Abstract

Economic logic impinges on contemporary political theory through both economic reductionism and economic methodology applied to political decision making (through game theory). We argue that the sort of models used are based on mechanistic and linear methodologies that have now been found wanting in physics. We argue that complexity based self-organization methods are better suited to model the complexities of economy and polity and their interactions with the overall social system.

Keywords: game theory, economic reductionism, neoliberalism, complexity theory, interactivism

1. Introduction

Since the Early Modern period, political theory has assumed methodological individualism, similar to atomistic mechanism that prevailed in physics. This leads to a combinatorial, linear political theory centred on individual actions serving individual interests. Similar trends developed in economics from the time of its origin as a separate science. Today, through game theory, the same formalization has been applied to both economic and political theory (e.g. Binmore 1998, Gauthier 1986, Skyrms 1996), with only the values and circumstances differing from one domain to the other. However, in physics it has been discovered that the corresponding atomistic methodology is inadequate for complex systems, and that one must allow for open, self-organizing systems that cannot be reduced to linear combinations of their components. We will argue that this sort of open dynamical systems theory should be applied to political theory as well, with results that diverge quite strongly from the ideals of Modernist political theory. We will classify several competing current approaches to political theory and its relation to economics, and indicate how some recent versions (Hayek 1949, 1988, Luhmann 1988, 2000) try to deal with complexity, but (unsuccessfully) use closed autopoietic systems models.

Our approach assumes some degree of autonomy for both politics and economics, but also assumes that each interacts with the other as an environment. We call this interactive autonomy. Autonomy emerges in general, on our view, through self-organization of biological and social systems. Heinz Von Foerster, who was one of the founders of self-organization theory, stressed that a self-organizing system is in close contact with an environment with which it is in a state of perpetual interaction (Von Foerster 1960: 221). For social systems this means that society and social systems are not closed systems, but that the autonomy of social systems is based on their openness and interconnectedness with other social systems and their environment. This allows the emergence of differentiated systems whose governing laws or principles are different but dynamically interconnected. The scope of these laws can vary depending on the scope of the system, and some emerging systems will be nested within
others, all being nested within the social system in general. The complexity of the overall social system is the product of successive self-organization and resulting differentiation.

We will base our discussion on contemporary circumstances, but our overall view is highly general, and we see economics and politics as differentiating within a common social system some time in the past, each organizing around their own basic principles and scope, but with a common ground for interaction. The concept of interactive autonomy implies that a complex system functions according to its own logic and that it can only work as a system if it is based on the logic of its environmental systems and perpetually interacts with these systems. For political and economic theory this means that polity and economy are both autonomous and interconnected at the same time.

There are several possibilities for conceiving the relationship of the economic system and the political system, as laid out in Table 1. Reductionist approaches reduce political processes to economic process, i.e. they consider the economy as a more fundamental and determining system. These are economistic approaches. Projectionist approaches see political processes as determining economic processes, they consider polity as the centre of society. Dualistic approaches consider the two systems as independent, they assume that each system functions according to its own logic and that there are not many interactions and influences between the systems. Obviously the amount of interaction between the two systems is a matter of degree. Game theoretical approaches are a special case that shares aspects of dualism and reductionism in that they share a common deep logic, but the differing values and circumstances of economics and politics can determine different games, with their own logics, with mutual constraints on each other when values and/or circumstances overlap (see section 2.1 below). The complexity approaches that we prefer consider the two systems as relatively autonomous, i.e. each functions according to its own logic, but these functional logics are coupled, they depend on each other and produce each other. As we will argue, this implies a qualitatively different sort of interaction between the two systems in which the results are not determined merely by mutual constraint.

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*Table 1: Conceiving the relationship between economy and polity*

2. Traditional Approaches for Relating Economy and Polity

2.1. Economic Reductionism

The best-known form of economic reductionism has been put forward by certain forms of Orthodox Marxism where the economic system (the base) has been considered as determining polity and culture (superstructures) in the last instance. The economic base for Louis Althusser (1969) is the unity of the productive forces and the relations of production, he argues that the superstructure contains two levels, the political-legal one (law and the state) and ideology (religion, ethics, etc.). Althusser assumes that a society is determined by several economic, political, and ideological contradictions and that change is caused by a specific contradiction that over-determines the other ones. He argues that the capital-labour contradiction is the fundamental contradiction that is always specified by the historically concrete forms and circumstances in which it is exercised. Althusser (1969) assumes two
fundamental principles: ‘on the one hand, determination in the last instance by the (economic) mode of production; on the other, the relative autonomy of the superstructures and their specific effectivity’. He assumes a certain independence of superstructures, but asserts that their autonomy is always overdetermined by economic production processes, i.e. class relationships. Hence superstructural forms such as the nation-state are considered as always serving mainly economic interests. For Althusser relative autonomy means that a fundamental change of economic structures doesn’t automatically change superstructures. But nonetheless he assumes that all fundamental changes have economic roots, hence change is reduced to the economy.

The emergence of the New Social Movements (students’ movement, ecological movement, feminism, anti-globalization movement, anti-racism, civil rights movement, peace movement, etc.) has shown that political processes don’t necessarily derive from economic class positions alone. Many contemporary forms of Marxism such as French regulation theory have acknowledged the relative autonomy of polity and culture. Regulation theory assumes that a capitalist mode of development consists of a regime of accumulation (economy) and a mode of regulation (polity) that both have their own specific antagonistic structure, and that it is not determined in which system a capitalist crisis finds its origin (cf. Fuchs 2004a).

Game-theoretic approaches form another type of economic reductionism. ‘Game theory is the study of the ways in which strategic interactions among rational players produce outcomes with respect to the preferences (or utilities) of those players, none of which might have been intended by any of them’ (Ross 2004). Game theory has both a descriptive and prescriptive side. If the players are rational, they will act according to game theory, so game theory describes the behaviour of rational players. On the prescriptive side, in a given situation, with well defined strategies, outcomes and preferences, game theory tells us what rational players should do. Given its general form, game theory applies equally to economics and politics; though much of its early development was in economics, it was soon applied to political problems and reasoning. More recently it has been applied to understanding morality and political theory (Gauthier 1986, Skyrms 1996, Binmore 1998). In our classification of the relations between economy and polity, game theoretic approaches are an anomaly, since they use a common methodology, but the content and hence the sorts of values and strategies considered can be quite different. This allows the logic of economics and politics to diverge at superficial and intermediate levels, while sharing a common deep logic. It is possible then for game theoretic approaches to deal with economics and politics dualistically, but to allow overlap when economic and political values coincide. This allows economics and politics to interact by mutually constraining each other, but does not suggest stronger interaction.

Binmore (1998) gives by far the most sophisticated game-theoretic account of politics. He develops an argument for the validity of social contract theory from relatively minimal resources compared to most of his social contract competitors. In particular, unlike Locke, Rousseau, Kant and Rawls on one side, and Bentham and Mill on the other, Binmore eschews metaphysical assumptions. Like Hobbes and Hume, Binmore assumes that the social contract must be enforced, and that there is no commitment to it merely because of its existence. He is particularly scathing about Kant: ‘As far as I can see, Kant’s rationality arguments escape derision only because they are expressed in such obscure language that nobody can follow them’ (Binmore 1998: xxii). Less controversially, Kant’s views of rationality contradict game theoretic rationality, so both cannot be correct.

