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## **Luhmann's Functional Subsystems of Modern Society— The Character of Horizontal and Vertical Relationships<sup>1</sup>**

*Abstract:* This study focuses on one of the basic questions of Luhmann's social theory relating to the description of modernity, namely, on the characteristics of subsystems and, even more specifically, it is aimed at gaining new recognitions concerning the relationships between subsystems. To do this, the study starts with sporadic comments in Luhmann's late work indicating historical and current inequalities between functional subsystems that are characterised in essence by a coordinating structure. Supplementing these recognitions by new arguments, the study concludes that besides the horizontal relationships, a variety of hierarchic (vertical) organisation forms also develop under the conditions of modernity. The dynamic of the subsystems is also affected by external irritations of unequal weights and frequencies of occurrence which, though not necessarily overwriting the autopoiesis of the various subsystems, definitely influences the importance of the various subsystems in the process of social communication. The other part of the study points out—by analysing the organisation's system level among other aspects—that vertical segmentation is a characteristic of the entirety of sociality besides the horizontal structure. Consequently, the study concludes that the description of modernity in Luhmann's social theory is in need of some adjustment.

*Keywords:* system theory, social theory, communication theory, social dynamic, autopoiesis, organisation, organisational and social communication

### **The Process of Social Differentiation and the Relationship of the Subsystems**

One of the key questions of the social theoretical description of modern society is related to the interpretation of the relationships between the subsystems and fields that are separated as a result of the process of social differentiation. To study this question, which has always been a particularly important one in the tradition of the social science approach (from Durkheim and Simmel through Parson and Bourdieu to the contemporaries),<sup>2</sup> Niklas Luhmann discusses this phenomenon in a system theory framework. Luhmann's overarching analysis focuses on the structure of modern society as comprised of subsystems. The aim of the study is to work out a particular kind of correction of the recognitions of Luhmann's theory concerning the relationships between subsystems. To this end, it discusses the issue of the internal dynamic of the subsystems in more detail and it makes an attempt at further elaborating Luh-

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<sup>2</sup> For a discussion of social differentiation in sociological tradition see the excellent analysis of Uwe Schimank ([Schimank, 2007](#)).

mann's approach partly based on Luhmann's recognitions and partly by involving new elements. In doing so it analyses the extent to which the issue of the hierarchy between the various subsystems can be raised as a question in the era of the functional subdivision of modernity and in the course of its evolution (or in essence at the point where it gains dominance in social communication).

Although the dynamic between the subsystems is a particularly relevant field from the aspect of our present train of thought, Luhmann paid little attention to the system of relationships among the various subsystems and when he did so, he tended mainly to respond to criticism of his theory (Willke, 1983; Habermas, 1985; Beck, 1988: esp. 166–168; Münch, 1991: 172–176; Krawietz–Welker, 1992), and he elaborated his understanding focusing practically only on one side of the distinction relating to the question. In the course of the description of the relationships between the various subsystems he therefore highlighted those structural connections between them, which created communication connections between the various subsystems (thereby providing for the integration of sociality) in a way that does not threaten the horizontally arranged structure of the subsystems (Luhmann, 1987; 1998).

Luhmann's theory considered functional subdivision of society to be the most important characteristic of modernity, which, in contrast to the hierarchic organisation of the previous era, saw modern society definitely as a system comprising coordinated subsystems (Luhmann, 1987; 1998). The key proposition of this view of society is that none of the social subsystems are capable of influencing the functioning of the others because every subsystem decides autonomously on further connections of communication in line with its own self-reference distinction, as a consequence of which it is not even capable of contemplating the reference codes of other subsystems. Accordingly, modernity would differ from the earlier historical eras primarily in that the once (vertically) hierarchically organised communication of society would be replaced by a coordinating (horizontal) communication structure in which, for instance, the sphere of politics could not determine the economy's communication which is organised on the basis of economic viability and it would not be able to influence, for instance, mass media's selection focusing on informativity. In this sense, therefore, it is not actually possible to talk about a preferred or focal subsystem that could influence the communication of the other subsystems.

### **The Relationship between the Functional Subsystems**

In the entirety of his life's work, Luhmann only superficially touched on the question that is linked to the dynamic of social communication between the various subsystems of modernity. Luhmann's system theory was, for the most part, content with pointing out that the various subsystems had no means for interfering with the autonomous rationality of other subsystems, since impulses coming from one subsystem towards another can only be taken as mere irritation of the latter subsystem, to which this subsystem responds on the basis of its own autopoiesis. The autopoiesis concept interpreted on the basis of the epistemological recognitions which originated obviously

from the biological cell research dominating Luhmann's second creative period, did not only mean the separation but also took into account of the environmental impacts. Nonetheless, Luhmann's interpretation seems as though it had focused only on one side of distinction, one of the characteristics of the communication scheme of impact (irritation)—response (adaptation)—reaction. It highlighted the relationship that expressed the subsystem's nature, which uses its own internal elements as building blocks and that ensured its difference from the outside world and the self-referentiality of the subsystem. It paid less attention to how the environment that surrounds all subsystems and that is more complex than any subsystem, can, if not determine, but influence, the contents of the system's autopoiesis.

