Parliament in a Fuzzy Democracy

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The article reviews the structure of a democratic society, and discusses the complex, dynamic relationships between its three major sectors — the state, the market and the community — and relationships within sectors. Governance according to rigid constitutional and statutory provisions is rejected and a fuzzy democracy is postulated. Uncertainty and risk are reviewed as major characteristics of the environments within which parliaments function. Finally, some issues confronting parliaments are considered.

Background

For many parliaments, much is suspected or commonly believed about how well or poorly they perform, but relatively little has been published. There is still less clarity about the basis on which the performance of a parliament should be assessed. Least discussed is the role a parliament plays in society. It is this level of governance which this article addresses.

Structure of democratic society

Three major sectors in contemporary communities[1] have been identified. These are the state, the market and the community (or civil society).[2] The parliament is a component of the state. The sectors overlap and both interact and are interdependent.

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[1] In this article, a ***community*** is a group of people sharing common sentiments. It is comprised of members who are interdependent. It is organised and structured as a ***society*** (see Nancy, Jean-Luc, *The Inoperative Community* (translation of *La communauté désoeurée)* Minneapolis: University of Minnesota Press, 1991, 1–42). The delineation between community and society is to be distinguished from Tonnies' descriptions of *gemeinschaft* and *gesellschaft*. The former relates to community as small traditional social groups which rely for governance on informal 'rules', whilst the latter are modern societies which rely on formal provisions (see Fukuyama, Francis, *The Great Disruption:*

Modern markets are dependent on a regulatory environment which creates greater certainty and stability, for example, property law. The state is dependent on the market providing many goods and services. Informal relationships between agents[3] in the state and market sectors are important to the operations of both sectors.

The community is dependent on civil society for the satisfaction of many needs, the most basic being met by family units, and skill and experience in democratic practices. Like the market, the operation of civil society may be facilitated by the state.

The relationships between the three sectors are dynamic, constantly changing under the influence of factors as diverse as the climate, technological change and political events. The sectors themselves are complex. Agents interact and are interdependent with each other within and between sectors. Many interactions are beyond the control of the state even in the most regimented communities.

Community, society and the complex adaptive socio-political system

The community is thus organised through the operation of three sectors into a society which may be viewed as a complex socio-political system, that is, a sovereign society in which governance operates through civil society, the market and the political institutions of the state.

The socio-political system is a complex adaptive system.[4] It is dynamic in that it continues to change in response to internal variations (for example, demographic, technological, shifts in values), and variations in its external environment (for example, attack, economic crisis, drought).

Human Nature and the Reconstruction of Social Order London: Profile Books, 1999, 52).

2   Claus Offe, cited (without further reference) in Eva Cox, 'Creating a Truly Civil Society', *Evatt Papers* 4(1), 1996.

3   Agent is used in 'the sense of someone who acts and brings about change, and whose achievements can be judged in terms of her own values and objectives, whether or not we assess them in terms of some external criteria as well' (Sen 2001, 19). Agents may be equated with stakeholders in the terminology of corporate governance. Agents may be individuals or institutions (some quite large). An agent may be active in more than one sector and some institutional agents may appear to behave as if members of more than one sector. Thus, a local government may behave as a state agent in exercising executive powers under law, as a market agent in producing and supplying certain goods such as housing to the market and as a civil society agent when cooperating in community action seeking change by another source of power.

4   Whereas the political science and public administration fields are generally reliant on a literature variously described as discursive, narrative or verbal, complex adaptive systems theory (sometimes abbreviated as complexity theory), on the other hand, was developed by scholars in economics and sciences including a number expert in computer modelling and several Nobel Laureates, at the Santa Fe Institute, New Mexico http://www.santafe.edu. Initially, the Santa Fe Institute aimed to generate new theoretical understandings of the operations of economic systems. There is also an older European school that has developed from cybernetics — see Francis Heylighen, *Relation to other Disciplines*, 1996, http://pespmc1.vub.ac.be/CYBSREL.html accessed 27 July 2001.

