

Such a synchronization should be reversed, gearing the market to function in consonance with the requirements of social systems which enhance the quality of community life in general, conviviality, and the citizens' personal actualization. This task has been undertaken by many citizens in this country involved in a multifaceted gamut of alternative social experiments. The study of the policy implications of this and related trends will be undertaken in the next chapter.

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Para-economy: Paradigm and Multicentric Allocative Model

For several reasons the paradigm presented here is called para-economic. So far I have used this word to qualify an approach to social systems analysis and design in which economies are considered as only a part of the total social fabric. However, para-economy can also be understood as providing the framework for a substantive political theory of resource allocation and functional transactions between social enclaves which are necessary to enhance qualitatively the citizen's social life. A systematic statement of this theory has not yet been developed, although fragmentary contributions to its elaboration are already available. Moreover, in speech and deed there are many whose activities qualify them as para-economists, i.e., individuals who are attempting to implement scenarios which represent alternatives to market-centered processes.¹

In opposition to the prevailing market-centered approach to social systems analysis and design, the para-economic paradigm postulates a society diversified enough to allow its members to deal with substantive life issues according to their pertinent intrinsic criteria and in the specific settings where those issues belong. From the para-economic political viewpoint, not only economies which already constitute the market enclave, but also isonomies and phenomenies and the variety of their mixed forms are to be considered agencies through which manpower and resource allocation is to occur. It is in this latter sense that social systems delimitation is applicable at a societal as well as at a micro-organizational level. In other words, like economies, isonomies and phenomenies must also be considered legitimate agencies required for the viability of society at large.

There are two basic ways to implement societal allocative policies and decisions: two-way transfers which characterize the exchange economy

and one-way transfers which characterize what Kenneth Boulding and his associates call the grants economy.² For example, there are social systems, mainly those employing an exchange allocative mechanism to deliver standard goods and services to the public, whose effectiveness is evaluated through standard price-profit accounting. Enterprises like factories, shops, or professional offices, can only keep themselves in business if they find clients willing to buy their products or pay for their services, and thus provide them with the margin of profit necessary for their ongoing operation. But the quality and the growth of a society does not result only from the activities of such market-centered systems. Quality and growth also result from a variety of outputs delivered by non-exchange allocative processes. Examples of these outputs are those delivered by households, neighborhood associations, churches, pioneering altruistic initiatives, regional and national campaigns to meet such neglected needs as protection of women, children, youth, and senior people, and networks of concerned citizens focusing upon human rights, the environment, and other public issues. The evaluation of the effectiveness of these undertakings involves more than a direct accounting of factors of production. Their contribution to the viability of the social whole is unassessable in a conventional cost-benefit framework. They normally cannot function unless funded by grants. The complex questions of what activities in a society should be funded by grants or organized by exchange criteria, and what kind of political support a state needs to accomplish delimitative functions is beyond the scope of this analysis.³

Prevailing allocative models are predicted upon a very narrow conception of resources and production, which are understood as only inputs and outputs of activities of an economizing nature. In other words, it is the market which in the last analysis dictates what is to be considered as resources and production. Accordingly one does not formally consider as contributors to the national wealth the undertakings of household members who, without earning a salary, engage in activities like cooking, cleaning, sewing, growing vegetables, making preserves, gardening, decorating, caring for the sick, repairing and fixing, and child education and supervision. Likewise the citizen who, without being paid, participates in neighborhood church meetings, artistic ensembles, educational encounters, and self-help endeavors of all sorts is not accountable as a resource. In peripheral countries a great part of the population who labor as 'peasants' are conventionally not considered to be productive as long as the output of their activities is not commercialized. Nevertheless

household members, the concerned citizen, and the self-providing peasants in fact do *produce*. For instance, it has been estimated that the value of household labor in the U.S. represents approximately a third of the Gross National Product and half of disposable consumer income (Burns 1975:14). Yet because the output of household labor is not directly transferable to the market it is ignored by the official system of statistics which implies that production is equivalent to selling and that consumption is tantamount to buying. In computing the 'wealth of the nation,' this system registers only what is sold or bought. No wonder that an immense reservoir of resources and productive capacity is overlooked and left untapped by prevailing allocative models.

By comparison, the para-economic paradigm implies a conception of production and consumption which formally accounts for both remunerated and non-remunerated activities. The productive individual is not necessarily a jobholder. The identification of the one with the other constitutes one of the main fallacies and blindspots of prevailing allocative models. Another fallacy and blindspot is the assumption that the amount and quality of the citizens' consumption is expressed in what they buy. In fact the market largely ignores what people need and only 'knows what people can be made to buy' (de Grazia 1964: 215). In other words, the market only produces what it 'can sell' (215). Caught within these fallacies and blind spots, governmental allocative policies have been unable to reach out of the vicious circle of the market system in order to take advantage of existing possibilities of building a variety of cashless productive settings as part of a multicentric society.