While as a consequence of the above Luhmann highlighted the equality of the different subsystems, it was not before the last period of his life's work that he started discussing that specific characteristic of society in which the different subsystems cannot affect the communication of the other subsystems with equal weight.<sup>3</sup> Although the various subsystems' own rationality is retained in the age of modernity under any circumstances, the question of which are the subsystems whose own rationality appears as an environmental impact or irritation to the communication of other subsystems most often, is quite an important structuring factor from the aspect of society as a whole. On the other hand, if one wishes to interpret the dynamic between the subsystems of modernity, the analysis needs to be expanded to the hierarchic conditions of the transitional period as well, i.e. the movement of the various social sub-areas towards getting organised on the basis of functionality also needs to be interpreted.

The relevance of this latter recognition is also supported by the fact that from Luhmann's thorough and complex historical explanations (e.g. Luhmann, [1980] 1993a; [1995] 1999) it is clear that the various subsystems are historically predestined to roles of different weights. Since the relationships between the various subsystems are determined by the specific features of historical change, a particular kind of historical contingency is operating in the dynamic of the connections between the subsystems as well. This is on the basis of what even Luhmann himself notes—that the relationship between the subsystems may be unequal (Luhmann, 1998: 746–747). The reasons for this lie not only in the chronological differences between the historical evolutions of the various subsystems, but in that the entirety of social communication enables a series of fertile secessions that are not centrally controlled and that have different weights in regard to the entire sociality. Though Luhmann's differentiated analysis gives a detailed description of the features of this social change, it may perhaps pay less attention to the consequences of this recognition.

Continuing Luhmann's train of thought however, may lead to revealing new dimensions of the particular organisation of modernity. Having accepted that there can be no central instance in modernity that could integrate the organisation of sociality,

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<sup>3</sup> A change in emphasis can be clearly observed between the two large summary publications of Luhmann's life's work, *Social Systems* (Luhmann, [1984] 1987) and *The Society of Society* (Luhmann, 1998). While emphasis in both pieces of work is laid on the discussion of the horizontal connections between the functional subsystems of modern society, in the great summary of the end of the life's work however, Luhmann even presented interpretations indicating vertical connections as well.

it inevitably follows from the connections of communication that the different functional subsystems need to have different weights. That is, the above special nature of social communication is bound to assume some kind of a hierarchic relationship even if it does not resolve the contents of the autopoiesis of the various subsystems. Applying the conclusions drawn from this train of thought to the conditions of European societal development that has created modernity, it is hardly possible to dispute for instance that the subsystem of the economy and that of politics can enforce its own rationality as irritation on the other subsystems to an extent that is different from the extent to which sports can assert their own. We are not only arguing here that the number of structural connections is larger in the case of the economy or politics than in the case of sports (as it is even possible to point out in a number of cases), but that the degree of irritation of certain subsystems on other subsystems can be a lot greater. Accordingly, certain subsystems in a more dominant position can therefore much more strongly dominate or determine the environment of another subsystem.

I attribute a structuring role to the different degrees of irritation, as described above, in that environmental impacts always affect the subsystems' autopoiesis. Although the subsystems make their selections in the process of communication on the basis of their own earlier (self-)referentiality, their own autopoiesis contents become fixed to at least the same extent as a result of, and in response to, environmental impacts, and in the course of their own separation. If therefore a given subsystem receives impulses from the various subsystems in the form of irritations not at random frequency but some subsystems serve up challenges either much more often than do others or not necessarily more frequently but with a much more significant weight, and thus they somehow force the internal functioning of the subsystem to adapt to the impacts, then the development of its internal rationality is also more heavily affected by the subsystems in more dominant positions. What follows from it all is that it is possible to talk about a hierarchy or vertical connection between the functional subsystems, since some subsystems can—in the form of environmental impacts—more profoundly affect the forming of connections in social communication than other subsystems.

The above train of thought partly follows from Luhmann's social theoretical and historical sociological argumentations as well, and at the end of his life's work he even commented that functional differentiation did not offer equal chances for the various subsystems: it was up to evolution to determine which subsystems and structures remain in place rather than others (Luhmann, 1998: 770–771). If Luhmann's comment concerning the future is applied in a historical analysis as well, then these different chances designate evidently different structural roles for the different subsystems in the evolution of modernity and also during the era that is organised predominantly on the basis of functional differentiation. Nonetheless, Luhmann typically took his standpoint against the existence of the above hierarchic relationship between the functional subsystems (Luhmann, 1987; 1998).

