “personhood”
Weakening economy $\rightarrow$ polity link

*separate guardian, commercial functions*

- **"3. Elimination of All Private Benefits and "Perks" to Politicians."** The 99% of the American People demand the immediate *prohibition of special benefits* to all federal public employees, officers, officials or their immediate family members. Public officials, politicians and their immediate families shall be *banned from ever being employed by any corporation, individual or business* that the public official specifically *regulated while in office*. No public employee, officer, official or their immediate family members shall own or hold any *stock* or shares in any corporation or other entity that the public official specifically regulated while in office until a full 5 years after their term is completed.

- *There shall be a complete lifetime ban on the acceptance of all gifts, services, money or thing of value, directly or indirectly, by any elected or appointed public official or their immediate family members, from any person, corporation, union or other entity that the public official was charged to specifically regulate while in office.* The term "specifically regulate" shall mean service on a committee or sub-committee or service within any agency or department of the federal government responsible for the regulation of the person, union, corporation or entity seeking to directly or indirectly confer a benefit to a public official.”

Occupy Wall Street (2011). [https://sites.google.com/site/the99percentdeclaration/](https://sites.google.com/site/the99percentdeclaration/)
Weakening economy $\rightarrow$ polity link
by other means

- **1. Elimination of the Corporate State** … Private fundings of campaigns from concentrated sources of wealth have corrupted our political system. Therefore, all private funding of political campaigns shall be replaced by the fair, equal and total public financing of all federal political campaigns…

- It has been estimated that 94% of all federal political campaigns are won by the candidate who spends the most money. Our elected representatives spend far too much of their time fundraising for the next election rather than doing the People's business. This constant need for more and more money, causes our politicians to labor under conflicts of interest that make it impossible for them to act in the best interests of the American People.”

- **2. Abrogation of the "Citizens United" Case**. The immediate abrogation, even if it requires a Constitutional Amendment, of the outrageous and anti-democratic Supreme Court holding in Citizens United v. Federal Election Commission. This heinous decision proclaimed by the United States Supreme Court in 2010 equates the payment of money to politicians by corporations, wealthy individuals and unions with the exercise of protected free speech. We, the 99% of the American People, demand that institutional bribery never again be deemed protected free speech.”

Occupy Wall Street (2011). [https://sites.google.com/site/the99percentdeclaration/](https://sites.google.com/site/the99percentdeclaration/)
Strengthening *polity* $\rightarrow$ *economy link*

**Restoration & enhancement of regulatory powers**

Regulation *scale-dependent & scale-controlling*  
(principle of scale is *as important as separation of powers*)

Regulating *connectivity, bubble-producing activity*

Problem of *inadequate economic theory*
Campaign finance & other election reforms
(Is it wise to institute term limits and/or abolish Electoral college?)

• 4. **Term Limits.** Members of the United States House of Representatives shall be limited to...no more than four two-year terms in their lifetime. Members of the United States Senate shall be limited to...no more than two six-year terms... Serving as a member of Congress or as the President of the United States is one of the highest honors and privileges our culture can bestow. These positions of prominence in our society should ... not provide a lifetime career designed to increase personal wealth and... power...

• 19. Abolish the **Electoral College.** Comprehensive Campaign Finance and Election Reform. ...abolishment of the Electoral College in favor of the Popular Vote in presidential elections... Subject to the ...ban on all private money and gifts in politics, Congress shall immediately enact additional **campaign finance reform** requiring the Federal Communications Commission to grant **free air-time** to all federal candidates; total **public campaign financing** ...; implementation of nationwide **uniform election rules** applied to all voting districts...; abolition of "gerrymandering"... issuance of free voter registration cards to all citizens...
Abstract

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Summary

General conclusions

Political principles
General conclusions

*Complexity theory can augment social sciences*

*Systemic problems require systemic solutions*

*Parsons’ model a useful framework for discussion*
Political principles suggested by Parsons’ model

Normative path of control (community → polity → economy) needs strengthening
(separation of “guardian,” commercial roles)

Corollary: Democracy OP must have primacy over Capitalism OP.

Regulation must be keyed to scale (≠ socialism).

Polity must protect community & nature from negative externalities of economy.
References


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• Plato, *The Republic.*