

COMPARING CONCEPTUAL SYSTEMS: A STRATEGY FOR CHANGING VALUES AS WELL AS INSTITUTIONS

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ABSTRACT

Reforming socialist societies requires changes in values and beliefs in addition to institutions and skills. But changes in values should be brought about in a democratic fashion through conversation and the comparison of perceptions. A few quite simple methods exist for comparing conceptual systems and thereby focusing discussion on the cultural foundations of economic institutions. Once a cultural system is clearly defined, more sophisticated methods can be used to provide additional understanding. Devising appropriate actions to take as a result of these conversations is left to the individuals in these societies to decide.

1. Defining the Problem

In recent years, and especially in recent months, increasing attention has been given to how the Soviet Union, China, and the nations of Eastern Europe can make the transition from centrally planned, authoritarian systems to free market, democratic systems. Most of the attention has focused on fairly tangible things like institutions and skills. For example, several countries are now working to establish capital markets and government agencies to regulate these markets. There are a growing number of cooperatives, public discussion groups, and new organizations concerned with the environment. Regarding needed skills, many new educational programs and institutions are being established to fulfill the demand for people with the training needed to manage business firms in a market environment.

However, the new organizations frequently encounter obstacles in the form of deeply held social values. For example, a colleague from Eastern Europe recently stated that the people in his country want to give workers stock in their companies in order to increase their motivation to work, and they want to set up a stock market to allocate financial resources more efficiently. But, when it was pointed out that people who do not work for a company would need to be able to own stock in the company, he said that that would not be permitted because it would enable speculation and exploitation. Hence, the reforms in socialist countries have encountered popular resistance partly because they seem to legalize behavior long considered illegal and immoral.

Transferring institutions and educational programs from one country to another is fairly easy to initiate. But making the new institutions work as intended is a much more difficult problem. Each country can benefit from the experiences of other countries. But each country must ultimately devise its own solutions compatible with its traditions.

The transformation of a national political and economic system requires that changes in institutions and values proceed in parallel. Hence, it is important to think through strategies for changing values as well as changing institutions. But the methods used to change values must

be consistent with the intended result of democracy. The most obvious strategy for changing values, which is consistent with democracy, is to encourage participation in discussions.

Assuming that all participants are genuinely interested in conducting a serious conversation, what issues need to be discussed? Should the discussion focus on ideologies like capitalism and socialism, on laws and procedures like private property and free elections, on civil liberties such as free speech and free press, or on underlying assumptions about human nature and the proper role of government? Discussions of all of these topics are perhaps useful, but I suspect that the most fruitful discussions will concern the most fundamental issues. That is, the most useful discussions will concern ideas that people take so much for granted they had not previously imagined that other people could think differently.

2. Describing Conceptual Systems

A method which I have found to be useful for comparing conceptual systems is to make a table listing the key features of two or more points of view.

Table 1 contains a list of differences between Western social systems and the Stalinist social system, which existed to some degree in the Soviet Union, China, and Eastern Europe until the late 1980s. Because changes have been occurring so rapidly in recent months, I have not attempted to describe the current situation in the socialist countries. Usually when such a table is presented, the discussion will explain the elements in the table. However, my purpose here is to make some methodological comments about the use of these tables.

Table 1
ASSUMPTIONS UNDERLYING SOCIAL SYSTEMS

WESTERN SOCIAL SYSTEM

In the absence of strong government social systems are basically stable

Human beings can and should rule themselves

All human beings are created equal; one person one vote

Freedom permits each individual to pursue his or her dreams

Government is necessary only to provide services people cannot provide themselves

A political party formulates positions on issues and offers candidates for election

STALINIST SOCIAL SYSTEM

In the absence of strong government social systems are basically unstable

Human beings are unable to rule themselves; their behavior must be controlled just as parents control the behavior of children

Some people are more capable than others; the best (most reliable or loyal to the Party) should rule

Freedom permits chaos and violence

The task of government is to provide order. The existence of government is taken for granted

The Party has absolute control of the government, the economy and ideology; Party officials control one's job, housing, education, and travel

The pursuit of self-interest is the engine of progress

Class differences are reduced by income and inheritance taxes and by equal opportunity

Power must be divided (among legislative, executive, and judicial branches) to prevent the government from curtailing individual liberties

Human rights are granted by God or nature and the government may not infringe them

A bill of rights lists what the government may not do -- limit freedom of speech, press, religion, etc.