In my view, his perspective was turned by a variety of factors towards assigning no, or only marginal importance, to vertical subdivisions. On the one hand, in the process of historical change it is definitely the process that results in the suppression of hierarchic relationships in the course of the transition from a stratified society,

which is found to be rather strong. On the other hand, Luhmann can also rightly conclude that hierarchic organisation, which is also present in the system of relationships of modernity, cannot create a ranking order among subsystems that could be centrally determined (Luhmann, 1998: 746–747). These arguments indubitably show the lesser role of hierarchic relationships in comparison to the dominant horizontal connections, yet in the course of social evolution they not only permit the presence of vertical relationships between subsystems but—as has been pointed out by historical analyses—these relationships definitely have to be taken into account in the age of modernity as well.

Luhmann, however, put forth different arguments as well in order to substantiate his position concerning the suppression of hierarchic relationships. He argues that the perception of the differences between the various subsystems in terms of weight reflects not so much the hierarchy between the different subsystems as the perspective of the observer: he will perceive different functional subsystems to be dominant or even marginal, depending on which segment or system of relationships he is observing. Accordingly, he concludes that these highlights determined by the observer's perspective are relativised in society's immanent functioning and the distribution of the importance of social communication is typically dominated by equality among the functional subsystems.

Luhmann's argument however, seems to be in need of refinement for a variety of reasons. If we were right to talk about subsystems of more dominant positions in regard to the evolution of the various subsystems, then it can also be rightly assumed in the course of continued social communication that the weight differences remain in place in subsequent structural connections of communication. Even if we obviously have no reason to assume that the hierarchic relationship that is a characteristic fact in the initial stages remains in place in subsequent phases as well (because continued communication is surely capable of changing this either by way of the role of chance or by unexpected sudden changes),<sup>4</sup> yet on the other hand it can in no way be assumed that the functional subsystems are converging towards some artificial equality in regard to the mutual impacts (irritations) as well. The latter possibility can also rightly be cast aside because the evolution concept of the Luhmannian social theory consistently rejects any teleological content throughout the scholar's career (e.g. Luhmann, [1975] 1991a; 2006), and without that it is hardly possible to argue that the subsystems of modernity have by all means to dispose of the vertical organisation among themselves (appearing in the form of environmental irritations).

The historical evolution described by Luhmann rather points much more in the opposite direction. Another consequence of the autopoiesis of the functionally organised subsystems is that in their autonomous operation the various subsystems can separate themselves from their environment even in the sense that they create their own time for their own communication (Luhmann, [1975] 1991b). This is said because

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<sup>4</sup> Discussing the possibilities of social change, Luhmann lists all of these possibilities (Luhmann, 2005), thereby repeatedly expressing that its general social theory distances itself not only from the critical tradition that is regarded as its main debating partner, but also from the conservative approach in that it appreciates neither continuity nor revolutionary changes (discontinuities) more positively.

this relative independence in time also makes it possible for the communication of subsystems to tolerate greater inequalities than they did in earlier eras. In other words, the advent of modernity has also resulted in various subsystems having increased independence as well in their operation, besides their mutual dependence. Another consequence of this is that the subsystems can take increased irritation (Luhmann, 1998: 789), since they are no longer dependent on a central organisation. This growing tolerance of irritation and the growing mutual irritations in social communication however, are subject to the positioning among the subsystems that have been developed by historical evolution by chance and by all means with inequalities. Another way to put this is that it follows from the specific nature of historical evolution at all times and the growing learning capabilities of the subsystems in the circumstances of modernity, that it is highly probable that the balanced state, that could create a structure of irritations of the same force and intensity, cannot come about in the communication between subsystems, or at least it is not going to be a typical state. Social communication between the subsystems of modernity also reflects the hubs and vertical connections that designate the more dominant roles of certain subsystems and the less important roles of others.

Therefore, while Luhmann can rightly conclude that under the circumstances of modernity none of the subsystems can take over the leading role, this conclusion needs to be supplemented by adding that neither the balance position of communication between the subsystems nor their equal weight can be assumed as a typical case of social communication. This assertion is supported by Luhmann's late work in that it attaches importance in discussing the features of the structural connections between subsystems to the types of irritations any given system needs to deal with. He also explains that these irritations may even be either stronger or weaker (Luhmann, 1998: 780). Consequently therefore, the various subsystems are not equally positioned in social communication. It is very likely, partly in relation to these sporadic comments, that Luhmann in his late work cautiously hypothesises that some subsystems are probably in a more favourable position than others in the evolution of subsystems and he also notes that this "leads to an unbalanced development of society" (Luhmann, 1998: 764). The wording may reflect some value reference as well: as though instead of the vertical organisation that clearly follows from the Luhmannian assertion—in line with the majority propositions of his social theory in relation to the issue at hand—he preferred the horizontal organisation. What is more important however, is that the existence of the hierarchic connections besides the horizontally arranged structure is perceived by Luhmann as well in his great summary of his life's work.