The system is adaptive in that changes in the system enable it to adapt to internal or external variations. The system of government is an integral and key institution within the system through which the people of a democracy organise their own governance and self-regulate at the level of the state. The democratic state is an emergent entity, arising from aggregations of pre-existing agents.

Shared values

A stabilising role may be played by non-government institutions (for example, organised religion) where they are able to sustain or introduce shared values.[5] Heylighen and Campbell suggest that

> (t)he predominant shared control for humans is cultural: beliefs spread through conformist transmission. However, the conformist mechanisms that keep beliefs similar are not sufficiently strong to keep context-dependence and communicative degradation from producing a continuous belief divergence or 'nemetic drift'. Thus, human society becomes a patchwork of fuzzily defined groups at different levels of aggregation, characterised by clique selfishness and hostility between competing groups. Different control mechanisms have evolved to complement the limited internalised restraint produced by shared beliefs: mutual monitoring, legal control and market mechanisms.[6]

Factors affecting interactions

Interactions relate to the exercise of power and are crucial to the functioning of the system. The manner in which an agent behaves towards another may change the manner in which that second agent behaves. The first may then modify its own behaviour in response. Where a third agent is involved, the first agent's conduct towards the second agent may affect the second agent's conduct towards the third agent. The third agent may then modify its conduct in a way that affects the first agent and its behaviour. These effects occur at the levels of individuals, organisations and institutions.

Characteristics of interactions

Notwithstanding formal rules, other influences and factors also play major roles in how societal governance actually operates. The role of cultural norms, which express themselves as informal rules of behaviour, are central. As Sen puts it:

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5   Ken Coghill, 'Candles Lighting the Way', in K. Coghill, ed., *Globalisation and Local Democracy,* Melbourne, Montech, 1997, 71–77.

6   Francis Heylighen and Donald T. Campbell 'Selection of Organisation at the Social Level: obstacles and facilitators of metasystem transition', in *World Futures: the Journal of General Evolution,* Special Issue on 'The Quantum of Evolution: towards a theory of metasystem transitions', 1995 < http://pespmc1.vub.ac.be/> accessed 22 July 2001.

> The need for institutional developments has some clear connections with the role of codes of behaviour, since institutions based on interpersonal arrangements and shared understandings operate on a basis of common behaviour patterns, mutual trust and confidence in the other party's ethics. The reliance on rules of behaviour may typically be implicit rather than explicit — indeed so implicit that that its importance can easily be overlooked in situations where such confidence is not problematic. But wherever it *is* problematic, overlooking the need for it can be quite disastrous.[7]

A wide range of interactions which commonly conform to certain psychological patterns can be defined and used in prediction.[8] The interactions are influenced by cultural norms, power relationships, legislation and a range of other factors. Interactions may produce immediate effects, or observable effects may be delayed. There may be considerable discretion available in response times, and responses may be suppressed, dampened or exaggerated.

Dynamic Interaction

In this interactive model, the agents, which may be differentiated and include specialist functions such as accountability agents, are constantly interacting with each other, assessing feedback and the conduct and performance of each other, responding by modifying their own actions, performance and conduct accordingly and again re-assessing and responding. A number of inconsistent factors may affect a single interaction. Outcomes are crucially dependent on the factors affecting decision-making.

The outcome of interactions may be simple and represent choices between a small number of alternatives, or they may arise from the interplay of a complex set of factors. The complexity of a set of factors may reflect incomplete knowledge, the impracticality of obtaining complete knowledge or an unpredictable environment in which there are variables that continue to change, perhaps due to the influence of further unknown or unknowable variables (for example, market forces).

Fuzzy Logic

These interactions occur according to fuzzy logic.[9] Fuzzy logic applies where actions and interactions generate decisions through the use of approximate

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[7] Sen, Amartya *Development as Freedom* Oxford: Oxford University Press paperback, 2001, 265.

[8] Jervis, Robert *System Effects: Complexity in Political and Social Life,* Princeton N.J.: Princeton University Press, 1997.