What is not forbidden is permitted

Private property is a guarantee of individual liberty

A heroic person is willing to compromise with an opponent

Conflicts are generally resolved through compromise and negotiation

Social change is achieved through a legal or market mechanism -- by changing the structure of incentives

Efficiency is maximized by having profit oriented units compete

The economic system should permit free exchange of goods and services

Capital is most efficiently allocated through capital markets such as stock exchanges

Prices are the result of supply and demand

Profit is good; it results from providing a desired service at a competitive price

"The customer is always right,"

The pursuit of self-interest should be disapproved; the group comes first

Class struggle is the engine of social progress

Power must be centralized in order to control the society

"Human rights" are rights not of an individual but of society

A bill of rights lists what the state must do -- provide housing, education, health care, etc.

What is not permitted is forbidden

Private property permits the exploitation of one individual by another

A heroic person is willing to confront an opponent

Conflicts generally escalate until resolved by a person in authority

Social change is achieved through an administrative mechanism -- through the party hierarchy or through central economic planning

Efficiency is maximized by concentrating expertise and by planning

The economic system should produce and distribute needed goods and services

Capital is put to the best social use through the central planning process

Prices are set by the government to insure social justice

Profit to an individual is bad; it is the result of exploitation

The customer is a supplicant;

else the customer will switch
to a competing supplier

the quality of goods is
determined by the supplier

Labor unions are permitted in
order to achieve a fairer
distribution of wealth

Labor unions independent of
the Party are not necessary
and are not permitted

A table such as the one above is a way of summarizing and comparing perceptions. It inevitably reflects the views of the person or persons who constructed it. Such a table should not be regarded as an authoritative description of two social systems, but rather as a way of stimulating further conversation. The process of jointly creating such a table can be awkward in that descriptions of one society by a person from another society can be interpreted as criticisms. Hence, it is very important for the table to be presented as a starting point for a conversation.

3. Moving from One System to Another

Once such a table is made, analysis can be carried further by looking for dichotomies within the table. These dichotomies can then be arranged as two dimensions describing four quadrants (see Figure 1). I first used this type of analysis in 1972, and I have used it several times since then (Umpleby 1972, 1990a, 1990b). But this method is not new. In fact this type of analysis is a variation of what Fritz Zwicky (1969) called "the morphological approach."