Binmore first starts with naturalistic assumptions (such as the existence of empathy), and uses evolutionary game theory (Samuelson 1997, Alexander 2003) to argue that social evolution will lead to specific evolutionarily stable strategies (ESS). Skyrms (1996) adopts a very similar approach, but with different emphasis. The first stage of Binmore’s extended argument assumes an external enforcer of contracts to guarantee commitment. Binmore rejects the idea stemming from Gauthier that commitment arises from game theory itself,
arguing that Gauthier uses a nonstandard version of game theory. Binmore notes, however, that Gauthier could get a similar result to the one he arrives at if he were to adopt Rawls’ maximin criterion for decision making in the Original Position. Binmore rejects this assumption, however, favouring a Bayesian decision theory as more in line with the rationality of game theory. The Rawlsian assumption leads to some form of egalitarianism, but rejecting it would lead Rawls to some version of utilitarianism, but without the teleological assumptions of Bentham and Mill. Interestingly, evolutionary game theory with an external enforcer and Bayesian decision methods leads Binmore to the same conclusion, which is perhaps not surprising, since it is equivalent to supposing some sort of metaphysical commitment. Binmore explores this approach in order to examine the process of social negotiation without having to look at the issue of enforcement. Next he drops commitment altogether, and looks at how enforcement could arise within the social realm itself through game theoretic processes. Surprisingly, perhaps, this route leads him not to utilitarianism, but to an egalitarianism similar to Rawls’ destination, but without the maximin assumption.

Several points are worth noting about Binmore’s (1998) argument. First, he makes use of economic examples throughout *Just Playing*, so the underlying reasoning in economics and politics is presumed to be the same. However, in his arguments concerning social evolution, he restricts himself to political values rather than economic ones. Second, although he says that the social realm is far more important than the biological in determining morality and political development, most of his arguments apply equally well to biological cases of ESS (Maynard Smith 1982), and the issue is an historical one. He does illustrate many cases of evolutionary games with biological examples, and allows gene-culture coevolution. In any case, whether biology, social considerations, or both underlie the evolution of the social contract makes little difference to the reasoning or final outcome. Rationality does not depend on purpose but on values and outcomes, both of which Binmore believes can be determined independently of an agent’s intentions, reported values and reasons. So this second point really comes to nothing. However it does lead to a third point that we find contentious. Binmore’s agents need not be actors in the usual sense of action theory. The only sense in which they are agents is that they have inferable preferences, circumstances and capacities. In this sense his game theoretic approach involves no active organization or production of ESS. They merely happen. One is left wondering if creative agency has any role to play. An interesting consequence of Binmore’s view, however, is that if he is correct in arguing that game theory with no metaphysical or teleological assumptions leads to an ESS of egalitarianism, this is an inevitable result of the dynamics of the theory. In section 3.3 below we will argue that there is reason to doubt that this ESS will be reached in any foreseeable time either in economics or politics.

2.2. Dualistic Approaches

Dualistic positions argue that the political and the economic system are independent and that political intervention into the economy is harmful. Such positions are characteristic of the dominant neoliberal ideology and can be found e.g. in Evolutionary Economics that stands in the tradition of Friedrich August von Hayek and in the strand of systems thinking that has been influenced by Niklas Luhmann. This approach is of special interest to us because it tries to incorporate some basic principles of complexity theory.

Friedrich August von Hayek argued that the market economy is a spontaneous order that doesn’t serve specific purposes and continually produces new system states. There are only abstract contextual rules, and predictability of the system’s development is very limited. Hayek calls spontaneous orders *cosmos* or *catallaxy* and holds that intervention into spontaneous orders like the market by systems like the state would harm society. He conceives the economy as a fully autonomous system that is capable of steering and organizing itself. Hayek’s main thesis is that spontaneous orders can’t be steered and that
outside intervention is harmful. For Hayek society is guided by Adam Smith’s invisible hand that helps maintaining order although social relationships aren’t actively planned, but unconsciously and spontaneously organized. ‘We are led – for example by the pricing system in market exchange – to do things by circumstances of which we are largely unaware and which produce results that we do not intend’ (Hayek 1988: 14). The market and other institutions would enable the human beings to use widely dispersed information that no central planning agency could ever know, posses or control as a whole. Prices would coordinate separate actions of different people, the price system would be a ‘mechanism for communicating information’ (Hayek 1949: 86f). The extended spontaneous order couldn’t be designed and consciously shaped by human beings because complexity and knowledge would be created continually by people making many decisions independently from each other according to their own purposes. The market would spontaneously and undesignedly coordinate the activities in such a way that order is created. Some actors would gain economic and competitive advantages, but these advantages would be communicated to others over the market, this would allow them to adapt to these changes. This would advance evolution. Evolution would happen spontaneously, not in a humanly guided way, it would be a ‘self-ordering process of adaptation to the unknown’ (Hayek 1988: 76). The political system would only be necessary for providing abstract rules that secure private property, i.e. the invasion of the individual’s ‘free sphere’ (Hayek 1988: 63).

Some representatives of Evolutionary Economics who stand in the tradition of Hayek argue that the theorem of the invisible hand of Adam Smith shows that the market economy is a self-organizing system, that the market can fully regulate itself and that hence human intervention would be harmful (e.g. Witt 1997; Kelly 1995, 1999). The self-regulation is of the same sort proposed by game theory, so these authors are calling for complete independence of the market, without even the overlapping constraints allowed in game theory when there are common values or overlapping circumstances between the economic and political spheres.

The other important dualistic approach besides Evolutionary Economics is Niklas Luhmann’s social systems theory. Scientists that stand in this tradition argue that modern society is inherently centreless because each subsystem would have its own logic and mode of self-organization. Due to the complexity and networked character of modern society, the latter would have a polycentric and decentralized character and it wouldn’t be possible for one subsystem to influence, steer, or regulate others. Luhmann (2000: 215f) argues that the welfare state tries to solve all problems of society, but that this would be impossible because polity would just be one subsystem of a functionally differentiated society and would be swamped with solving problems of other subsystems. For Luhmann all subsystems of society (polity, economy, family, legal system, education, mass media, religion, science, etc.) are functionally differentiated, i.e. they have their own autonomous self-referential autopoiesis. Hence it would be impossible for one subsystem like polity to steer others. ‘In a functionally differentiated society there is neither a top nor a centre that could represent society in society and hence could give access to its “essence”. […] All function systems realize a dramatic increase of their own relevance and of their own efficiency in society, but none of them can make a claim on representing society in society’ (Luhmann 1988: 253). Many scientists who have been influenced by Luhmann’s thinking also argue that society is inherently centreless, polycentric, uncontrollable, and unregulable (e.g. Dunsire 1996, Little 2001; Kickert 1992a, 1993b; Willke 1989, 1995) Andrew Dunsire considers governance as an autopoietic system and says that hence social systems are ‘unregulable from any centre if not altogether ungovernable’ (Dunsire 1996: 301).