There is today a widespread concern with the problem of 'finite resources.' Indeed it is true that a number of critical physical resources which the market system needs in order to continue to operate are non-renewable and may be exhausted in the long range. But the prevailing understanding of this problem is distorted, leading, for instance, to the concept of the 'limits to growth.' This is a misnomer. In fact, as suggested above, a sound concept of resources includes more than what the market is bound to define as a resource. It includes ecological and psychical dimensions to which the mechanistic epistemology inherent in the classical law of supply and demand is insensitive. In the same vein, the argument in favor of 'zero growth' strategies is largely an admission of the bankruptcy of the present configuration of the market system. I submit, however, that limits to current market activities are not necessarily limits to growth. There are plenty of resources and substantial productive capacity which stay idle because of a lack of an adequate theoretical

scheme for organizing these potentialities. From the para-economic standpoint resources are infinite and there are no limits to growth. Ironically the 'limits to growth' thesis may very well represent the opportunity for revealing a vast horizon of possibilities for a growth explosion in terms of both production and consumption. In order to realize these possibilities, individuals, institutions, and governments have to rid themselves of the conceptual blinders inherent in the market-centered allocative models. In general the main assumptions of these models can be articulated as follows:

1 / Criteria for assessing the development of a nation are essentially the same as criteria for the activities constituting the dynamics of the market. Accordingly, the size of the GNP as conventionally conceptualized, the percentage of citizens living in urban areas, and the percentage of the labor force employed in the service sector are all taken as the relevant indicators of development.

2 / Human nature is assumed to be defined as the set of qualifications and dispositions characteristic of the individual as a jobholder and an insatiable buyer. Thus the socialization process in particular must be geared toward developing the citizens' potential to succeed as jobholders and their capacity to prove their worth through the comparative rank of their purchases.

3 / The effectiveness of organizations and institutions in general is assessed from the standpoint of their direct or indirect contribution to the maximization of market activities. This approach leads to unidimensional types of organizational theory and practice, and policy science models of which conventional 'public choice' and current economic theories are illustrations.

Dissatisfaction with these models has been voiced in many corners of the academic world. It is worth pointing out that 'policy science' and 'policy analysis' as the expressions are conventionally understood, largely consist of an attempt to focus upon the process of policy formulation, implementation, and evaluation from the standpoint of the instrumental rationality inherent in the classic economic calculus. It is no wonder that authors who subscribe to those policy models strive towards enhancing the 'scientific' character of political theory by borrowing concepts from the fields of operational research, systems analysis, cost-benefit analysis, and computer technology, and by assuming that quantitative approaches and methods are the best, if not the only tools for improving the study of policy making.⁴ The limited character of this orientation has been successfully highlighted by several scholars.⁵ Never-

theless this critical effort has not yet resulted in an alternative to the conventional policy science model. I submit that the para-economic paradigm is, at least, an incipient broad theoretical framework for such an alternative.

The para-economic paradigm adds two essential qualifications to the policy science/policy analysis discussion. First, it assumes that quantitative methods have the highest probability of being useful in the study of ecologically sound profit-maximizing and/or satisfying policies; however, these policies in turn are seen as a restricted area of concern in the domain of policy science. Second, the para-economic paradigm asserts that there are normative and substantive allocative policies which are indispensable if we wish to enhance the qualitative status of the macro-social system. In other words, the utilization of conventional policy models must be consistent with the law of requisite adequacy. We must recognize that these models assume an ideological overtone when they step beyond the specific context of the market enclave and aim at subsuming under their criteria the entire social process of resource allocation.

For illustrative purposes it is helpful to reappraise the work of Robert Dahl and Charles Lindbloom. Their elegant and significant book *Politics, Economics and Welfare*, published in 1953, has more in it than the authors themselves have explored. They conceptualized four models of choice and allocation: (1) the price system (control of and by leaders) (2) hierarchy (control by leaders), (3) polyarchy (control of leaders), and (4) bargaining (control among leaders). My contention is that disentangled from their overarching economizing intentionality these models could very well provide the theoretical underpinnings of the allocative process and serve as tools of a multicentric policy system. In particular, hierarchy and polyarchy could be envisioned as allocative models categorizing governmental functions required to nurture isonomic and phenonomic enclaves and protect them against the distortive penetration of the market system. A careful reading of their book suggests that the authors show a high sensitivity to substantive issues of resource allocation. Yet, because economizing is the overarching concern of their book, the para-economic character of their models fails to be clearly spelled out. Had the authors developed a systematic distinction between substantive and functional rationality and their policy implications, it is likely that they would have come close to articulating much of what constitutes the para-economic paradigm.