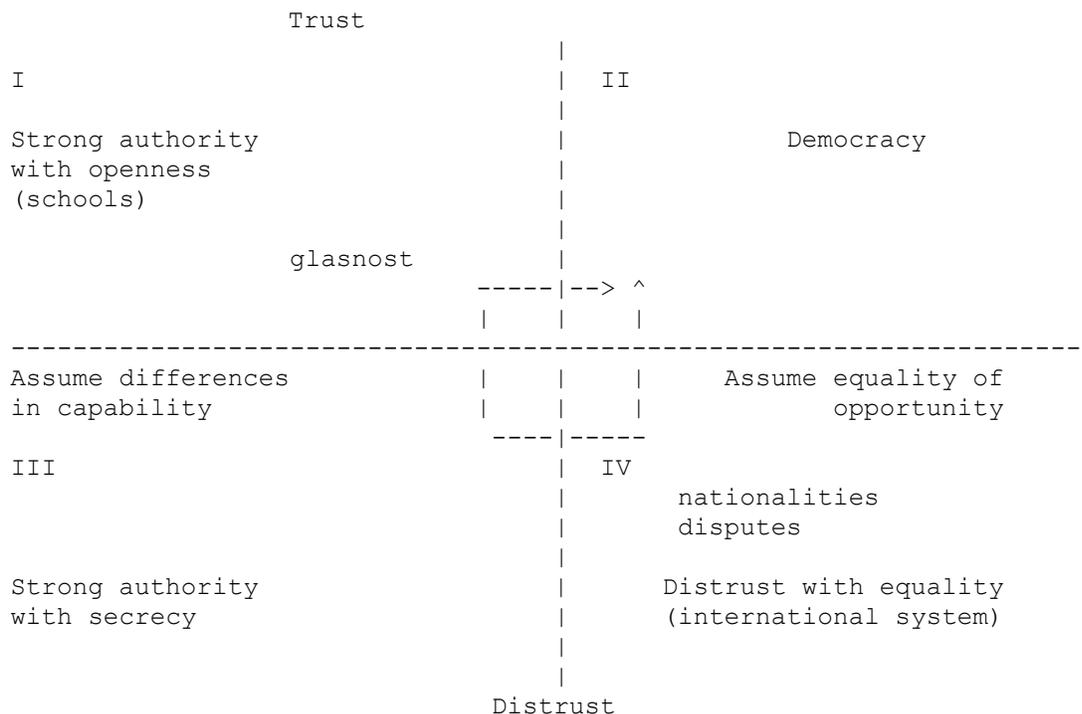


Figure 1. Generating Additional Systems or Strategies

In Figure 1 quadrants II and III represent the two conceptual systems described in Table 1. Quadrants I and IV describe additional social systems. Depending upon one's purpose, one could regard the two additional social systems either as important additional systems to be described in an expanded table or as intermediate steps in moving from one quadrant to the

diagonally opposite quadrant. Intermediate steps may provide a way to make social change less abrupt and more manageable. For example, if we assume that quadrant III represents the Soviet Union in 1985 and quadrant II represents the Western democracies, then proceeding from III to II through quadrant I is similar to the policy of glasnost, while proceeding through quadrant IV brings to mind the nationalities disputes in the Soviet Union.

This type of analysis is very easy to do, and by using several diagrams it is possible to gain new insight into some fairly complicated issues. For example, Figure 2 uses two dimensions (central planning - free markets; rugged individualism - welfare state) to depict the hypothesis that capitalist and socialist societies are converging. Figure 3 depicts the different strategies adopted by the Soviet Union and China in recent years by using the two dimensions (central planning - free markets; totalitarianism - democracy).

4. Examining Conceptual Systems

Once the conceptual systems of interest have been clearly defined, one can then consider some more complex phenomena. For example, one can look for inconsistencies within a conceptual system.