My interpretation which finds a hierarchic relationship between modernity's functionally divided subsystems is also confirmed by another one of Luhmann's arguments which appears to be contrary to my standpoint. In response to the recurring criticism in the later period of his life's work, Luhmann often explained that it was only those functional subsystems which failed most severely in their functioning that could take on a central role in the circumstances of modernity (Luhmann, 2005: 270–271; Luhmann, 1998a: 769). In other words, those subsystems acquire dominance by their dysfunctionality causing operational difficulties to the other subsystems, i.e. their im-

pacts affect all other social subsystems.<sup>5</sup> By way of this example, Luhmann intends to clearly express that the dominance of a subsystems in a functional structure—in contrast to the critical perspective of the political left—can be seen as originating not from power but from the very lack of power.

His argument—that is convincing from this perspective—however, indicates from even two aspects that assuming equality among subsystems entail a variety of problems. (The importance of this lies in the fact that if it is really not possible to argue for equality, then the existence of vertical relationships besides horizontal ones follows clearly from the inequality among subsystems.) On the one hand, as the Luhmannian interpretation points to the failure of the subsystems and thereby its dominance, it shows a historical example for the fact that hierarchic organisation is, after all, an event of the modern organisation of social communication (and probably not an infrequent one at that). On the other hand (and this is even more important) if one contemplates both sides of the same distinction on the basis of the Luhmannian social theory, then the dominance of a given subsystem may be seen as originating not only from its inoperability, but also from its historically conditioned (more) central role as well. At least, if based on Luhmann's arguments, one can historically assume the dysfunctional operation of a subsystem, then as a consequence of the very peculiar nature of historical development (as was analysed above), a more dominant role is also likewise possible: indeed, as a consequence of the extremely high improbability of the subsystem evolving simultaneously from all aspects, this is an inevitable historical reality.<sup>6</sup>

These conclusions however, do not override the Luhmannian recognition that the various subsystems have such an autonomy, which in other aspects expresses the horizontal organisation of the various subsystems. On the other hand, on the basis of the above there is good reason to assume that subsystems are not only horizontally but also vertically organised. In my view this proposition is supported—in contrast to Luhmann's intents—by the interpretation he provides of modern society's self-description. My argument suggests that a number of its aspects also go to confirm that besides the definitely existing horizontal connections, there are also vertical forms of organisation in the system of relationships among subsystems, because in discussing modernity's self-description Luhmann points out that there is a kind of a discrepancy between the structural connection of social communication and society's self-description (Luhmann 1993a, b). Although Luhmann often expresses that the existence of co-evolution is a pre-requisite for the connections between the different spheres of sociality, in this aspect he also perceives chronological differences. Accordingly, he clearly considers it to be possible for modern social communication to be characterised primarily by the horizontal relationships among functionally divided subsystems, but

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<sup>5</sup> Luhmann's example is that when the economy cannot generate enough cash, it affects the operation of all of the other subsystems just as the legal subsystem cannot guarantee legality for social actors in the case of complaint cases.

<sup>6</sup> In this sense, both the interpretation of the critical approach deriving all hierarchies from power and Luhmann's system of arguments recognising dominance only in relation to the lack of power, are cut short in comparison to a complex aspect of analysis assuming connections in both ways.

he finds society's self-description to be dominated by the old European semantics, which continue to express the semantics of the earlier era organised on the basis of stratification and which constitute in this way a hierarchic perspective (Luhmann, 1991c; 1993c; 1996).

Accordingly, while Luhmann may rightly point out that today's modern society is trying to interpret itself using semantics reflecting predominantly the social conditions and relationships that used to be characteristic of the 19<sup>th</sup> century, as he can rightly criticise the old European semantics of the intellectuals applying these semantics and dominating public discourse, to the extent he can justly draw attention from the aspect of evolution to the historically rather frequent discrepancies between social organisation and self-description, he pays very little attention to the impacts of these old European semantics on social communication. In my opinion, modernity's self-description, which can be linked typically to the old European semantics, is not only a fact that is worthy of sociological analysis but also a factor that can affect the structural connections of modern society. For this interpretation of reality that is often put forth at each level of sociality (interactional, organisational and societal), creates such general communicational impulses—or irritations, to use Luhmann's terminology—in the entirety of sociality that cannot go without consequences in the complex communication connections of modernity.