For instance, Dahl and Lindbloom use the expression 'rational action' and 'efficient action' as interchangeable, i.e., as 'designed to maximize

goal satisfaction' to the extent that 'goal satisfaction exceeds goal cost' (Dahl and Lindblom 1963:39). At the same time they would wish the reader to understand that there are 'goal costs' and 'goal satisfactions' like leisure and conviviality which cannot be measured by 'quantitative symbols as "efficient"' (40). Dahl and Lindblom indirectly acknowledge the reality of the isonomic and phenonomic enclaves when they point out that 'it is on small groups that most people rely for love, affection, friendship, "the sense of beauty" and respect,' and note that these groups 'carry on the main burden of indoctrination and habituation in identifications and norms, transmitting the habits and attitudes appropriate to polyarchy' (520). More specifically, they state:

In so far as it is attainable at all for most people much of 'the good life' is found in small groups. Family life, the rearing of children, love, friendship, respect, kindness, pity, neighborliness, charity: those are hardly possible except in small groups. *If one could somehow destroy the large groups and leave these things standing, the loss of the large would be quite bearable* [emphasis mine - A.G.R.]. But if one maintained the large groups and destroyed these values, the impoverishment and barrenness of living would be incalculable. (520)

The Dahl and Lindblom approach to resource allocation is largely correct as long as it remains within the qualified boundaries of the economizing enclave. However, as it stands, it is an arrested statement of choice and resource allocation because in it isonomies and phenonomies, under the expression of 'small groups,' are only incidentally, and not systematically acknowledged as categories for ordering the process of policy making.⁶

In contradiction to market-centered models, the para-economic paradigm provides a systematic framework for developing a multidimensional and delimitative thrust to the policy-making process. This paradigm, focusing upon resource and manpower allocations in macro- and microsocial systems, assumes that:

1 / The market should be regulated politically and delimited as an enclave among other enclaves constituting the total social fabric. In other words the market has inherent criteria which are not the same for other enclaves and society at large. Further, the quality of social life in a nation results from the productive activities which enhance its citizens' sense of community. Accordingly these activities are not necessarily to be assessed from the standpoint inherent in the market. Thus social systems delimitation leads to strategies for allocating resource and manpower at

the national level which reflect a functional integration of one-way and two-way transfers. A public policy formulation, economic planning, and budgeting expertise congenial to social systems delimitation needs to be developed.

2 / Man's nature actualizes itself through a manifold of activities, among which are those required by his incidental condition of being a jobholder. Man's actualization may be inversely proportional to his consumption of market outputs and commodities, and most particularly to the time required for such a type of consumption. This conception of man implies that a completely socialized individual is necessarily less than what a person should and can be. It also implies that the educational system should be concerned essentially with the growth of individuals as persons, and only secondarily as jobholders. Moreover, insofar as unlimited consumption of market outputs is pollutive and depletive of natural resources, in the final analysis it must be considered as unethical.

3 / The development of effective organizations and institutions is assessed in general from the standpoint of their direct or indirect contribution to the strengthening of the individual's sense of community. This approach leads to a multidimensional type of political and organizational theory and practice which is conceptually and operationally qualified to enhance both the citizens' productive activities and their sense of meaningful personal and social actualization.

It is evident that nowadays there is in the academic milieu a widespread uneasiness with standard approaches to development.⁷ These standard approaches are misleading precisely because they allow the market to be the cardinal referent for the process of resource allocation. Thus, for instance, they imply that an increase in the volume of exchange activities and a spatial expansion of the market are tantamount to development. This bias is particularly clear in the standard assessment of the phenomenon of 'dual economy' in peripheral countries. Thus it is said that a country where there is a 'dual economy,' or there are populations living in areas not included in the market, is, by definition, underdeveloped or even backward. The advice that policy makers in these countries usually receive from Western experts is that since the 'dual economy' constitutes a drawback to development, efforts should be undertaken to incorporate the whole population of a country into the market system. The overall result of this policy orientation, not only in peripheral, but in centric nations as well, is well known. Some consequences are misurbanization or overconcentration of population in great cities, increase in the rate of anomie, the aggravation of the behavioral syndrome with all its

distortive psychological connotations, the dilution of the citizens' cultural identity, and the destruction of their craft competence which enabled them to autonomously guarantee their meaningful livelihood. Moreover, the economizing quantitative overtone of such a policy orientation leads their subscribers to legitimate the primacy of increasing the GNP over social equity and income distribution.