These examples show that based on a certain interpretation of the notion of self-organization one can argue that all subsystems of society are operationally closed and autonomous and that hence state intervention is harmful. Hayek’s theory has been a highly
influential one that has had tremendous consequences for contemporary policy design. Hayek’s reductionistic misconception of society leads to the assumption that all conscious action is harmful and that hence human’s should not intervene into social structures. This hypothesis ignores the role of creative human agency in social development, and that the self-organization of society is not something that happens simply blindly and unconsciously, but depends on conscious, knowledgeable agents and creative social relationships that result in actions that have both planned and unintended consequences. Hayek’s approach sees only the unintended consequences of intervention in complex systems, and labels these as harmful because the operation of the invisible hand is seen as inevitably beneficial.

Hayek’s assumptions have been empirically falsified. State policies in the industrialized countries have during the last 20 years been increasingly based on a reduction of social intervention into the economy. Hayek’s assumption that the economy is capable of ordering itself spontaneously without regulation has been put to test. The result has not been as predicted by Hayek and other believers in the beneficence of the invisible hand. There has been an increase of general wealth, but the increasing rise of poverty, unemployment, wage inequality, asymmetrical distribution of income and wealth, and a massive increase of insecure and precarious living conditions has hardly been beneficial. These consequences of economic liberalization contrast with the general rise in median wealth and redistribution of wealth, at least in developed countries, during the period of politically motivated social investment in the decades following the Second World War.

Theories like the ones of Hayek and Luhmann are ideologically biased, they try to scientifically legitimate a rigid capitalistic order and the large-scale dominance of economic logic. The practical realization of Hayek’s theory of spontaneous order formation and of Luhmann’s theory of functional differentiation can be characterized as neoliberal ideology. Neoliberalism aims at creating a framework for the economy that makes it possible to raise profits by minimizing the costs of investment, reducing social security, preaching the capability of the market to regulate itself without human intervention as well as self-help and self-responsibility of the individual for his/her problems. This results in deregulation, precarious job relationships, the dismantling of the welfare state, deterioration of labour and social policies, lowering of taxes on capital, flexible labour times, the privatization of formerly public services and industries, the liberalization of international trade policies, the rise of new free trade associations (EU, NAFTA, APEC, AFTA, MERCOSUR etc.), etc.

Neoliberal ideologies claim that the economy is independent from society, that the market is the best means of organizing production and distribution efficiently and equitably and globalization requires the minimization of state spending especially for social security. These developments are presented as inescapable, self-evident and without alternative. Neoliberalism results in precarious living and working conditions of a large, steadily increasing part of the world population. Neoliberalism has resulted in the dominance of the economic system in society; economic logic permeates all social realms. This is a form of centralization, showing that ‘spontaneous market-based order formation’ does not lead to decentralization, as assumed by Hayek and Luhmann. The structural coupling between the economy and other subsystems of society is becoming more rigid in the direction that the economy influences these subsystems. We will argue in section 4 below that this is a more or less inevitable result of applying neoliberal ideology, and that deregulation of the economy, far from leading to social stability, leads to social instability.

2.3. Projective Politicism

Opposed to the views of Hayek and Luhmann one finds scientists that argue that the organization of society is based on human intervention and that the state must function as a centre of society in order to enable the functioning of society. Polity is considered as a central and foundational system of society.
Walter L. Bühl (1991) argues that applying autopoiesis to society supports the ideas of deregulation and the state having to retreat from society in order to guarantee the latter’s continued functioning. Luhmann, Willke, Teubner and others who argue that functionally differentiated society is becoming centreless would deny aspects of domination and preach abstention from action as well as resignation. Problems of design, control, and planning do not disappear by saying that one should stress autonomy instead of control. The thesis of the non-steerability of complex systems would result in the legitimization of inactivity and of an incapability to act. Bühl stresses the possibility of acting in and controlling autopoietic systems to some extent.

Matthias Beyerle (1994) argues that the human being is the central feature of society and that Luhmann ignores its importance. Luhmann and others would have the state be detached from the real conditions of its existence; the dethronement of the subject would be accompanied by a dethronement of the state. Polity, according to Beyerle, is a system that secures the self-protection and reproduction of society, guaranteeing the living conditions of the individuals and solving collective problems. The state is a coordinating centre (Beyerle 1994: 240) of society, emerging through the autopoiesis of society. It has the task of leadership and makes use of force in order to exert its influence. Heteronomy as an organization principle of the state would guarantee the self-organization of society as a whole. According to Beyerle, Willke’s notion of a centreless co-ordinating state is illusionary because the realization of such a conception would result in ‘endless talks’; the possibility of authoritarian decisions is the foundation for all political co-ordination. Beyerle suggests that the state should use its authority in order to promote and ‘advertise’ solidarity and cooperation of all subsystems and individuals.

Assuming that the nation-state is the central system of society promotes a politicism that overlooks that the reality that neoliberal capitalism ensures the dominance of the economy, i.e. more and more spheres of social life become commodified. It overemphasizes the role of the state in contemporary society. Neoliberalism is not an inevitable development, but nation-state politicism guarantees that general wealth is blind to the problems of the nation-state in a globalized world, and also to fact that mechanisms of global governance are needed in order to pacify the global capitalist economy. One should also not idealize the nation-state because it contains Hobbesian totalitarian potentials, as Fascist systems and the Soviet system have shown with their violent suppression fundamental human rights.

3. An Interactive, Dynamic Complexity Approach to the Relationship of Polity and Economy

An alternative to these three approaches is a complexity approach that avoids deterministic logic and considers polity and economy as both self-organizing and mutually connected, i.e. each system has its own logic of operation, but its continued existence and development requires that it is open and receives inputs from other social systems. This reflects the insight that systems can only be autonomous and self-organizing if they are open and networked. We first want to explain the autonomous logic of self-organization of both the economic and the political system in modern society.

3.1. The Self-Reproduction of the Economic System in Modern Society

Economy, polity and culture in modern society are based on asymmetrical flows and accumulation of capital, power and hegemony. These accumulation processes are autopoietic or self-producing in the sense that the system reproduces itself by transforming its elements, thereby creating its unity. Such processes can be described in terms of self-organization through the mutual production and interconnection of social actions and social structures (for
detail cf. Fuchs 2003b, c). The resulting structures are both the medium and outcome of social actions; furthermore, they both enable and constrain social actions. In this sense social systems are re-creative. Re-creativity is based on the creative activities of human actors, since social structures exist in and through their productive practices and relationships. Social self-organization is a self-referential, cyclical, reflexive, interconnected, double-sided, dialectical process of mutual production.

In the economic cycle of self-organization more capital is produced an initial quantity of money capital (this sort of process is called *autocatalytic*) Through a dialectical process between productive forces and relations of production, where relations of production describe the ways of social mediation between the opposing classes that act as agents in economic processes, and productive forces are a systemic totality of living labour force and factors that influence labour. Living labour and its factors change historically, dependent on some concrete social formation (such as capitalism). The influencing factors can be summed up as personal ones (physical ability, qualification, knowledge, abilities, experience), social ones (technology, science, amount and efficacy of the means of production, co-operation, means of production, forms of the division of labour, methods of organization), and natural ones. The forces driving the economic dynamic can only be viewed in their relationship to living labour. The system can never be reduced to its component forces; it is more than the sum of its parts, being an integrated whole that binds together and gives being to specific economic processes.