[9] Fuzzy logic is shorthand for a family of related theories arising from pioneering work by Zadeh. See URL: http://www.emsl.pnl.gov:2080/proj/neuron/fuzzy/what.html accessed 13 January 2000.

information and uncertainty. Actions do not follow rigid, certain and predictable patterns.

The operation of fuzzy logic will be dependent on the interplay of a range of factors. Its outcomes will be affected by the extent to which there are shared trust, culture, values, objectives, processes, norms of behaviour and formal rules of procedure (codes of conduct, regulations, etc). The extent to which trust is extended to remote agents is a key component of social capital affecting the operation of complex systems.[10]

A consistent and constantly reinforced set of social values is crucial. Wheatley states: 'we need to be able to trust that something as simple as a clear core of values and vision, kept in motion through continuous dialogue, can lead to order'.[11]

Accordingly, superior outcomes are more likely where there is trust, willingness or desire to reach agreement, a shared culture, consistent values, compatible objectives, norms of behaviour in common, agreed processes (for example, formal rules of procedure including codes of conduct, regulations, etc), rules of procedure providing basic infrastructure for interaction, rules of procedure allowing flexibility, similar bargaining power amongst agents and fully informed agents. These points are illustrated in the figure opposite (p. 102).

Kauffman indicates that complex systems work best with a moderate degree of organisation — governance, stating:

> We will find an ordered regime where poor compromises for the entire organisation are found, a chaotic regime where no solution is ever agreed on, and a phase transition between order and chaos where excellent solutions are found rapidly.[12]

The objective is to maintain the system at the transition phase between chaos and order, in so far as is possible.

Similarly, if it is desired to meet certain social objectives, such as equal civil and political rights for women, factors must be incorporated which are oriented towards that objective. Such objectives may or may not be consistent with optimum outcomes, according to selected criteria, for the entire system as a whole.

Thus, the 'best fit' actions by the individual agent are influenced, guided or even directed by the design of the regulatory infrastructure within which decisions are made.

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[10] Francis Fukuyama, *The Great Disruption: Human Nature and the Reconstruction of Social Order* London: Profile Books, 1999, 52.

[11] M.J. Wheatley, *Leadership and the New Science: Learning about Organisations from and Orderly Universe*, San Francisco: Berrett–Koehler, 1992, 147, cited by Duignan *op. cit*., 20.

[12] Stuart Kauffman, *At Home in the Universe* Viking, 1995, 247.

Left hexagon:

- distrust
- disinterest in reaching agreement
- incompatible culture
- discordant values
- conflicting objectives
- norms of behaviour differ
- processes not agreed e.g., formal rules of procedure (codes of conduct, regulations, etc)
- rules of procedure weak or absent
- rules of procedure highly prescriptive
- agents have asymmetric bargaining power
- information asymmetry

Right hexagon:

- trust
- willingness or desire to reach agreement
- shared culture
- consistent values
- compatible objectives
- norms of behaviour in common
- processes agreed e.g., formal rules of procedure (codes of conduct, regulations, etc)
- rules of procedure provide basic infrastructure for interaction
- rules of procedure allow flexibility
- agents have similar bargaining power
- agents fully informed

Inferior outcomes

Superior outcomes

Factors In Interactions Between Agents
Affecting Outcomes For Complex Adaptive Socio-Political Systems
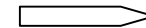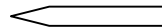
Meta-gover**nance**

The highest level of governance — meta-governance — is the architecture within which to resolve 'differences, clashes, conflicts, risks and uncertainties' in the context of complex, diverse and especially dynamic processes'.[13] These processes involve 'interactive social forces' and 'the actions of a variety of social actors'.[14]

Meta-governance encapsulates features including the constitution (both formal and informal, for example, conventions), the political system, societal values and culture. There is a hierarchy of 'rules' extending from the fundamental values underpinning the culture of a community to the formal codes described as 'political and managerial criteria',[15] and from the broad overarching rules which govern the conduct of, and relationships between, all participants in a society to those rules which apply only in more specialised cases. The State's discharge of that role may be influenced by its interactions with other participants, but its capacity to legislate and its statutory, prerogative and coercive powers give it an authority that is unequalled.