The conventional interpretation of the phenomenon of 'dual economy' is extremely short-sighted. Currently the phenomenon is understood as the coexistence in a nation of self-providing rural settings and profit-oriented systems. However, this type of dichotomy is a particular form of economic duality which is a normal feature of all contemporary nations. Indeed in all of them, including the United States, there are two kinds of productive systems, namely, the profit-oriented and the mutuality-oriented systems. Moreover, they are not always antagonistically related. To think so is to indulge in a very myopic reading of the phenomenon. One might consider, for instance, the United States. From the para-economic viewpoint the governmental economic policy makers in this country largely fail to actualize fully the potential of its productive structure because of their captivation by the market mind-set. Although neglected by policy makers, mutuality-oriented productive systems are a paramount part of the American economic structure. At present the mutuality sector is alive and growing through a mushrooming number of private initiatives.⁸ The activities of this sector constitute the main focus of attention of journals like *Co-Evolution* and *The Futurist* and the writings of many persons, including Hazel Henderson, Scott Burns, J. Gershuny, L.S. Stravinos, D.L. Meadows, A.K. Bierman, and Marilyn Ferguson. The mutuality sector harbors much of the creative energy this country needs in order to overcome the stage of diminishing returns in which the market economy now finds itself because of ecological constraints bearing upon it. Governmental policy makers do not seem to realize sufficiently that American society is generating imaginative schemes of resource allocation which, were they bolstered by adequate systematic policies, would represent antidotes for the flaws of the economy in its present dystrophic state. Like the physician who treats a patient with a medicine which aggravates his disease, these policy makers try to correct, with traditional market correctives, the distortions of social life caused by the market system, like high rates of unemployment of a structural nature and inflation largely resulting from ecological determinants. They ignore the society's self-healing energies stored in the mutuality-oriented productive sector.

The obstructive character of the American governmental policy system is also reflected in its neglect of what Kenneth Boulding calls the grants economy. As he points out grants are now a substantial part of the funds available to finance the productive activities of the nation. He estimates that from 20 to almost 50 percent of production in America is funded by grants rather than by exchange (Boulding 1973:1-2). One should not be struck by the apparent vagueness of the estimate. Grants assume a multiplicity of forms, some of them very elusive, and thus their precise statistical accounting will never be possible. For example, there are grants of a very visible nature, like those provided by private and public foundations and many types of donors. They are the less difficult to account for and possibly represent the lower limit of Boulding's estimate. The higher limit of the estimate plausibly refers to a variety of 'implicit' grants, i.e., 'redistributions of income and wealth that take place as a result of structural changes or manipulations of prices and wages, licenses, prohibitions, opportunity or access' (49); and to the multifaceted garnet of grants which activate the mutuality-oriented productive systems, which even-tually include isonomies, phenomenies, and their mixed forms.

There exists in the United States a dual economy of sorts which is constituted by the grants sector and the exchange sector. This duality is not an abnormality, and one sector should not be subsumed under the goal imperatives of the other. Both sectors should be envisioned in their distinct specific nature as accomplishing complementary and socially integrative functions. However, grants are largely mismanaged by private and public grantors captive to the market mind-set, and are adequately utilized mainly through trial and error pursuits carried out by concerned citizens. For instance, for structural reasons the exchange sector of the American economy is becoming incapable of producing conventional job opportunities in sufficient number to absorb the available labor force.⁹ It is largely as a reaction against this trend that one should interpret the circumstance that during fiscal year 1977-8, 10 percent of the increase of jobs were held by self-employed citizens engaged in small-scale ventures, and that 50 million Americans now are members of enterprises of a cooperative nature.¹⁰ I submit that the failure of the dominant market system to absorb fully the population of individuals at an active age is incorrectly interpreted by conventional private and public policy makers as a temporary vicissitude of the economy. One consequence of this interpretation is that people who are forced to join the mass of social welfare and social security recipients are socially down-graded because of their unemployed status, as if this condition necessar-

ity reflected their personal incapacity. Existing concrete avenues leading to full employment of the labor force escape the attention of conventional policy makers precisely because of their captivation by the market mind-set. An act of imagination could allow the reservoir of idle capacity represented by people without formal jobs to be mobilized into the mainstream of the American productive system through the allocation of the funds of social welfare and social security, not as mere benevolent help, but as grants to finance citizens' activities and creativity in socially recognized mutually- and community-oriented ventures.

One objective of para-economic policies is a balanced allocation of resources. For instance, from the para-economic viewpoint, the existence of 'dual economy' in a country may eventually be an asset rather than a drawback. This is not to say that efforts should not be undertaken to develop the market in a given country. But the para-economic paradigm implies that the development of the market should be regulated politically so that it does not undermine the basis of isonomic and phenonomic enclaves. Moreover, this paradigm acknowledges that the overall economic improvement of a nation is compatible with what is considered a 'dual economy' condition, i.e., the coexistence of mutually-oriented systems, where members produce for themselves a great part of goods and services they directly consume, and profit-oriented systems where members are essentially jobholders who draw from their salaries the acquisitive power to provide for themselves all the goods and services they need. The mutually-oriented systems and the exchange sector are therefore not reciprocally exclusive. Both are to be systematically and simultaneously nurtured through an effective utilization of one-way and two-way transfers for the good of the society at large. One implication of this observation is that in peripheral countries rural living conditions must be considered in their own terms and protected against the unqualified and disruptive penetration of the market if one is to enhance their self-reliant capabilities. In summary, the general welfare of individuals living in a dual system can only be improved through a balanced allocation of resources, both as one-way and two-way transfers.