There is good reason to assume that this communication of homogeneous contents, which is coming from a variety of sources and which assumes a hierarchic relationship in the communication connections, imposes such an environmental impact on all spheres of sociality which cannot be ignored by the autopoiesis of the various systems either. In other words, if the communication impulses are not of a random nature in regard to the horizontal or vertical content of the structural connections, but typically communicate that the communication organisations of sociality is determined by vertical organisation, then this factor plays a role in the creation of vertical connections as well, *besides* the horizontal connections between the internal autopoieses of the various subsystems.<sup>7</sup> I am arguing that if the old European semantics of the description of the modern society emphasises the primacy of the economic and political subsystem that has been playing a central role in historical development, then this also affects the fact that communication expressing the rationality of these subsystems can more frequently and/or more strongly appear as an irritation in the other subsystems that create a pressure towards adaptation.<sup>8</sup> Though this does not

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<sup>7</sup> It needs to be emphasised that my train of thought is not meant to argue—as does the critical discourse of the political left—that any and all social communication can only be interpreted in a hierarchic relationship and that it can envision only the validity of a conflict theory approach. [For a fully explicit explanation of this see the work of Bourdieu (Bourdieu, 1980; 1994), or Boltanski (Boltanski-Thévenot, 1999; Boltanski-Chiapello, 2001).] My argumentation is an attempt at correcting the consensus theory interpretation—in *this aspect* – of the Luhmannian approach. (Noting at this point again that the whole of Luhmann's social theory work cannot—in contrast to that of Parsons—be integrated in a framework of interpretation based on consensus theory or a conservative one.)

<sup>8</sup> Owing to constraints of volume it is not possible for me to discuss the debate between Luhmann and Willke in more detail. Therefore I only refer to the fact that Willke held that in modernity the state has powers overriding the coordinating structure among subsystems that restricts the autonomy of the subsystems (Willke, 1983). Although the approach attempting to carry on Luhmann's arguments along

override the autopoiesis of the other subsystems, yet by imposing a pressure it is also responsible for hierarchic momentums to also appear between the subsystems in communication affecting the entirety of sociality.

The dominance of the subsystems that are in a (more) central position from this aspect and the possibility of vertical organisation among the subsystems is enhanced also by the fact that modernity's concept of time also indicates a change that may result in shifts in the relative weights (as well) of the various subsystems. In relation also to the increasingly complex connections among the subsystems and their growing performance, this leads to a situation where the time semantics of earlier historical eras that applied to eternity and to distinguishing between change and stability are being gradually replaced by a time concept distinguishing between past and future (Luhmann, 2005: 326–327; 2009a). This time, structure however entails not only the questioning of what seemed to be valid in the past, but it also assumes the problematic nature of the present era. And the modern dynamic that is characterised by this change—as is explained by Luhmann in his late period—results increasingly in placing emphasis on “fresh money” and “new information” (Luhmann, 2009b: 99).

In this way however, the economy and mass media affect more heavily not only the dynamic of modern society but also the communication of the various subsystems. All the more so, since even modern society's self-description is increasingly frequently based on the perspective of these subsystems (besides politics). The economy and politics (together with mass media whose role has grown considerably during the past decade from the aspect of reality construction) therefore play a central role in a number of segments of the observation of sociality as well. This appears in the communication of the social subsystems as a stronger environmental impact,<sup>9</sup> while the roles of others may be considered as rather more peripheral from a variety of aspects.<sup>10</sup> This then indicates the contents of vertical organisation among subsystems as well.

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this line (Willke, 2001; 2003) emphasises the role of horizontal connections—similarly to my position—however, it perceives that not in the relationship among the various subsystems but identifies the hierarchic structure in the institutions determining the subsystems.

<sup>9</sup> Since people receive more and more of their information on what is happening in the world from the mass media, this subsystem plays a particularly important role in modern society's self-description. This impact then leads to a situation where from the autonomous and self-referential functioning of the various subsystems those communications become important in relation to the external connections that have positive values in mass media's selection that is based on a binary code of “informative” vs. “non-informative.” This is the reason for instance for our interpreting even the performance of economy (which is highly positioned among the subsystems) on the basis of data that are easy to quantify (e.g. GDP increase or decrease) and for that even the other subsystems and the entirety of social communication also tend to judge its performance on the basis of such data.

<sup>10</sup> Besides religion, which is in a special position from multiple aspects, perhaps the subsystems of sports and arts may be noted as functional organisations that have definitely less irritation on the functioning of the other subsystems than do economy and politics. Particularly, the role of arts seems to be diminishing as a result of the fact that, together with the polysemantic nature of the modern society, people's judgements of “Beauty” seem to have a “milieu structured” scheme showing a growing distance between individuals (Schulze, 1993). Consequently, modernity—in comparison to earlier historical eras—tolerates a rather wide variety of assertions concerning “beautiful” without such judgements becoming conflicts imposing a force towards adaptation on the other subsystems as well. (We have come very far from where a Wagner opera (*Tannhäuser*), or a Stravinsky ballet (*Spring sacrifice*) could divide the audience to an extent that

### The Subsystems and the Character of the Relationship of the Organisations

Without involving another system level of the organisation of sociality in our detailed analysis, a brief mention needs to be made of the special dynamic of the relationship between the organisation and the subsystems as well, as a sphere that also indicates the horizontal and vertical dimensions of structural connections in the modern society, and that refers back to the dynamic between the subsystems. The discussion of this aspect can also be regarded as linked to Luhmann's late work. This is the period when his general system theory is increasingly highlighting the fluid nature of the connections besides the fixed nature of organisations and their features indicating stable structures. Luhmann's change in perspective at the level of general system theory—for the very reason of his strive towards a high degree of internal coherence and of his capability of organising things in systems—did not leave his social theory unaffected either. Partly in relation to the autopoietic turn therefore, in his later works he revises the relationship between subsystems and organisations as well, and consequently gets increasingly distanced from classical system theory, which was perhaps most strongly linked to the name of Talcott Parsons.