Human beings make use of productive forces as foundations of production processes to change the material state of nature. As a result nature is appropriated, differentiated and transformed into a social fact, i.e. economic goods that satisfy human needs. The production of economic resources takes places within relations of production that have a specific historical form such as in. Produced economic goods are distributed and consumed, thereby they enter the system of the productive forces and function as part of the foundational system of human labour. Hence the whole process takes on the form of a productive cycle that interconnects productive forces and relations of production in such a way that we find the continuous dynamical emergence of economic resources from human labour practices (cf. figure 1).

Figure 1: The process of economic self-organization

In modern society this process takes on the form of capital accumulation, i.e. the autocatalytic expansion and creation of capital based on the extraction of surplus labour (Fuchs 2004a, Fuchs/Schlemm 2005). Economic goods take on the form of commodities, their character in the economy is determined by their exchange value, and relations of production take on the form of class relations.
3.2. The Self-Reproduction of the Political System of Modern Society

In modern society, the state is the organizational unit of political self-organization. It is based on organized procedures and institutions (representative democracy) that form the framework of the competition for the accumulation of power and political capital. Various groups compete for power; an increase of power for some groups automatically means a decrease of power for others. The state is a form of political self-organization that is based on asymmetrical distributions of power, domination, the permanent constitution of codified rules (laws) in the process of legislation, the sanctioning and controlling execution of these rules and the punishment of the disobedience and violation of these rules (jurisdiction). Political parties/groups want to shape these processes according to their own will and hence compete for influence and the accumulation of power.

The political system deals with collective decisions concerning the way life conditions are set (including how economic resources are being used and how they are distributed). In modern societies the political relationships that individuals enter based on political forces are political groups (political parties and political organizations in civil society) and relationships between these groups that follow organized procedures (political discourse, elections, protests, parliamentary discussions etc.), through which a specific disposition of political power is formed and political conflicts may arise. This results in the emergence and differentiation of political forces. The important political force is power. Power can be defined as the disposition over the means required to influence processes and decisions in one’s own interest, domination refers to the disposition over the means of coercion required to influence others, processes and decisions. Power is a social force in the sense that it can be considered as a materialization of the relationships of political groups. Collective decisions (such as laws), power structures (such as government, parliament, councils etc.), political institutions (such as ministries, bureaucracy, courts, public offices and departments) reflect the existing power relationships and the existing distribution of power.

![Fig. 2.: The process of political self-organization](image)

Political relationships determine how power is constituted, distributed, allocated and disposed. Political forces are the foundation of political relationships and they are differentiated and developed by political relationships. In modern society, basic political relationships are laws and the state. They influence individual actions/thinking and political forces. Political re-creation/self-reproduction is a double process of agency (decision procedures) and enabling/constraining. This is the basic cycle of political re-creation/self-organization (fig. 2, cf. Fuchs 2004b, 2005c). In relation to available power resources, decisions are reached in polity in order to organize the functioning of society. Political relationships result in the emergence of new power structures. These structures enable and constrain the actions of the human beings in a society and result in new political activities that set themselves goals of changing or maintaining existing rules and dispositions of power. On the structural level of the political system we find a mutual relationship of political relationships and political forces: The active relationships between political groups
(governmental parties, opposition parties, non-parliamentary opposition and support groups) result in the emergence of new political forces/power resources (decisions, laws, rules, political institutions, allocation of offices, appointment of civil servants etc.). These forces enable and constrain the political actions of political groups and result in further political commitments, new goals, ideas, etc. Polity is a dynamic system that is based on the continual emergence of new power structures. Political agency is a creative activity that results in new properties of society, based on knowledgeable, reflective human actions new political realities are constructed and established. Based on the fundamental human properties of creativity and innovation, polity itself is a (re-)creative system that continually reproduces itself in and through political agency.

The basic process of self-organization of the state is the competitive relationships between political groups that result in a certain distribution of power and the continual emergence of new features of this distribution (laws, regulations, cases, filling of public offices and civil services according to specific political interests etc.). These new emergent qualities enable and constrain political practices and political engagement for stabilizing or changing a certain constellation of power. Political practices that constitute the modern state include running for political offices, elections, parliamentary debates, the working out of bills, the passing of laws, political discussions (also in everyday life), political media coverage (press, television, radio, Internet etc.), protests (petitions, demonstrations, strikes etc.). Existing laws and political events (the outcomes of the enactment of laws and the processes of establishing new laws) stimulate political organization, they result in new, emergent properties on the level of political groups, i.e. in new ways of thinking and acting that try to stabilise or change the existing distribution of power. The development of the state is not a static, but a dynamic process, it is based on the continuous political interactions of various political groups that result in the emergence of new political capital/power structures that stimulate further political actions which try to stabilize or change the existing distributions of power. Competition and accumulation of power are fundamental aspects of the self-organization of the modern nation state.

Elections are important mechanisms of stabilizing and changing existing distributions of power within the state. Political parties compete for votes that determine the distribution of power within the system of rule. Elections and economic markets have certain similarities. Joseph Schumpeter stressed that modern democracy is a product of the capitalistic process (Schumpeter 1950: 471) and Anthony Downs’ main hypothesis was that parties in a political system are analogue to corporations in a profit-based economy (Downs 1968: 295). Both the economic and the political autopoesis of modern society are based on accumulation and competition. Modern representative democracy is based on the accumulation of power and votes, the central motive of politicians is the pursuit of power in order to realize their political ideas and programs. Politics in modern society is oriented on its exchange value: Political decisions and positions that are based on a certain amount of votes are exchanged for an increase or decrease of votes during the next elections. Politicians strive for increasing their power by being positively evaluated by the voters after the end of a legislative period. Elections are based on the exchange of representation/decisions and votes, they are procedures for increasing and decreasing the power of political groups that are part of the system of rule. Parties also try to increase their (political and economic) power by increasing the number of memberships.

Elections take place every few years; this means that the distribution of power within the system of rule changes slowly. The electoral subsystem of polity is reproduced in a process of slow, conservative autopoesis whereas the autopoesis of the whole state system continually reproduces itself due to synergetic interactions between political groups that result in new qualities. If one compares the self-reproduction of the modern economy with the self-reproduction of the system of rule one discovers that the economic reproduction process (i.e.
the accumulation of money capital) takes place continually, i.e. the total amount of economic capital is continually increased and re-distributed. This is a very dynamic process. Political power also changes continually in the sense that new political groups, laws, views, ideas, regulations etc. emerge, but the distribution of power between the elements (i.e. parties) of the system of rule only changes slowly. Chance and discontinuity are only introduced once every few years into the system. Representative democracy and its electoral system are based on conservative types of autopoiesis. This conservative type of self-organization results in dichotomies and asymmetrical distributions of political power. It functions based on dichotomies of government/opposition and parliament/people. This means the constitution of exclusiveness and the delegation of the competence for reaching decisions to certain political groups. In the representative political system we are confronted with asymmetries and dichotomies in a double sense. First, the dichotomy of electorate and the ones elected. Secondly, the dichotomies of government/opposition and majority/minority. The organization of the state functions in accordance with the principles of exclusion and competition, the political laws that are produced are exclusive social structures. In modern society, laws are constituted by a specific subsystem of polity (government, parliament). This type of political autopoiesis is inherently hierarchical, asymmetrical and a type of top-down-constitution of decisions. In contrast, dynamic types of political self-organization where decision power is re-distributed and re-produced continually occur in organizations and systems that are based on the principles of direct democracy and self-government. In such systems there is a more symmetrical distribution of power and all individuals concerned by certain collective decisions participate in the constitution of these decisions. In processes of discursive communication they try to reach a consensus on certain decisions.