The welfare of citizens is a cultural category peculiar to each nation and is not measured by criteria common to all nations. Being a systematization of the thinking patterns inherent in the market system, conventional economics implies that criteria for assessing social welfare are the same for all nations. Accordingly, we witness governmental authorities of peripheral nations formulating and implementing allocative policies which are expressions of the syndrome of relative deprivation and the

demonstration effect. The mind-set of these authorities and that of the middle sector of these peripheral nations thus contribute significantly to a perverted allocative system.

It is in this sense that conventional economics is the ideological component of the classic industrial revolution. At best it succeeds as a conceptual tool to explain processes characteristic of the market-centered society. It does not, however, provide the conceptual referent to understand and deal with basic allocative issues common to all societies. Although it incorporates contributions of thinkers native to France and other European countries, in its dominant terms it is essentially an Anglo-Saxon ideology. Since its beginning it was bound to become the main thrust of the cognitive politics through which Western hegemonic industrial nations have induced the rest of the world to conform to their expansive propensity.

In the last two decades the pollutive and depletive outcomes of the practice of this Anglo-Saxon economic ideology have generated, among certain scholarly quarters, a critical reappraisal of classic economics, and attempts to build a science of resource allocation as an ecological discipline. So far the most elegant and penetrating statement reflecting this orientation can be found in the writings of Nicholas Georgescu-Roegen. Indeed the fallacious character of standard economics has become increasingly obvious as some externalities of its systematic application have sensitized scholars concerned with the deterioration of the environment and the exhaustion of the reserves of critical non-renewable sources of energy. Significant as the studies of these scholars must be considered, more than topical analysis of the ecological distortions resulting from the practice of classic economics would be necessary to reorient the process of resource allocation on a world-wide scale. In response to this need Georgescu-Roegen articulates the assumptional foundations of the new allocative science.

Briefly, Georgescu-Roegen points out that available and accessible low entropy matter-energy, which ultimately is the input of whatever man produces, constitutes a limited planetary dowry. Since matter-energy has an irreversible propensity to assume high entropic states, production of goods and services, for the sake of prolonging mankind's existence as a species, should not accelerate such a propensity. Accessible and available resources are of two kinds, namely renewable, i.e., those of a biological nature that can be reproduced within relatively short natural cycles, as well as the energy received from the sun and the kinetic energy of the wind and waterfalls, and non-renewable resources, such as oil, lead, tin,

zinc, mercury, and other minerals whose reproduction, if possible, would require long ecological cycles, so as to make them practically unavailable within the time confines of mankind's existence. Production of goods and services should be carried out through the maximum use of renewable resources and a minimal sensible use of non-renewable resources. The scarcity of non-renewable resources is not of a temporary nature. To manage their utilization and allocation through market mechanisms, i.e., as if they were to be priced according to the classic law of supply and demand, is an illustration of the utilitarian/hedonistic rule, *après moi le déluge*. Indeed, any parcel of non-renewable resource used in the productive process will be gone forever. This fact tells something about the depletive character of contemporary macrosystems. In the last ten years half of the total amount of crude oil ever produced has been obtained; and in the last thirty years half of the total quantity of coal ever mined has been extracted. Irreplaceable as these and other materials are, their market prices are thus but fictions. If the utilization of these materials continues at current rates mankind will soon be deprived of their use.¹¹ Because of its prevailing patterns of production and consumption, today's world faces an unprecedented rate of absolute ecological scarcity, the exponential increase of which may hasten the thermodynamical breakdown of the planet which, as a matter of fact, is inevitable at a certain point in time.

The para-economic paradigm takes into consideration not only the thermodynamics of production but also its social and ecological externalities. Thus it is an alternative to the classic allocative models (whether derived from Smith or Marx) and also provides the overarching framework for a new science of organizations. No less than a world-wide organizational revolution is needed to overcome the physical deterioration of the planet and the conditions of human life.

The institutionalization of a multicentric society is now in process in multifarious and inchoate terms. It may be aborted or, on the other hand, it may gain momentum with our increasing awareness of the distortive externalities generated by the market-centered society. In any event the future will be shaped either through the mere passive coping of historical agents with circumstances, or through their creative exploration of unprecedented contemporary opportunities. Most likely, a new society will come about through both ways.

While nobody can claim to have the precise view of things to come, it is essential that we delimit the impingement of economizing organizations upon human existence at large if we are to capitalize on contemporary

possibilities. Because economizing organizations are precisely those which most draw inputs from the limited budget of non-renewable resources, they should be redesigned severely with an ecological concern in mind. Such organizations should be circumscribed as an enclave within a multicentric society which provides many settings for self-rewarding pursuits involving the least consumption of low entropy inputs.