Individual agents have different degrees of absolute and relative power at any one time. Their degree of involvement/participation and even role may change.[16] Alliances[17] and coalitions are emergent from the interactions of agents.

Uncertainty and risk

Change and uncertainty are two distinguishable major influences on societies to which adaptation may be required. Uncertainty may be in either the sense that causes of change are unpredictable or the sense of apprehension over the unknowability of the effects of events and influences that are beyond the control of the agent or the society.

Adaptation to predictable changes affecting a society requires good information systems enabling the development of responses. A rigid system of governance typically restricts the flow of information to a narrow range of agents, limiting the opportunity for emergent thinking and action.

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[13]   Kooiman, Jan 'Socio-Political Governance. Overview, reflections and design' *Public Management: An International Journal Of Research And Theory* 1(1), 87, 1999.

[14]   *Ibid*., 89.

[15]   *Ibid*., 89.

[16]   Coghill, Ken and Alex Owen *Ministerial Responsibility: Complex and Adaptive Networks* Paper presented at the Third International Research Symposium on Public Management, Birmingham, March 1999.

[17]   Hawes, Derek , *Power to the Backbenchers? The Growth of Select Committee Influence*, Bristol: SAUS, 1993, 46.

Adaptation in response to uncertainty raises more complex issues.

Risk and risk management

Uncertainty is inextricably linked to risk.[18] A key issue, then, is how a system of governance can reduce or eliminate risk of misfortune or loss.

The capacity to respond quickly and effectively to the direct effects of uncertainty and to provide reassurance is important to the citizens. The latter may involve a tension between the desirability of stability and security on the one hand, and the importance of an environment that stimulates the emergence of solutions.

The most successful states — those that produce the best outcomes for the members of a society, in which citizens appear to enjoy the highest levels of freedom as capacity[19] — seem to have governance that is in the phase transition zone between total central control and an absence of central regulation i.e., systems of government intermediate between rigid control and anarchy. Too much central control blocks creativity, innovation and adaptation. Total lack of central control allows powerful agents to pursue their own interests at the expense of those with lesser capacities and ultimately society as whole. How those diverse interdependencies and interactions are handled is a key to a society's capacity to adapt to change.

Achieving those outcomes requires facilitating interactions. The 'interrelationships and interactions between the parts of the whole are more important than the parts themselves'.[20]

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[18] Risk: 'the possibility of misfortune or loss' — see *Collins English Dictionary* (1979), Sydney: Collins, 1259. Risks may be distinguished between natural risk arising from natural events such as volcanic eruption and manufactured risk arising from human activity such as ozone layer depletion — see Anthony Giddens, 'Lecture 2 Runaway World', *Reith Lectures* London: BBC 18 April 1999. Beck has used the term Risk Society to refer to modern society in which various events have revealed a community exposed to a wide range of risks and that is 'a laboratory in which no-one is in charge' — see Beck, Ulrich 'Politics of Risk Society' in J. Franklin, ed. (1998) *The Politics of Risk Society* Cambridge: Polity, 1998, 9.

Risk management is a popular term for dealing with risk and a whole industry has grown around it. It is derived from the insurance industry in which actuarial calculations are used to assess the probability of insured events and to spread the costs of those events across the policy holders. Risk management relies on an acceptance that risks generally can be accurately quantified in respect of both frequency and effects. For categories of risk where that is true, then it is a reasonable means through which a society can deal with those risks and parliaments facilitate it through a regulatory environment.

However, for events involving lower predictability and therefore greater uncertainty, the term 'risk management' may have connotations providing a level of comfort that is utterly unjustified. Examples from recent history include the emergence of diseases such as HIV–AIDS and 'mad cow' disease. How can society facilitate dealing with such uncertainty?

[19] Amartya Sen, *Development as Freedom,* Oxford: Oxford University Press paperback, 2001.