The state should not be understood as just the set of parties that run for elections and are represented in parliament and the institutions these parties form in order to exercise power. One shouldn’t ignore the importance of non-parliamentary groups in the autopoiesis of the political system. They are an important locus of power and legitimization. Antonio Gramsci stressed that the state means ‘political society + civil society’ (Gramsci 1971: 263). This is the integral meaning of the state that we concur with. The state consists of two major subsystems: the system of political rule and the system of civil society. The system of political rule consists of the parties that are represented in parliament, official political institutions such as parliament, government, ministries, public offices, police, military, courts, secret service. This system forms the core of the process of constituting and enacting laws. Civil society is the system that is comprised by all non-parliamentary political groups. These groups either run for elections, but are not represented in parliament due to their not gaining enough votes or not running for elections because they rely on non-parliamentary forms of political practice. Political groups that are part of civil society represent certain aims and interests and try to influence power relationships in such a way that their ideas and interests are represented. Their chief practice is the advocacy for certain political ideas through lobbying, economic pressure, personal and cultural relationships, and various forms of protest. The self-organization of the state can only be accomplished by complex interactions between the system of political rule and civil society, it is not solely comprised by interactions within the first. The two subsystems are structurally coupled, i.e. each perturbs the other, but can’t determine the practices and structures of the other to a full extent.

3.3. The Complex Relationship of Economy and Polity

The contingencies of circumstance can lead to almost anything becoming valuable to someone at sometime, but there are some characteristic values that are specific to the political and economic realms. In economics, wealth, typically represented by money in some form (currency being merely the most flexible), is a value that very few agents would refuse. On the other hand, virtually all agents have a felt need for sufficient goods for subsistence. These
values are so widespread that it is reasonable to assume that values that violate these are not economic values. In politics the primary currency is power, which is a capacity to control what and how things are done. Basic needs in the political realm are security and freedom, which tend to pull in opposite directions. Without security, freedom exists only in a Hobbesian war of all against all, which makes freedom of questionable value. Without freedom, security is empty; most people would reject a secure slavery in favour of an insecure freedom. Minimal freedom requires some degree of empowerment: even if there are unconstrained possibilities for choice, the possibilities are meaningless unless an agent has the power to realize these possibilities.

Thus in both economics and politics there are values for virtually every agent that have no limit (wealth and power), but there are also minimal needs (subsistence, security and freedom) that are distributed over the whole (or most of) the population of agents. On the reasonable assumption that wealth and power are limited at any given time, each agent’s desire for maximal wealth and power will conflict. Furthermore, desires for maximizing wealth and power, even if limited to relatively few agents, will conflict with widely distributed basic economic and political needs. These tensions (or contradictions to use another term for much the same idea) define the economic and political playing field. Arguably all economic and political values and problems arise within the scope of these values and the resulting tensions as special cases.

Finally, we note that economic and political values are not entirely independent, though many economic processes and political processes can go on without any interaction with the other realm. In particular, economic subsistence is required for political security, and for most situations in modern society some wealth is required for most freedoms to be exercised. Similarly, some freedom and security are required for the pursuit of wealth in any realistic circumstances. Thus there is some coordination of basic economic and political needs, and in this sense there is an overlap of values. On the other side it should be recognized that concentrations of wealth convey political power to at least some degree (at the very least because wealth conveys greater freedom, if not security). Likewise, concentrations of political power at least make it easier to attain wealth, all other things being equal. Consequently, even from our simplistic and fundamental analysis of economic and political values, it is apparent that economics and politics mutually constrain each other at the very least through shared values in realistic cases. We will argue that the nature of the interactions between economics and politics go far beyond mutual constraint.

In relating economy and polity we don’t want to automatically give primacy to one of the two systems because this can result in deterministic and simplistic arguments that derive the logic and functioning of one system from the logic of the other system. The approaches presented in section 1 are all restrictive, either the economy or polity is considered as a determining system or the domination of the economy is legitimated by assuming the existence of closed, fully autonomous systems. The latter approach is also deterministic in the sense that it sees social development determined by closure and doesn’t take into account networking and openness of systems, hence it is undercomplex. Why is a complexity approach superior to linear thinking and mechanist determinism?

- Mechanist determinism sees human beings as incapable of acting and transforming social systems and gives priority to structures over human practices.
- Mechanist determinism underestimates the importance of social action.
- Mechanist determinism underestimates aspects of chance in social systems.
- Mechanist determinism gives simplistic explanations.
- Complex explanations are more realistic and credible than simpler ones.
- Mechanist determinism is characteristic for a one-dimensional rationality.
- A globalizing society dynamically increases its complexity, hence complexity approaches are needed in order to explain global society.
The problems can be readily seen in Hayek’s preferred relation between polity and economy. Hayek’s main thesis is that spontaneous orders can’t be steered, but leads to the best result itself; therefore outside intervention is harmful. However the subsystems of modern society are not closed systems that can realize their self-organization independently and autonomous from the human being and other subsystems. The economy is not fully autonomous because it is based on antagonisms that produce crises and ‘market failures’. For example, since economic success increases the likelihood of further economic success, concentrations of wealth are autocatalytic. Left unfettered, concentrations of wealth will tend towards large scale monopolies. The result may be economically optimal (thought there is reason to doubt this), but is not socially sustainable. The problem has been recognized for some time now in the form of anti-trust legislation. Likewise, concentrations of political power are autocatalytic, and are subject to the same internal justification in political terms as concentrations of wealth are in justifiable in solely economic terms, but such concentrations are socially unstable. Regular elections and means to encourage new parties and NGOs are now well-recognized to be necessary controls on the concentration of political power.

The reason for the failure in each case is that fundamental economic needs, if not satisfied, lead to political action to satisfy the needs. Likewise, concentrations of political power tend to undermine basic needs for security and freedom. Furthermore, economic and political values overlap so that economic concentration creates political power and undermines freedom (and perhaps economic security). Only by ignoring motivated social action and its multidimensional character can the close view of economics and politics seem reasonable. The game-theoretic approach allows for the mutual constraint of politics and economics, but it ignores the multidimensional character of social activity which is forever changing the conditions of the game, and thus the game itself. The game-theoretic focus on equilibria (ESS) focuses on results rather than process, but for politics process is highly important. Non-equilibrium processes are highly path dependent, unpredictable, and can introduce new elements that change the game. This is also true for economics, and even more likely for the interaction of the economical and political subsystems.

As our notion of interactive autonomy stresses, social systems are open and interconnected. Such a logic is necessary to explain the networked, complex, global character of contemporary society. Economy and polity are mutually dependent, each can realize its self-organization only with the help of the other. It is simply wrong to claim as Hayek and others do that the economy can and should be an autonomous system and that state intervention caused the crisis of modern society. Such arguments are unrealistic constructions that serve certain ideological purposes, the modern economy has never and will never be autonomous from the nation-state. If either the nation-state or the system of capital accumulation broke down or lost its fundamental functions, this would also mean the collapse of the other system.