The industrial world we live in also began as an objective possibility.¹² It was shaped throughout an accumulative process of institutional innovations deliberately undertaken by many individuals. We may now be in a similar incipient stage of institutionalization from which an alternative to the market-centered society – the multicentric or reticular society – may emerge.

Overview and Prospects of the New Science

In this book I have exposed from a theoretical perspective flaws of extant organization theory and set forth the framework for a new general science of social systems design. This analysis has also exposed prevalent shortcomings of contemporary social science of which current organization theory is a part. In the first part of this chapter I summarize key points in my critical assessment of conventional social science. In the second part I characterize the new science of organizations as being endurance centered.

CONVENTIONAL SOCIAL SCIENCE

The root of the fallacious character of conventional social science is the concept of rationality which pervades it. This book focuses upon a distinction between substantive and formal rationality, a distinction which has been proposed by a few great contemporary thinkers but never thoroughly explored by them as a referent for differentiating two types of social science. The distinction should not be considered as a didactic exercise. It poses an existential dilemma to whoever chooses to be a social scientist. To be sure, in general the choice of either one of the horns of the dilemma is usually not conscious, but made for individuals by means of their socialization in academic milieux which themselves operate within dominant Western institutional parameters. What theoretically ruins conventional social science is not its formal character, rather it is ignorance of its parametric character, i.e., of its penchant for relying on a world vision inherent in a precarious historical climate of opinion. Therefore it is bound to crumble when such a climate of opinion loses credibility. As distinguished from formal rationality, substantive rationality can first of

all never be captured within a definitional statement. It is only through the unobstructed experience of reality and its articulation that substantive rationality can be understood. One cannot even hope to understand it through the mere acquisition of packaged information. Secondly, social science predicated upon substantive rationality transcends episodal climates of opinion. In particular historical periods it may be overshadowed, but never destroyed. This is not to say that substantive social science exists as a definitive conceptual body which has been formulated once and for all times. On the contrary it is always in the making, each epoch adding to and expanding the millennial legacy of insights into human nature and human associated life. The critical analysis I have presented does not have a literal restorative intention. Rather it is a call for the appropriation of that legacy and its development in terms which would enable us to understand and master the process of contemporary history.

The market-centered society and the social character that it engenders are recent events in history. They were formed in the wake of an industrial revolution consummated in a few centric Western countries. From the vantage point of this book we now understand that this transformation cannot be considered as the only path those countries could have taken during the last three hundred years. Caught within the illusory interpretation of this accomplished fact as the outcome of a necessary unfolding of history, conventional social science postulates the market-centered society and its resultant social character as the yardstick to evaluate mankind's past and present history. Thus, in spite of its value-free claims, contemporary social science is normative to the extent that in theory and practice it is nothing more than a body of social systems analysis and design criteria induced from a particular historical configuration. Confronted with ecological constraints upon production and consumption – constraints which require a delimitation of the market system – the ideological underpinnings of conventional social science become increasingly evident. The alternative model of social science outlined in this book is not anti-market. Moreover my criticism of contemporary market-centered society should not be interpreted as an advocacy of the elimination of the market as a functional social system. Rather it acknowledges as an asset for all future times the main accidental outcome of the history of the market system, namely the creation of unprecedented processing capabilities which, if used correctly, can liberate mankind from the drudgery of laboring for the sake of sheer survival. Finally, in relation to the market system, my analysis even has a conserva-

tive overtone. It suggests that, purged of its unqualified expansionist trends and of its political and social abuses, the modern market may very well be the most viable and effective way devised to date to undertake mass production, the delivery of goods and services, and the organization of certain types of economizing social systems.

Any future which is envisioned as a linear development of the market-centered society will necessarily be worse than the present. Social science should be freed from its obsession with development and begin to understand that each contemporary society is potentially ready to become a good one if it chooses to rid itself of the linearist vision of history. This book suggests that there are many possibilities for the nations of the so-called underdeveloped world to recover immediately from their peripheral condition, if only they would find their own political will and thus free themselves from the syndrome of relative deprivation which they have internalized by taking the advanced market society as the scenario of their future.