This turn in the Luhmannian social theory had an impact on the approach discussing the structural relationship between the subsystems and the organisations as well. Although Luhmann had not unambiguously linked organisations to the various subsystems even in the earlier period (to the extent his social theory permitted various organisations to come into existence independently from subsystems or in ways that could not definitely be tied to one or another subsystems), he yet regarded the majority of organisations primarily as social organisation forms assisting the functioning of the various subsystems. At that time he still regarded the key task of organisations to be to enable the operation of the various subsystems by making decisions reflecting the rationality of the subsystems concerned. Accordingly, organisations were considered to be in place in order to tackle the difficulties of communication entailed by the increase in complexity and to provide for the subsystem's autonomy. At the same time, this organisational communication entailed the possibility of additional increases in complexity in the mutual relationship that characterised the mutually inter-dependent communication of the subsystem and the organisation, and in which the organisation was just as capable of contributing to the separation of the subsystem's own rationality as it enabled further structural change (Luhmann, 1978; [1981] 2009c).<sup>11</sup>

This interpretation obviously assumed a strong structural connection between the various subsystems and their respective organisation(s) in which institutional communication even got institutionalised in the subsystem's communication reflecting

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politics and other subsystems have to respond in an acute way on the basis of its own distinction, to the irritation it has experienced!)

<sup>11</sup> Luhmann set out his theory on organisational communication in three main publications (Luhmann, 1978; 2001; [1981] 2009c). Orientation is complicated however, by the fact that both his work reflecting the standpoint he took in the seventies and his piece of work elaborated in the nineties but published only after his death came out under the same title (*Organisation und Entscheidung*) although there are marked differences between the approaches taken in those two pieces of work. (For more on this see Ortman, 2009)

its rationality. In the relationship between a subsystem and its institution or system of institutions therefore, the possible forms of resolution of dual contingency were determined by stable structures. Accordingly, its contingency was designated by the structure of the institutionalised organisational decision making mechanism, referring, of course, back to the rationality of the subsystem as well.<sup>12</sup> This framework of interpretation could, in its own particular way, clearly describe the process of institutionalisation that had a growing weight in modernity and it did not fail to describe the internal dynamic of the organisations and the subsystems either.<sup>13</sup> On the other hand, however, it could hardly give answers to the phenomena that could be observed at the system level of the organisations when social organisation had not necessarily been getting organised on the basis of organisational objectives.

The reason for the above is that organisational communication cannot only be organised on the basis of the organisation's explicit goal in that decisions determining the system level can, in certain cases, be made on the basis of the rationality of other subsystems or of that of symbolically generalised communication media. We are talking here about the social phenomenon (still on the example of the economy) when the decision to be made by an industrial company or a bank is determined not by the drive towards economic viability but, say, by the rationality of the subsystem of politics or that of the communication medium of love. Based on the Luhmannian system theory there are at least two possibilities for interpreting this phenomenon that is so often experienced in our social world. Either we focus on the corruption of the organisational decision, saying that it applied not the rationality of the subsystem linked to the organisation but an external factor, a distinguishing structure that is alien to the subsystem's autopoiesis. Interpretation in this case leaves unaffected the concept of subsystems and organisations formulating a stable structure since in the interpretation of the social phenomenon we apply the assumption of another stable structure (that of politics or love) overriding the stable structure at hand (in this case the subsystem of the economy and the rationality of the organisation linked to it).

It is also possible, however, to give an interpretation to the phenomenon by reference to the fluidity of social communication. In this case we point out that the nature of social communication is determined by the temporary linkage of communication at any given point in time. Returning to the above example, if at the central bank the decision on hiring a new staff member is determined on the basis of political or personal (emotional) considerations, then the organisational decision is interpreted on the basis of the preference code of the given communication situation. In other words, in the course of the sociological interpretation of the phenomenon organisational communication (similar to the system level of interaction) is assigned to one or another subsystem or communication medium depending on the area whose

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<sup>12</sup> For example, the rationality of the economy focusing on economic viability was determined at the level of the organisational system in the institutions (industrial company, bank, etc.) that obtained their information input on the basis of the subsystem's preference code.