The assumption that the human being should not politically intervene into the capitalistic economy implies that the possibilities of participation shall be minimized and that economic interests shall become all-determining. It is not feasible that a system like society works the best way when responsible, decision-oriented political action is missing. Such theses overlook that humans are active beings who possess the ability to change the reality in well-rounded and responsible ways such that all can benefit. Human agency and political practices are aspects of all societies; they are necessary conditions for the functioning, differentiation, and cohesion of all social systems. The global problems of society are not due to the fact that there is not enough ‘free market’, they are due to the antagonistic and conflicting character of modern society. The capitalist economy is a crisis-ridden, antagonistic system that in its development produces ‘market failures’. The state as a regulatory system tries to compensate for these failures in many respects, hence conscious state intervention is a necessary condition for the existence of capitalism. All societies are in need of mechanisms that enable the
cohesion of social relationships. A mode of regulation describes the institutional framework of the important social processes. These institutions have public, semi-public and private character and are oriented on decision-based actions. Decisions are necessary elements of the development of all social systems, hence polity is an aspect of all social systems and societies. The self-organization of a system such as the economy is in need of political regulation. Without political regulation, i.e. decision-oriented human action, there can be no society and no economy. Hence it is wrong to argue that economic systems can or should be self-sustained and that political intervention is harmful.

It is an illusion that modern society functions better by minimizing regulation. Neoliberalism has individualized regulation, but state activities are still decisive in guaranteeing capital accumulation. Neoliberal capital accumulation, as it currently stands, is based on a great deal of state intervention in the areas of subsidising economic corporations, and increasing the degrees of self-observation, self-description and self-containment of society.

All our realities are socially constructed and constituted, i.e. all products and forms of human existence are material in the sense that they have a social character. Economy and polity are relatively autonomous systems, they both have their own practical and structural logic that in modern society is one of accumulation and heteronomy, and they are connected to and based on social processes in other systems. Economy and polity are neither autonomous nor externally determined, they are systems that are based on external and internal social determination.

Society has an economic base, i.e. humans must firstly produce its immediate existence (food, shelter, etc.) before they can reach political decision and become artists. The base is formed by those systems of society that are necessary for its immediate existence, whereas superstructural systems are only indirectly necessary. Society consists of interconnected subsystems (ecology, technology, economy, polity, culture). Polity is not the mechanized reflection, i.e. a linear mapping, of the economy, it can’t be deduced from or reduced to it. Orthodox Marxism for a long time didn’t realize this. That the base is not the mechanical reflection of the superstructure has for a long time not been realized by Idealism. All human activity is based on producing a natural and social environment, it is in this sense that the notion of the base is of fundamental importance. We have to eat and survive before we can reach decisions and in order to enjoy leisure, entertainment, arts, etc. The base is a precondition, a necessary, but not a sufficient condition for the superstructure. The superstructure is a complex, nonlinear creative reflection of the base, the base is a complex, nonlinear creative reflection of the superstructure. This means that both levels are recursively linked and produce each other, economic, political, and social practices and structures trigger creative cultural processes, cultural practices and structures trigger creative economic, political, and social processes. The notion of creative reflection grasps the dialectic of chance and necessity/indetermination and determination that shapes the relationship of base and superstructure. There isn’t a content of the superstructure that is ‘predicted, prefigured and controlled’ by the base, the base ‘sets limits and exerts pressure’ on the superstructure (Williams 2001: 165). The base sets limits and exerts pressure on superstructures, it enables and limits their variety, the superstructure sets limits and exerts pressure on the base, it enables and limits the latter’s variety.

Basic social and economic production processes constrain, but don’t mechanically determine, superstructural ideational practices and structures. They are a necessary, but not a sufficient condition for polity and culture. Economic capital has specific enabling and constraining effects on polity and culture. Culture and polity that form the superstructure influence the economy in processes of downward causation. Base and superstructure are both socially constructed and hence material in nature.
We argue that the relationship of economy and polity is complex and hence not automatically determined and pre-stabilized. It is a result of historical processes and social struggles, i.e. the relationship of economy and polity can change historically. In modern society the self-production of the economy and of polity depend on each other, i.e. they produce each other – the self-production of the economy produces the self-production of the political system and the self-production of the political system produces the self-production of the economic system. Economy and polity form a mutually producing hypercycle of self-organizing processes (cf. fig. 3).

Why is the economy based on polity in modern society? The states regulates economic autopoiesis, i.e. its own autopoiesis organizes certain necessary conditions of economic accumulation. The maintenance and actualization of property rights is an important aspect of the autopoiesis of politics that enables the autopoiesis of the modern economy. The state and the economy are structurally coupled and mutually dependent: the economy is in need of certain laws that enable economic accumulation, while the state depends on economic accumulation and the taxes derived from capital and wage labour. Economic and political autopoiesis are mutually dependent and coupled; their autonomy is only a relative one. This means that in order to make capital accumulation possible for a certain period of time, political regulation of the economy is necessary. ‘A regime of accumulation is not, however, some disembodied entity which exists in the ethereal world of schemas of reproduction. If a schema is to be realized and to reproduce itself for any length of time, there must also be institutional forms, procedures and habits which either coerce or persuade private agents to conform to its schemas’ (Lipietz 1987: 33). ‘Capitalism cannot secure through market forces alone all the conditions needed for its own reproduction that it cannot exercise any sort of economic determination in the last instance over the rest of the social formation’ (Jessop 2002: 11). There is ‘the need for extra-economic institutions to compensate for partial or total market failure’ (Jessop 2002: 43). Aglietta (1979) mentions that social forms are necessary for the ‘mitigation of social contradictions’ (383) and that capitalism can only escape an organic crisis by ‘generating a new cohesion’ (385).

The state realizes in its autopoiesis certain general conditions necessary for economic autopoiesis. The economy can’t cope with its own complexity, it can’t organize itself all the conditions necessary for its autopoiesis. Hence the state takes over certain of these tasks and integrates them into its own autopoiesis and helps to reduce the complexity of the economy. These activities of the state can include welfare, wage policy, labour legislation, subsidies, taxation, property rights, regulation of competition, antitrust laws, contract laws, research politics and subsidisation, central bank policies etc. Luhmann mentions in this context that due to the activities of the state other systems can realize their own self-constitution without continuous intervening physical violence (Luhmann 2000: 57f) and says that economic topics play a significant role in politics (Luhmann 2000: 111). He also mentions that the
liberalization of economic action is in need of ‘corrective and compensating measures of the state’ concerning unjust distributions of wealth and the basic conditions for the functioning of the economy (Luhmann 2000: 209). Formulated another way one can say that the capitalist economy is a crisis-ridden, antagonistic system that in its development produces ‘market failures’. The state tries to compensate for these failures in many respects. The basic conditions of economic autopoiesis secured by the autopoiesis of the state can also include the organization and maintenance of infrastructures like transportation, energy supply, communication, education. These infrastructures can have and frequently do have a public character, but this must not be the case as the privatization and deregulation of public infrastructure that has taken place in many countries in recent years shows.