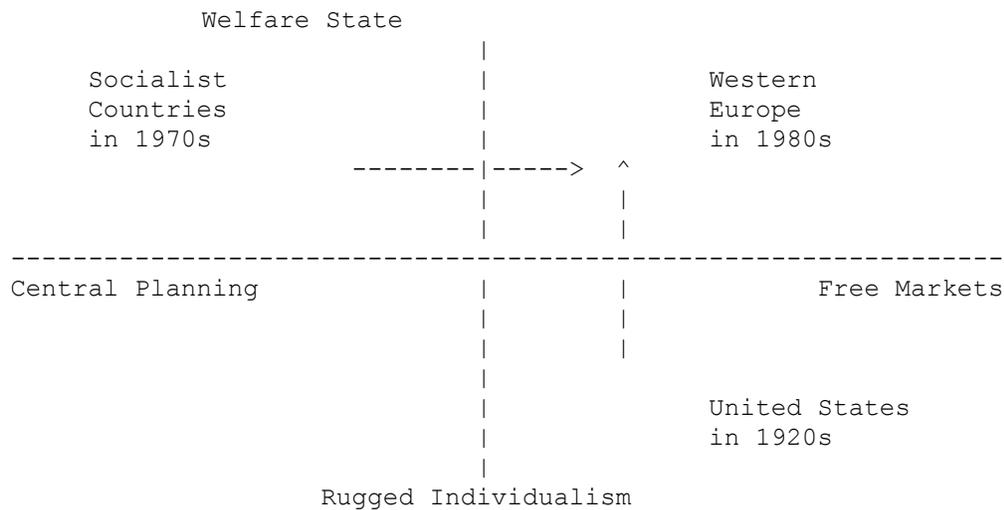


Figure 2. Convergence of Capitalist and Socialist Societies

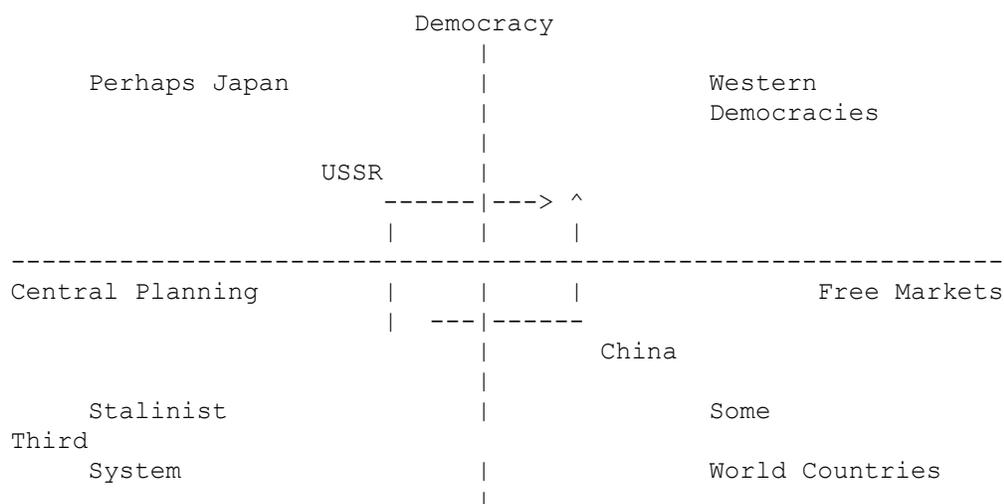


Figure 3. Two Paths Toward a Mixed Economy

Rachel Walker (1989) has described an inconsistency in the Marxist-Leninist system. The inconsistency takes the form of a "double bind," a psychological phenomenon which was first described by Gregory Bateson. The double bind that Walker has identified has to do with the problem of creativity. The Communist Party of the Soviet Union (CPSU) defends Marxism-Leninism against "deviationists" and "revisionists." On the other hand members of the Party are told that "loyalty to Marxist-Leninist teaching" is expressed through its "creative development." The result is that people feel a high degree of internal tension. To defend the doctrine is to risk being called a "dogmatist." But to propose changes is to risk being labeled a "deviationist." Not to do either is to risk being accused of not being a Marxist-Leninist. The tension is compounded because some sanction is implied in each of the three cases. One result is that the CPSU is in a position of absolute power because only it can define what "permissible creativity" is. A second result is that people lose interest in trying to improve society.

Finally, one can examine a conceptual system by looking at its consequences. Ideas about social systems, unlike ideas about physical systems, change the way that social systems operate. If one accepts this view, then an interesting result is possible. Ideas which are unappealing sometimes have appealing results, and ideas which are appealing can have unappealing results. The ideologies of capitalism and socialism can serve as examples. Capitalism is based on the pursuit of self-interest. In extreme form it praises greed. Adam Smith argued that individuals will be led by "an invisible hand" to improve society as a whole, but a society that seems to encourage greed is not based upon an uplifting doctrine. Nevertheless, societies which have adopted Smith's idea have prospered and have been emulated by other societies. On the other hand, socialism is based on the appealing idea that society should be concerned about those less fortunate. Yet this very moral intention has not always produced moral results. As Vaclav Havel (1990), the new president of Czechoslovakia said in his New Year's Day address,

The worst thing is that we are living in a decayed moral environment. We have become morally ill, because we have become accustomed to saying one thing and thinking another. We have learned not to believe in anything, not to have consideration for one another and only to look after ourselves.

Despite its unappealing ideology, capitalism, with its emphasis on the rights of the individual, confronts each citizen with the question of how much of his personal wealth to spend on himself and how much to give to various charities. The United States, which has been slower than the European countries in developing a social "safety net" has, partly in its place, developed an elaborate "grants economy."

Ideas about social systems can be evaluated not only on the basis of their immediate appeal but also on the basis of their consequences when acted upon. Ideas which emphasize personal responsibility tend to promote the development of individuals as well as society.

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