Delimitation of the market system, as predicated by the *New Science*, implies the formulation and implementation of new allocative criteria and policies within and between nations. The novelty of these criteria mainly results from their sensitivity to the detrimental ecological and psychological externalities produced by the unregulated activities of the market system. The administration of constraints to the functioning of the market system aims at the preservation both of the ecological soundness of the planet and of the psychological health of mankind. Those constraints are to be discovered and invented through a complex research process subsumed under neither hegemonic interests nor doctrinaire orthodoxies of any kind. For instance, socialism is extraneous to the para-economic model presented in this book. Indeed private initiative and private property are fundamental conditions for any successful delimitation of the market. But in a delimited society private initiative and private property are defended against the disguised power of privileged corporate actors as well as the omnipotent state. In fact the state has already been assigned this task which, in a delimited society, it would exercise more forcefully and systematically in the interest of a revitalizing diversification of social and communal life. More specifically, in the economic domain the delimitation of the market would entail, not the elimination of private investors, but the enforcement of governmental policies intended to guarantee the compatibility of the structure of production and the population's propensities to consume with ecological and socio-psychological requirements. This scenario does not imply socialism, i.e.,

ownership by the state of the instruments of production. It does, however, demand a redefinition of the goals and priorities according to which existing central state controls should be exercised.

My analysis suggests that, given the present possibility of producing an abundance of primal goods and services, the category of job now has limited utility for assessing an individual's social worth. Production is not necessarily an output of activities undertaken within the confines of the market. Rather it is constituted by outputs which contribute to enhancing the enjoyment of life, and therefore these outputs can be the result of activities undertaken within the confines of non-market-oriented social systems. In this sense resources are infinite and there are no limits to production. The obsession with job as the only criterion of human productive capacity is a fundamental blind spot of governmental policy makers and the conventional economics they employ. Institutional reforms as for instance implementation of an imaginative grant system, can be devised to reward multiple forms of an individual's productive contribution to social life, of which job constitutes only a particular form.

In the prevailing economic institutional framework, increasing job opportunities will require escalation of the production of demonstrative goods, but biophysical production constraints have precluded this strategy. As before the rise of the market-centered society, so today, in its historical decline, full employment of manpower is again possible without imposing upon all individuals willing to work the imperative of being a jobholder. Ignorance of this fact is particularly regrettable at a time when the economy is increasingly losing its capacity to provide jobs for all persons willing to work.

This book is nothing more than a preliminary theoretical statement of the new science of organizations. It simply sets a research agenda. Much is yet to be done to transform the *New Science* into a tool for social reconstruction. In its present terms my analysis did not, for instance, discuss how the state might systematically implement and manage delimited social systems. A state fit to monitor the kind of society envisioned by the *New Science*, although displaying regulatory characteristics, will not be a socialist intervenor. Rather it will be an authoritative convenor of social systems whose assignment is to guarantee their functional complementarity. How, institutionally, it will accomplish this role is a matter for further investigation. Moreover no operational guidelines for designing, implementing, maintaining, and linking the variety of complementary social systems were presented in this book. I assumed that to present such guidelines before articulating in theoretical terms the

plight of the individual in the contemporary market-centered society would be pointless. I also assumed that the individual should first be freed from his psychological enthrallment with the market mentality. Before these objectives are accomplished, any set of operational prescriptions would be of no avail to him. I am certainly aware of these and other omissions of this book, but I am already engaged in a further development of this analysis based upon what I am learning from the experiences of concerned people who are now, in many ways and places, striving to find viable alternatives to the present state of affairs of the world.

THE ENDURING ORGANIZATION

This book lays bare the fallacies of current organization theory, the demise of which is not to be regretted; it is, rather, an auspicious event.

Extant organization theory can no longer conceal its parochialism. It is parochial because it focuses upon organizational issues from the standpoint of criteria inherent in a type of society where the market plays the role of an overarching integrative pattern and force. It becomes speechless when challenged by organizational issues common to all societies. Moreover it is parochial because it feeds itself on the fallacy of simple location, i.e., ignorance of the interconnection and interdependence of things in the universe; it deals with things as if they were confined within mechanical sections of space and time.

In fairness there is much in extant organization theory which any alternative theory should appropriate and develop. More than ever we now have reasons to admit that a fundamental promise of the old theory can be delivered: the problem of poverty as a material condition can be solved technically. After all, the old theory taught us that knowledge can be utilized systematically to produce more, to produce better, to produce enough, while at the same time liberating men from laboring activities. It taught us that in the last analysis capital is processing capability; it is a verb, not a noun. But dupe of a narrow concept of production and capital, extant organization theory finds itself in a stalemate. We have learned that indefinitely increasing commodity production and unregulated technological advance are not necessarily conducive to actualization of man's potential. Within the confines of the dominant interests which have prevailed during the last three centuries, extant organization theory has already accomplished its assignment. Awareness of this fact paves the way for the elaboration of a multidimensional science of organizations.

The old theory implies that production is only a technical matter. However, the fundamental assumption of the new science of organizations is that production is both a technical and moral issue. Production is not only a mechanomorphic activity; it is also an outcome of men's creative enjoyment of themselves. In a sense men produce themselves while they produce things. In other words production should be undertaken not only to provide enough goods for man to live a healthy life, but to provide the conditions for him to actualize his nature and enjoy doing so. Thus the production of commodities must be managed ethically, because as an infinite consumer man does not endure but exhausts his very being. Moreover production is also a moral issue because of its impact upon nature at large. Indeed nature is not inert material; it is a living system which can only endure as long as one does not violate the biophysical constraints superimposed upon its restorative processes.

