

BORUT RONČEVIĆ
School of Advanced Social Studies Nova Gorica
MATEJ MAKAROVIČ
School of Advanced Social Studies Nova Gorica

Societal Steering in Theoretical Perspective: 'Social Becoming' as an Analytical Solution

Abstract: The authors are tackling the issue of strategic steering of modern societies. Strategic processes are social processes, eventuating in a special field between individual and collective actors and the emergent social structures. The analysis must therefore take both micro and macro level into account. Social dimensions of these processes can be explained by the “social becoming” approach to the analysis of social reality. Within this approach strategy is located on the level of agency, between individuality and totality. This is the reason for “path-dependent” nature of strategic processes and of development, implying “choice within constraints” approach. Strategic actors have freedom of strategic choice, but this choice is constrained by the social structures and culture.

Keywords: strategic steering, social processes, strategy, social becoming, systems theory

Introduction: Rationality and Complexity

This article has two goals. First, to examine whether and in what respects rational strategic steering at the macro level is compatible with the concept of the complex modern society, and second, to find a feasible conceptual theoretical framework into which strategic steering can be placed.

To tackle our first goal, we should emphasise two significant features of the modern societies, namely rationality and complexity. It was already Max Weber (1922) who practically equated modernisation with rationalisation. Modern society is generated by individuals who tend to think and act in a more instrumental rational way than the people living in a pre-modern traditional society. Modern human actors are more likely to consider in rational ways the goals, the means, the normative orientations and whole variety of potential consequences of their actions, i.e. they are more likely to act in a somehow strategic way.

However, does this also imply the actors' factual ability of strategic societal steering? At least two opposing types of claims can be made in response to this question. The first implies that modern human rationality can be transferred from the micro level of individual actors and their individual intentions to the macro level. A classical example for this claim can be found already in the sociological theory of Lester Ward who argued that the human capacity to direct social development intention-

ally increases through the evolution transforming the evolutionary processes from the spontaneous 'genesis' to the (intentionally) human controlled 'telesis' (Peel 1972: xxxviii; Sztompka 1994: 106). A somehow similar, though more sophisticated, ways of thinking can also be found in the thinking of some influential contemporary sociologists such as Ulrich Beck, Anthony Giddens and Scott Lash (1994) who elaborated on the distinction between simple and reflexive modernisation, while the latter implies the ability of the society to reflect (and react to these reflections) on its own modernisation processes.

Nevertheless, the intentional actors' control of the societal development in the modern context is far from self-evident. Impersonal social structures and forces, though created by rational humans' action, are very likely to operate beyond any intentional human control. Responses to this fact can be illustrated already by the pessimistic claims of Max Weber stressing the 'iron cage' of modernity or his contemporary Georg Simmel (1921/2009) who related increasing rationalisation to the increasing reification and underlining the increasing humans' creative potential to produce structures beyond their control. Similar modes of thinking have also inspired the critical views on the instrumental rational modern society, for example those by the Frankfurt school.

It may be argued that a significant cause for the pessimism expressed by the classics such as Weber and Simmel lies in the more contemporary concept of societal complexity. The limits to the rational intentional control over societal development are closely related to the issue of societal complexity, which tends to increase during the societal evolution (as explained more in detail in Makarovič 2001). While rationalisation may make it easier to steer societal development, increasing complexity may make it more complicated or perhaps even hardly possible. For the purposes of this discussion we define complexity according to Niklas Luhmann (1990a: 775) as the situation when so many elements exist in the system that each element cannot be related to any other element at the same time, and selections are required. The greater the complexity, the greater is the need for selection. The enormous amounts of selections that are made in a complex modern society are far too complicated for any actor to comprehend fully and even if they are understood, their understanding alone generates a new description of the system within the system, thus generating new options and increasing complexity even further or generating hyper-complexity making the newly generated description of the system even more imprecise. This may imply that 'strategists' at the society level are trapped within the problem of complexity: when they are trying to handle it in a rational way, they contribute to its increase making their job even more difficult.

Societal Limits to Rational Action

The idea that modern society as such can be dealt with in a rational way can also be found in the works of Jürgen Habermas (1987 etc.). This potential may lie in the distinction between instrumental rationality and communicative rationality. The former is an attribute of the 'system' of political power relations and market economy,

while the latter is linked to the rationalised life-world, the world where consensus can be rationally built and re(built) through the ongoing democratic dialogue. Clearly, consensus is not an aim in itself but is supposed to imply certain common societal goals that should be implemented.

The question arises whether this is also a key towards building developmental strategies? Though Habermas' ideas may be sound and influential, there can be at least a few major problems related to his theory. Firstly, the system vs. life-world distinction may be an interesting analytical tool, but it is somewhat questionable to which extend it is the 'real-life' distinction. Secondly, consensus building is limited, not only by divisions based on interests, world-views, ideologies but also by different rationalities or principles on which the operations of different societal functional sub-systems are based. Finally, the most important from our perspective, however, are the limits of rationality itself. Strictly rational action is impossible already at the organisational level as demonstrated by the concept of bounded rationality (Simon 1947/1997) but even more so at the societal level in the complex modern society, since one lacks both: sufficient information and sufficient consensus as well as all the abilities required for the full implementation of what has been rationally planned. Societal decision makers lack the basic abilities for the rational decision making (Etzioni 1968: 264–265). Consequently, strategic decisions are never fully rational: not because the great decision makers do not want to be rational but because they cannot be. There is never sufficient information on all of the possible consequences. One has to decide in real time and even indecision is a decision with its own consequences.