[20] Patrick A. Duignan, 'Fuzzy Leadership: Dancing with Organisational Reality', in Leonid Reznik, V. Dimitrov and J. Kacprzyk (1998), *Fuzzy Systems Design: Social and Engineering Applications* Heidelberg, Germany: Physica–Verlag, 1998, 8.

To achieve this, the system must be 'transparent, accountable, just, fair, democratic, participatory and responsive to people's needs'.[21] Each of these factors affects the capacity of a society, as a complex system, to adapt to changes in its environment.

The more successful states treat '(E)conomic, social and political systems (as) evolving interrelated networks *within* society, not as separate systems'.[22] Lijphart has demonstrated clear advantages in consensual political cultures and institutions. In these societies there is power sharing, compromise and 'concertation'.[23]

Democracy[24] facilitates and supports interaction between agents and enables those interactions to be regulated so as to limit dominance of any sector over another. It is in the area of uncertainty, in which agents are prepared to trust each other to work together notwithstanding unresolved differences, that innovation is emergent.[25]

Learning from corporate governance

Lessons from corporate governance have explained difficulties of predicting behaviour in complex systems through *punctuated equilibrium* and *path dependence*.

> Punctuated equilibrium occurs when a system's behaviour is characterised by periods of relative quiescence interspersed with episodes of dramatic change. This means that occasional major upheavals . . . are inherent in the dynamics of the system and not the result of some unusual external shock. Path dependence means that small, random changes at one point in time can lead to radically different outcomes down the road — something usually illustrated by the overused metaphor of a flapping butterfly causing a hurricane.[26, 27, 28]

[21]   World Conference on Governance, '1999 Manila Declaration on Governance', *Commonwealth Innovations* 5(3) 1999, 8, 9.

[22]   Vladimir Dimitrov and Kalevi Kopra, 'Fuzzy Logic and the Management of Complexity', in L. Reznik, D. Vladimir and Janusz Kacprzyk, *Fuzzy Systems Design: Social and Engineering Applications,* Heidelberg, Germany: Physica-Verlag, 1998, 128.

[23]   Lijphart, Arend (1999) *Patterns of Democracy. Government forms and Performance in Thirty-Six Countries* New Haven and London: Yale, 1999, 3.

[24]   Democracy is 'responsive rule', expressed more fully as the 'necessary correspondence between acts of governance and the equally-weighted felt interests of citizens with respect to those acts' — see Michael Saward, 'Democracy and Competing Values', in *Government and Opposition* 31(4), Autumn 1996, 467–86.

[25]   Vladimir Dimitrov, 'Fuzzy Logic at Service for a Better World: The Social Dimensions of Fuzzy Sets' in N. Matstorakis, *Computational Intelligence and Applications,* World Scientific and Engineering Society Press, 1999, 129–32.

[26]   Eric D. Beinhocker, 'Robust Adaptive Strategies', *Sloan Management Review,* Spring 1999, 95–102.

[27]   D. Kahneman, P. Slovic and A. Tversky, *Judgement under Uncertainty: Heuristics and Biases,* Cambridge: Cambridge University Press, 1982, 509–20.

[28]   P. Bak, *How Nature Works*,New York: Springer-Verlag, 1996, 161–74.

These characteristics help to explain the unreliability of interpreting new events according to apparent patterns in earlier events, from which heuristics are derived and extrapolations made.[29]

Several key design features for improved governance of business corporations have been identified, including constant striving for improvement,[30] *parallelism* in which multiple policies are adopted in parallel[31] and mixing incremental changes with moderately and radically different changes.[32, 33]

Resource Limitations

A totally unrestricted environment facilitates the evolution of multiple strategies, if resources are unrestricted and freely and equally accessible to all agents. However, resources are limited and an unregulated environment has quite different outcomes. Outcomes will be affected by effective control over scarce resources. Those with the greatest power enjoy greatest access to resources at the expense of more vulnerable agents. Thus if women are to be entitled to equal civil and political rights, then that preferred outcome requires regulation to guide the behaviour of agents in the system accordingly.