In order to describe the role of the state as regulating instance of the economy, the concept of the mode of regulation has been developed by the French theory of regulation. Alain Lipietz (1986: 16) argues that the mode of regulation encompasses the entirety of institutional forms, networks and explicit and implicit norms that ensure compatibility of behaviour within the frame of accumulation regime – according to the condition of the social situation as well as exceeding its conflicting characteristics. ‘The mode of regulation [...] designate[s] any set of rules and individual and collective behaviours which [...] make possible conflicting decentralized decisions compatible without the necessity for individuals or even institutions to comprehend the logic of the whole system; they control and regulate the prevailing accumulation mode; the reproduce basic social relationships through a system of historically determined institutional forms’ (Boyer 1988: 75). The mode of regulation refers to the institutional framework of economic autopoiesis that is organized by the state. Its result is the accumulation of political capital within the framework of antagonistic political forms (laws, the state) and political relationships. The state not only includes the coercive apparatus of political society, but also civil society, i.e. the political non-government institutions (Gramsci 1971: 262f). The mode of regulation includes market rules, money relationships, financial networks, welfare, associations, trade unions, the political system, think tanks, police, military, secret service, the juridical system, parties, social movements, federations, consultants, monetary and credit relationships, the institutional relationships of capital and labour (as e.g. in social partnerships), forms of state intervention and international regulatory instances. The mode of regulation describes the form of the state, i.e. the unity of the system of rule and civil society, during a certain period of development (termed ‘mode of development’) and mode of (self-)organization of society.

Why is polity based on the economy in modern society? The autopoiesis of the state is in need of taxation, i.e. on money stemming from the economic production process. Taxation means that a certain share of wages and profits is collected by the state in order to finance its own autopoiesis. The autopoiesis of the modern economy is based on the accumulation of money (capital). The state decreases the mass of accumulated money and distributed wages and hence negatively influences the autopoiesis of the economy in order to employ these means as a foundation of its own autopoiesis. Not only economic autopoiesis is based on the state, all activities that constitute the autopoiesis of the state are based on economic autopoiesis. Taxation is in need of a specialized bureaucratic apparatus (revenue offices, tax collectors) that monitors and accredits the income of all members of society. Hence taxation is bound up with the surveillance operations of the state. The participants in modern society have the duty to pay taxes, the state monitors whether all subject to this duty or try to evade taxes. Money stems from economic autopoiesis, its foundation is produced by the self-valorization of capital. The state controls and regulates in addition to the tax system also the money system and hence reduces the complexity of the economy.

4. An Alternative: Co-operation and Self-Organization
The subsystems of modern society are neither determined systems nor closed systems that can realize their autopoiesis independently and autonomous from the human being and other subsystems. The economy is not fully autonomous because it is based on antagonisms that produce crises and ‘market failures’. Economy and polity are mutually dependent, each can realize its autopoiesis only with the help of the other. The state depends on taxes that it derives from the production process and is related to economic conflicts and struggles, the economy depends on regulatory frameworks that the state guarantees with its monopoly of violence.

Transnational corporations (TNCs) are important political actors today; the globalization of the economy has changed the character of the nation-state – the competitive state has emerged (Fuchs 2003a). It is insufficient to argue that the role of the state hasn’t changed and that he still can be considered as the top and centre of society, but it is also insufficient to argue that the state has almost disappeared and has become unimportant. The character of the nation state has changed, but it remains an integral feature of modern society.

No single subsystem of society can determine the behaviour of others, but there are mutual dependencies and influences and the coupling in each direction can have different degrees ranging from low (loosely coupled) to high (strong, rigid coupling). Society is a complex system with multidimensional causality. Causes and effects can’t be mapped linearly: similar causes can have different effects and different causes similar effects; small changes of causes can have large effects whereas large changes can also only result in small effects (but nonetheless it can also be the case that small causes have small effects and large causes large effects). Modern society is based on the logic of accumulation and competition in all subsystems, this logic stems from the economy. This shows that there is a certain penetration between the subsystems of modern society and that the economy is a dominant, but not a determining system.

Bob Jessop (1990, 2002) argues in this context that there can’t be economic determination in the last instance because this would mean that the economy is a fully self-contained system without external causes and that the economic and the extra-economic are necessary corresponding. ‘The economic lacks the self-closure necessary to determine the extra-economic without being reciprocally determined by the latter in turn’ (Jessop 2002: 23). Jessop says that economic and political regimes are structurally coupled, they are both operationally autonomous and interdependent, but the economy would be dominating due to its ability for spontaneous self-reorganization. Economic domination would mean hegemony of certain class fractions, usage of economic power in order to force the compliance of other systems, extension of commodity relations into spheres not currently subject to the logic of accumulation and imposition of the logic of profit-seeking on other systems. Also the state would be operationally autonomous; however it is not ‘a simple instrument or functional mechanism for reproducing capitalist relations of production’, there is ‘no guarantee that political outcomes will serve the needs of capital’ (Jessop 2002: 41).

Toni Negri and others have argued that due to the increased complexity and economic globalization of the world system there can be no autonomy of the nation-state. Today ‘large transnational corporations have effectively surpassed the jurisdiction and authority of nation-states’ (Hardt/Negri 2000: 317), this wouldn’t mean a victory of capitalist corporations over the state, but the ‘concept of national sovereignty is losing its effectiveness, so too is the so-called autonomy of the political. Today a notion of politics as an independent sphere of the determination of consensus and a sphere of mediation among conflicting social forces has very little room to exist. Consensus is determined more significantly by economic factors, such as the equilibria of the trade balances and speculation on the value of currencies’ (Hardt/Negri 2000: 318). Politics and the state wouldn’t disappear, only their autonomy, politics would be integrated into a system of transnational command.
In Postfordism the structural coupling between the economy and the state is becoming more rigid in the direction where the economy influences the state system. Economic logic permeates polity (and culture) increasingly and political decisions are frequently governed by economic interests and by Standortlogik (logic that shall secure the conditions that stimulate economic investment). TNCs have become major political actors, the autonomy of the political system is undermined by economic logic. The nation-state is permeated by economic logic in the sense that it must save expenses in the public sector in order to facilitate competitiveness and remain attractive for capital investment. A means of cutting public expenses is the shift of certain collective political functions from the system of rule to the system of civil society. NPOs (non-profit organizations) and NGOs (non-government organizations) play an important role in the reorganization of the nation-state. The state’s collective welfare function is today continuously eroded due to the economisation of politics, hence the individual is frequently left alone and on itself in a world where he faces increased risks and competition.

The contemporary mode of capitalist development is shaped by an increasing dominance of economic autopoiesis over political, cultural and life-world autopoiesis. But this does not imply that the state is a ‘weak state’ and looses all of its importance.

The dominant form of economic globalization substitutes Keynesian modes of regulation by Neoliberal ones based on market-based regulation. For the solution of the global problems new, solidary, global forms of regulation are necessary, economic globalization must be shaped humanistically, a political and cultural globalization of realized human rights, cooperation, participation and solidarity is necessary. New forms of regulating the world society seem to be necessary. A solidary world society could be an alternative form of globalization, but is in need of alternative, democratic modes of political regulation. Technological and economic networking and globalization give us an impression of the possibilities that we already have today. However, human reason still lags behind the material possibilities and is shaped by economic reason.