The use of the verb 'to endure' in the preceding paragraph is intentional. Endurance is a category of physical, human, and social existence. Apart from endurance one cannot understand the process through which things, human beings, and societies accomplish their inherent individualities. Thus endurance does not imply maintenance. It is retention of character through change; it is victory over fluidity. It is a category of process thinking which acknowledges that everything is interconnected and continuously striving towards an optimal balance between conservation and change in the process of attaining a patterned achievement of its intrinsic ends.¹ Characterizing the general meaning of endurance, Whitehead writes: 'Endurance is the retention through time of an achievement of value. What endures is identity of pattern, self-inherited. Endurance requires the favorable environment. The whole of science revolves round the question of enduring organisms' (Whitehead 1967: 194). This citation sets the scenario for the elucidation of the parochialisms characteristic of extant organization theory.

Conventional organization theory and social science in general are not prone to acknowledge the viability of non-Western societies on their own value grounds. In the conceptual perspective of these disciplines, the Westernization of those societies is tantamount to their qualitative enhancement. For instance, this ideological bias is clearly spelled out by Likert (1963). The concepts and principles of what he calls a 'world-wide theory of management' are all deduced from the practice of Western industrial experience. Likert explicitly justifies the 'universality' of these concepts and principles, though not properly in theoretical terms, since in his view his doctrine is not fit to manage resources in any context, but

only in Westernized industrial sectors. He considers such a doctrine universal because it is predicated upon Western expansionism which is narrowing 'the cultural differences ... among nations' and making them 'much more alike in their organization (and industrial) existence.' Such theorizing is completely insensitive to dramatic facts which demonstrate that the Western model of industrialization is upsetting the organizational basis of peripheral societies rather than enhancing their capabilities to endure as self-determinative systems. A truly universal organization theory cannot indulge in such historical parochialism. Rather it should imply that the search for organizational requirements constitutes a concrete matter in each society and defies 'concepts' and 'principles' as Likert conceives them. Christopher Alexander correctly envisions such a search as an analytical process leading to the discovery and implementation of a good 'fit' enabling the satisfaction of the mutual demands which context and form make on one another (Alexander 1974: 19). Alexander is suggesting an endurance-oriented process of design. He therefore acknowledges that 'in their own way the simple cultures do their job better than we do ours' (32).

The disruption of enduring life systems is also a current feature of Western industrialized societies.² The practice of organization design which prevails in these countries is largely affected by the fallacy of simple location. Much of Georgescu-Roegen's thermodynamic analysis of conventional economic thinking reveals the fallacy of simple location. Organizations and the economic process that they enforce are usually conceived as if they had no connections with the biophysical sphere. Such a conception neglects the fact that the economic process, and especially the type of organization designed according to purely economizing criteria, continuously draws from the environment low entropy matter-energy and returns it in a state of high entropy. In this process the environment is necessarily depleted and polluted and thus the conditions required for enduring physical, human, and social existence are upset. Postulated upon the fallacy of simple location, extant organization theory is, rather, prone to aggravate the increasing thermodynamic unbalance plaguing Western societies. The time has come to replace it with an endurance-centered science of organizations.

It should now be clear to the reader that in one sense the *New Science of Organizations* is not really new³ for it is as old as common sense. What is new are the circumstances under which we must once again begin to listen to our innermost selves.

Notes and References

CHAPTER 1

Notes

- 1 See Parsons and Shils 1962; Parsons 1964.
- 2 On the history of the Frankfurt school, see Jay 1973.
- 3 Horkheimer writes: 'Man has gradually become less dependent upon absolute standards of conduct, universally binding ideas. He is held to be so completely free that he needs no standards except his own. Paradoxically, however, this increase of independence has led to a parallel increase of passivity. Shrewd as man's calculations have become as regards his means, his choice of ends, which has formerly correlated with belief in an objective truth, has become witless: the individual, purified of all remnants of mythologies, including the mythology of objective reason, reacts automatically, according to general patterns of adaptation. Economic and social forces take on the character of blind natural powers that man, in order to preserve himself, must dominate by adjusting himself to them. As the end result of the process, we have on the one hand the self, the abstract ego emptied of all substance except its attempt to transform everything in heaven and on earth into means of its preservation, and on the other hand, an empty nature degraded to mere material, mere stuff to be dominated, without other purpose than that of his very domination' (Horkheimer 1947:97).
- 4 See Jay 1973: 262.
- 5 See especially Horkheimer 1947: 141-2.
- 6 Cited in Habermas 1968: 200.
- 7 See Burke 1963/4.