<sup>13</sup> It is not surprising that Béla Pokol considered the very description of the process of institutionalisation to be one of the greatest merits of the Luhmannian social theory and he tried to continue elaborating that system theory focusing on the process of institutionalisation (Pokol, 1990).

self-referentiality it applies to in its communication. In pursuing this train of thought I cannot discuss here all of the social theory consequences of this change in perspective, but it is clear from the late work of Luhmann that—mainly from the nineties on—while he did not neglect the role of stable structures either, he moved in essence in the direction of assuming fluid structures. In other words, in the last period of his work, Luhmann concludes that modernity's complex system of relationships cannot be described without assuming prior structures fixed in the resolution of dual contingency—which are in this sense stable structures—and on the other hand he also notes that concrete social communication must always be interpreted on the basis of its momentary realisation and in this sense on the basis of its change.

The highlighting of the fluidity of social communication entails Luhmann's reevaluation of what he explained about the relationship between subsystems and organisations earlier on. Although he continued to assert that the communication of subsystem can be linked to organisations (e.g. to the school, the hospital etc.), it is always the concrete communication situation that determines the subsystem whose rationality dominates. (Luhmann's example for the fluidity of organisational communication in the case of the school is that its organisational communication is not necessarily linked to the subsystem of education, but instead, the school's communication may be a covert form of religious or political communication as well [Luhmann, 1998a: 775]). These later recognitions clearly relativise the earlier period's view concerning stable structure and the emphasis laid on the process of institutionalisation also changes.<sup>14</sup>

The most important aspect of this analysis is, however, that it yields new aspects for the interpretation of the relationship between the subsystems themselves as well. It seems to me that as a consequence of the application of the concept of fluidity, social theory explanation can also describe the structural connections between the subsystems rather in its dynamic. The description of society is therefore interpreted not so much on the basis of the stability between a subsystem and its organisations, but rather, it provides more leeway for the dynamic of momentary communications, which permits even connections to different subsystems in the case of the various organisations. This conceptual change definitely offers certain advantages from the aspect that it can more strongly demonstrate the increased mutual dependence of modern social communication and its more complex structural connections in comparison to the earlier historical era (Luhmann, 2009d). On the other hand, it definitely makes it more difficult to understand and interpret the autopoiesis of the various subsystems since if momentary communication shows frequently or continuously changing "rationality preferences" then the time dimension of the self-referentiality of the various systems can also only be grasped by a more complex analysis. In other words, the exploring of the contents of communication referring back to earlier connections and pointing forward to future connections also takes a more complex analysis.<sup>15</sup>

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<sup>14</sup> It is also related to this conceptual change that Béla Pokol's interpretation of assigning a greater role to institutionalisation fails to effectively find connections to Luhmann's late period, though the integration of fluidity in the social theory does not necessarily undermine the assumption of stable structures, and it does not rule out the integration of the society either.

<sup>15</sup> In empirical social research it will not be sufficient for instance to interpret an economic decision making mechanism in a series of communications following one another, instead, there is a need for

At the same time, problems arise in the case of the subsystems and their organisations, from the interpretation of corruption, or in other words, from the distinctions falling outside the rationality of the subsystem as well. If in the case of organisational communication we can rightly argue that its decision making mechanism can be linked in time to even multiple subsystem or to the symbolically generalised communication media, then it becomes more difficult to decide when we can talk about corruption and when we cannot. This is likely to be possible in order to decide on the basis of what the primary reference code in social communication is and in a simple case it may be decided on the basis of whether the structure of distinction is or is not aligned to the explicit goals of the institutionalised organisation. That is, returning to the earlier example, it can be determined on the basis of the realisation of corruption, whether communication is determined by the distinction between economically viable from economically non-viable or some other reference code.

Even regardless of the problem of the fluidity of structures, it is often difficult to find the borderline between the two. Returning to the example relating to the operation of the organisation, it is difficult to decide whether the smile on the lady colleague's face is meant to enable smoother decision making in relation to the organisation's goals, or whether it can be interpreted as the communication of intended seduction that can be linked to the symbolically generalised medium of love. Or whether a suggestion from the party headquarters concerning the choice of the new staff member should be interpreted as assistance given to facilitate the explicit goals of the organisation (the central bank), promoting economic viability as a preference code, or as interference on the part of politics overriding the rationality of the economic subsystem. Although subsequent connections of communication in time can provide an answer in the case of this problem to the occurrence or avoidance of corruption,<sup>16</sup> yet in the given communication situation this question cannot be decided. The reason for this is that communication can refer back to earlier structural connections, providing little help in the case of a momentary decision on whether communication is to be regarded as corruption or as communication of contents that fit in with the rationality of economic viability.<sup>17</sup>

Returning to the issue of the fluidity of organisations, it follows from Luhmann's organisation sociology in his late work that even in the case of organisations that are strictly subordinated to the various subsystems, specifically assisting the rationality of the subsystem concerned, it must be taken into account that the connections of communication are not exclusively linked to the organisation's explicit goal. Using

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keeping track of the acts of communication that are broken off occasionally and then continued, that are determined by the preference code of economic viability, while the same principle is to be applied in observing the other preference codes that are likewise intermittently discontinued in both time and space.