Technological networking of the world pits forward a new principle: all-embracing, participative, networked co-operation. The emergence of numerous NPOs and NGOs are not only simply the ‘vicarious agents of neoliberalism’, their modes of decentralized, networked self-organization show that political globalization can be based on global co-operation and they stress dialogueous communication and co-operation and hence facilitate new progressive principles. Many of the political NGOs that engage in critique in the new protest movements have a transnational character, global practices and address universal issues. They constitute a political form of globalization.

Based on these principles the sociosphere could develop into a noosphere, a global sphere of reason, co-operation, solidarity and responsibility. The technological and economic globalization of the world anticipates and is a shining forth of a well-rounded solidary interrelation of individuals in an association of humanity, a real community where the individuals obtain their freedom in and through their association. We doubt that the reaching of a noosphere can be achieved by strengthening the dominance of economic autopoiesis and by increasing the self-containment, self-description and self-observation of the nation-state. New forms of globalisation and governance are needed. Globalization is in need of global wisdom and global solidary forms of governance.

Helmut Willke (1989, 1995) points out the conception of decentralized context steering as an adequate mode of governance in a complex world. The central features of this notion are:

- The self-organization of autonomous actors and the co-ordination between actors in a network.
- A heterarchic network of connected, partially autonomous units, heterarchy means that there is no pre-determined hierarchical top, but that in certain situations it might be
necessary that single subsystems steer the whole because they have optimal knowledge of the situation.

- No direct invention from one system into the other.
- Contextual intervention: there is the setting of conditions in the environment of one system by other systems so that the system can choose its options in a way that is compatible with its environment.
- A reflexive, decentralized steering of the control conditions of each subsystem of society and self-referential self-steering of each subsystem.
- Transferentiality: the system sees itself with the eyes of its environment, observes and tries to put itself into the position of the environmental systems in order to understand their position.
- A certain degree of common orientations of the subsystems is necessary.
- There is a heterogenous, rational discourse between the autonomous actors in order to achieve a consensus concerning their shared contextual conditions.
- Reflexion: each system tries to anticipate what influences its actions might have on the environment and tries to act in such a way that negative influences can be avoided, the system observes its own effects on its environment.

What Willke describes is for us not an existing system, but a utopia of a more democratic and participatory society where polity and economy are harmoniously co-ordinated in decentralized processes. Modern society is characterized by the tendency of increasing influence of economic autopoiesis. A mode of regulation that is based on decentralization, co-operation, self-organization and co-operation is not compatible with such a strict dominance of the functional logic of one societal subsystem. Actors like TNCs today have a centralizing influence on society and the latter’s logic of autopoiesis. The logic of accumulation and competition that shapes modern society contradicts forms of decentralized steering that would be necessary for a sustainable and participatory form of social self-organization. Both hierarchic and market-based forms of regulation have proved to increase the social problems. The mode of governance of the contemporary mode of development of society to a certain degree advances regulation by market forces as well as new heterarchic, networked forms of governance where NGOs and NPOs from civil society play an important role. Bob Jessop (2002) suggests that so-called metagovernance mechanisms co-ordinate the interactions of various forms of governance, they organise the conditions for governance and self-organization. All forms of governance and metagovernance of modern society operate within large structural antagonisms and hence are prone to failure. Hence it doesn’t seem to be sufficient to argue that new forms of political governance are needed that are based on participation, networking, co-operation and decentralization, similar operational modes of self-organization are also needed for the economy. The latter is today still dominated by centralization that makes use of decentralizing means and methods of organization and functions as a subsystem that increases its centralistic dominance over society and imposes its logic upon it. The autopoiesis of the world economy in its internal operation is increasingly based on decentralization, co-operation and network structures, but concerning its relationship to other societal systems and concerning the distribution of its results and means there is a widening lack of these principles.

Civil society that is constituted by NGO-, NPO-, and protest-systems is not only a part of the political system that is gaining increasing importance (Fuchs 2003a), it is also a system that increases the dynamic character of contemporary political systems by challenging the centralization of power (and capital). Whereas elections are conservative forms of self-organization that result in a slow-changing political systems, the direct democratic grass roots form of organization of civil society-organizations anticipates a more participatory form of society and hence can be understood as a call and attempt for realizing a participatory political vision. Protest movements are collective actors and social systems, they are part of the civil
society system. They form dynamic social systems that continually produce and reproduce events and political topics that signify protest against existing social structures and the search for alternative goals and states of society. Protest movements are a reaction to social problems, an expression of fear and dissatisfaction with society as it is and a call for changes and the solution of problems. Protest movements are political phenomena and part of civil society, as oppositional and alternative movements (i.e. they formulate alternatives to the dominating condition of society) they have an important role in modern society because by producing alternative topics and demands they guarantee the dynamic of the political system that is given by the confrontation of dominating structures by opposition (for a discussion of the self-organization of social movements cf. Fuchs 2005a, b). The political system is based on the dispute between different values and views. Conflict guarantees possibilities of change and dynamic. A political system without opposition is static and totalitarian, protest and critique are important aspects of democratic political systems. The role of protest movements in modern society is that they point out ways of social change and transformation.

The interactions in social movements often have a co-operative grass roots character that is different from the traditional centralistic style of organization in parties, bureaucracies, and labour unions. Not all protest movements are organized in a decentralized and direct democratic manner, but many of them are indeed characterized by a flat organizational structure. Applying the notion of self-organization to society puts forward notions such as co-operation, participation, direct democracy, respect, solidarity, responsibility, and tolerance. Because of the fact that the concept of self-organization is closely related to the ideas of self-determination, self-management, and the reduction of heteronomy and centralized authority, one can argue that grass-roots social movements are the embodiment of an authentic form of self-organization that could serve as a model for the participatory design of society. The fascination that these movements exert on many people is partly due to the fact that they make grass roots democracy vivid, noticeable, and sensible within a world of heteronomy and alienation. Direct democratic practices are an anticipation of an all-embracing democratization of society, a germ form of a global democracy and a practical expression of democratic values. Modern society is a system that is based on dynamic accumulation processes (of money, power, etc.) shows tendencies of unlimited concentration of both capital and power that can result in an (economic respectively political) totalitarian character of society. The principle of grass roots self-organization can limit these tendencies by strengthening democracy in economy, polity, and society as a whole.

References:


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Notes

1 Recently the US Ambassador to Canada has rejected legal decisions on software lumber trade that reject US protectionism on the grounds that Canada subsidises softwood through government ownership of forests and various welfare programs. He said that Canada should negotiate to bring its policies in line with US ideology of private ownership and market based costing. His call has been shown in court to violate the NAFTA agreement in various courts, but the ideology over-rides the legal situation.

2 Andrew Dunsire (1996) has developed a similar concept that he terms ‘collibration’. He considers governance as an autopoietic system, this would imply that ‘the successful mode of state action is bargaining and negotiating, not controlling; government has to be reinvented as enabling, not coercing; providing for, not producing; steering, not rowing’ (Dunsire 1996: 300). Subsidization, neocorporatism and reflexive laws would be possibilities for such a mode of governance. Collibration means making use ‘of the built-in checks and balances of a particular kind of social subsystem or action arena wherein the determining binary distinction
or coding (government/opposition, employer/employee, buyer/seller, prosecution/defense, and so on) is institutionalised in separate organizations, which are then self-referential in meaning only as a pair’ (Dunsire 1996: 321).