Implications for parliaments

This analysis establishes that constitutional design and statutory provisions do not adequately describe and define the governance of modern societies. In the modern crowned, democratic republic, the Parliament is now highly sensitive to citizens' perceptions of their needs.

The state is a complex system within which the institutions and offices interact and are interdependent with each other.

The state sector has certain unique characteristics and powers but, in a democracy, it cannot exercise its will with impunity. It is neither self-contained nor omnipotent. It interacts and is interdependent with the market and with civil society.

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[29] Beinhocker, Eric D. 'Robust Adaptive Strategies' *Sloan Management Review* Spring 1999, 97; see also Holland, J.H., K.J. Holyoak, R.E. Nisbett and P.R. Thagard *Induction: Processes of Inference, Learning, and Discovery* Cambridge, Massachussetts: MIT Press, 1986.

[30] Collins, J.C. and J.I. Porras *Built to Last: Successful Habits of Visionary Companies* New York: Harper Collins, 1994.

[31] Beinhocker, Eric D. 'Robust Adaptive Strategies' *Sloan Management Review* Spring 1999, 99.

[32] Baghai, M.A., S.C. Coley, and D. White *The Alchemy of Growth: Kickstarting and Sustaining Growth in Your Company* London: Orion Business, 1999, 51–68.

[33] Baghai, M.A., S.C. Coley, R.H. Farmer and H. Sarrazin 'The Growth Philosophy of Bombadier' *McKinsey Quarterly* number 2, 1997, 4–29.

This brings significant potential implications for the Parliament. The Parliament is unquestionably within the state sector, but its relationships are not confined to the state sector. Its legitimacy and authority derive from the citizens as voters. The political parties, part of civil society, are key agents in elections to Parliament and in the functioning of Parliament. The market sector also includes large numbers of agents. These range from small individual enterprises to large corporations with significant influence and key institutions such as stock markets.

Seeing the Parliament as the institution that is a key rule maker and a major influence in the governance of the complex adaptive socio-political system leads to reconsideration of its roles and functions.

If governance will produce the best outcomes when there is a high level of interaction between the institution of the Parliament and those with whom it is interdependent through its effects on policy and legislation, several issues confront parliaments.

These include the interaction between the Parliament and the citizens. This could include a much more active and inclusive role in the review of legislative proposals and secondary legislation. All bills could be automatically referred to the relevant departmental committee before debate in the House, as in New Zealand. The committee calls for public comment and may hold public hearings before reporting to the House with recommendations for amendments to improve the text or even the underlying policy.

A similar approach could be taken with review of secondary legislation. The Victorian model includes sunsetting or automatic review after 10 years works.

Another highly symbolic innovation would be for Parliament to meet at different locations that are more accessible to the public, as the Victorian Houses did in 2001.

The ancient right to petition the Parliament could be rejuvenated to create a real interaction between the petitioners and the Parliament in addressing the issue. This includes a process for petitioners to discuss their case before a relevant committee or even the Parliament itself.

More sittings of some parliaments could enhance their interactive relationships with other parts of society, perhaps balanced with public participation in parliamentary committee activities.

There could be wider involvement in the implementation of regulation by those affected in a number of jurisdiction, by adopting Teubner's entreaty to reflexive regulation[34] as a principle. This sets objectives or standards and allows for them to

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[34] Gunther Teubner, 'Substantive and Reflexive Elements in Modern Law', *Law & Society Review* 17(2), 1983, 239–85.

be met through interaction and interdependence between the state (the regulator) and the regulated. Power to create secondary legislation in accordance with appropriate democratic safeguards could be delegated to specific institutions or classes of institutions. Primary legislation would set out principles, subject to which bodies in the market or civil society sectors could create policies and rules suited to their circumstances, as stock exchanges often do.

Conclusion

These are some of the matters that now confront parliaments as they (and others) consider whether they are meeting public expectations. Conceptualising our societies as fuzzy democracies can help in consideration of how these issues can or should be addressed.   ▲