<sup>16</sup> Further connections of organisational communication can then more clearly show whether the smile on the face of the lady colleague or the activities of the colleague hired as recommended by the party headquarters are, or are not, in line with the explicit goals of the institutionalised organisation.

<sup>17</sup> This cannot be decided even if all of the earlier smiles of the lady colleague(s) were signs of intended seduction or the colleague recommended by the party headquarters always promoted political rationality instead of economic viability, because such prior structuring factors can only make the mode of resolving the dual contingency probable but not certain in the given communication situation.

the above example, the communication of a bank makes no sense if the subsystem's explicit rationality and decision making, as determined by economic viability, is demanded of it in every single instance of communication. At this point we are talking pointedly about that feature of communication in the case of which the various other subsystems, or symbolically generalised communication mediums, appear in institutional communication that this intervention can in no way be regarded—like in the above examples—as corruption or cases in which the suspicion of corruption arises. In the course of work, the training of a new colleague (training subsystem), a discussion of the legality of the operation of the organisation (legal subsystem) or even friendship or affection between colleagues (symbolically generalised communication medium) can hardly or not necessarily be interpreted as corruption, even if it does not reflect the explicit goals of the organisation.

In regard to the connections between subsystems, the fluidity of communication shows, at any rate, that even organisational communication definitely interpreted earlier on as the domain of a given subsystem is also intermingled with structural connections with subsystems that are—as follows from the above historical discussions—also characterised by vertical organisations as well besides the horizontal ones. That is, the organisation's system level also reflects the historical contingency that offers greater opportunity for certain subsystems to appear in the communication of organisations that are determined predominantly by the rationality of another subsystem, while other subsystems are provided with a much narrower manoeuvring room to structure the communication of “alien” organisations. These appearances of different frequency and weight are shaping not only the specific features of the communication of the given organisation. Since organisational communication is an irritation even to a subsystem that is more dominantly linked to it, this presence constituting the logic of other subsystems results in an environmental impulse in organisational communication even at the system level of the organisation, which reflects the aspect of external rationality as well. In this way therefore, in addition to horizontal divisions, vertical impacts can appear in a new relationship, thereby also pointing out that the dynamic of subsystems can equally be characterised by both horizontal and vertical structures alike.

Finally, a brief reference needs to be made to the relationship emphasised, particularly in Luhmann's late work, which refers to the profoundly different organisation of subsystems and organisations. While in his posthumous volume on organisational communication (Luhmann, 2001) characterised subsystems by horizontality and by lack of hierarchy, he considers it to be the main feature of organisations—besides focusing on decisions—that they retain their strongly hierarchic structure even in the circumstances of modernity.<sup>18</sup> While he describes the functional subsystems of modernity by inclusion, which is considered to be the main characteristic, he regards

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<sup>18</sup> Luhmann even goes as far as to explain that more complex organisations are inconceivable without hierarchy in the era of modernity. It is only by hierarchy that the various associations, federations, public administration organisations and undertakings can act as predictable collective actors since it is hierarchy that ensures that the instructions acceptable to the leaders of the organisation appear as the organisation's goals in the organisation's internal and external communication.

the particular relationship between inclusion and exclusion to be the central feature of organisations in which the threat of exclusion, or its application, is a key structure building element of the organisation.<sup>19</sup> In this late piece of work, Luhmann emphasises the role of hierarchic conditions even more when he characterises three premises of the organisation's communication by decisions—communication through programmes, communication channels and persons—by strongly hierarchic features (Luhmann, 2001).

In accordance with the logic of the above discussion we can safely assume therefore that the hierarchic structure of modern organisations cannot leave the rationality of the subsystems unaffected either. As a matter of course, we are regarding the hierarchic organisation of organisational communication not as a feature fundamentally determining internal autopoiesis, but as an environmental irritation, assuming the presence of a complex system of structural connections. Organisational communication is an environmental stimulus that cannot be disregarded by the self-referentiality of the subsystem, forcing the subsystems towards adaptation. Though this impact does not affect the distinguishing logic or the subsystems or the contents of their binary codes—similarly to the characteristic old European semantics of the description of society—it strengthens the impacts of hierarchic construction structuring social communication. All these recognitions draw attention to the correction that is regarded to be necessary to be made to the Luhmannian social theory's assertions concerning subsystems. On the other hand, it may offer new aspects for a more finely differentiated sociological description of modern society.

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<sup>19</sup> Since at the system level of the organisation the borderline can be drawn by distinguishing between membership and non-membership, exclusion can be achieved mostly by threatening expulsion from the organisation or by actually doing so, rather than by exclusion from organisational communication because this would mostly be concomitant to exclusion from the given subsystem as well, which however, is not considered by Luhmann to be a characteristic of modern society, as he even explained in the above. (At least in the case of occidental development.)

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