The further dimension can be added to the limits to rational action at the macro level by the concept of functional differentiation within the frame of Niklas Luhmann's social systems theory. One of the central ideas of Luhmann's theory is that modern society is differentiated into various self-referential functional subsystems which operate according to their own particular logics without being subordinated to any central unit. They are interdependent and open for exchange with each other but at the same time operationally closed, which means that only they can (re)produce their own constitutive elements and, consequently, (re)produce themselves (see e.g. Luhmann 1995). According to Luhmann, society consists of communication. Therefore, the concept of media, understood in the broadest sense, is crucial to understand the operations of the social systems. Communication as a synthesis of information, utterance (*Mitteilung*) and understanding (Luhmann 1990b: 3) is according to Luhmann the constitutive element of any social system. Communication is an improbable event presuming that it should be understood, reach its desired recipients and be accepted. The improbability of communication, however, can be reduced using the media of communication. The reduction itself takes place on three different levels: firstly, the improbability of understanding by the recipient is reduced by language as a media, secondly, the improbability of reaching the recipients is reduced by the transmission media (such as writing, printing, TV, internet) and finally, the improbability of communication being accepted by the recipient and thus being successful is reduced by the symbolically generalised media, such as money, power, love, law, truth (Luhmann 1995: 158 ff.).

The differentiation of modern society into several functional subsystems, according to Luhmann, clearly fits the differentiation between the symbolically generalised media: each of the functional subsystems in the modern society has its own particular symbolically generalised media: money fits the economy, power belongs to politics, love to intimate relations, law to law, truth to science and so on.

This further complicates the communicative action and rational consensus building stressed by Habermas, since different social sub-systems use different media. It is not difficult for the economy to *understand* the ecological issues, for instance, but it is impossible to *accept* them as far as they are not translated to the economic language of money. Different functional sub-systems have different rationalities and this should be taken into account when considering the rational intentional action.

Describing the functional subsystems, Luhmann (1995 etc.) claims that each of them has its particular binary code that enables it to select—from its own particular systemic perspective—the relevant aspects of reality and process them in terms of its own binary coding. The examples of binary coding are legal/illegal in the law subsystem, to possess/not to possess in economy, true/not true in science etc.

This leads one directly to the next basic issue: the selection criteria used when the binary coding is applied. Here, one may apply Luhmann's concept of programme. While the code is static, the programme that defines the criteria of selection is much more dynamic. "Programs can be designated as strategies if and insofar as one provides for them to change, on occasion, while they are being carried out" (Luhmann 1995: 577). Specification of certain information is therefore an opportunity to change specific aspects of the programme, which can replace predefined selection between options. Changing programme may clearly be a strategic issue, especially when related to the concept of *episode*, which describes the sequence of structured communications, which enables organisations or systems to temporarily stop the routine structure of discourse, communication and hierarchy and thereby open space for reflexive strategic practice (*ibid.*: 268).

The ability of strategic steering in the social system is thus not fully ignored and Luhmann (1995: 199) in fact argued that 'the organisation of the collective capacity for action must be viewed as one of the most important early evolutionary achievements of social systems, because it can decisively improve the external relationship of these systems by internal restrictions.'

On the other hand, "no society can be planned" (Luhmann 1990b: 179). Societal evolution—by definition—cannot be planned and planning in the modern society on the macro level can *never* achieve its actual goals. First, one cannot create a description of a social system, which would be as complex as this system itself. Descriptions of social systems are inevitably less complex than social systems themselves, which mean that planning can only deal with approximations of what is supposed to be planned. However, even if the planner was able to describe the entire complexity of the society, the existence of its description *within* the society would further increase societal complexity, making planning even more difficult. According to Luhmann there is much planning in modern society at the macro level, but it mostly results in unintended consequences, increasing complexity and quicker evolution. There are

some major limits of intentional action at the macro level in Luhmann's theory, based on his concept of society differentiated into complex self-referential systems. Firstly, there are limits of possible perception and knowledge of the planner. Secondly, there are limits of the implementation of the plans, when confronted with different internal logics of different subsystems. Finally, planning itself increases complexity, which again influences the limits stemming from the possible perception and knowledge of the planned and from functional differentiation.

This reasoning may be acceptable but Luhmann's conclusions about the general inability of planning at the macro level to fulfil its aims are questionable. Its practical consequence would be an incrementalist policy or "muddling through" as Lindblom (1959) would argue. In practice, these are the policies that tend to maintain the status quo. Great decisions are avoided since they may produce too many unexpected results. It seems that when Luhmann rejects some relatively naive concepts of rational steering of the society, such as Habermas' (1987) communicative rationality, he may be approaching the opposite extreme.

It may be more productive to accept the limits of planning stressed by Luhmann but also to try to find some more balanced ways of how society can use the strategic steering ability, which should still be considered as an important evolutionary achievement. The answers may be searched for especially in the following four ways.

Firstly, being aware of both societal complexity and risks caused by the (evolutionary) spontaneity one may apply a more balanced concept of 'mixed scanning' Etzioni (1968: 282ff). This means that societal steering may be based on rational planning only in a few most strategic issues, which require a detailed consideration and strong consensus, and approach incrementalism in everyday issues. Strategy on the 'big issues' is thus clearly required.

Secondly, because of the lack of knowledge and implementation ability of a single planner, central and hierarchical forms of planning may be replaced by more acentric ones, based on negotiation networks, which consist of representatives of various units with various internal logics (Willke 1995; 1996). Strategies thus shift from being centrally generated to the more acentric ones.

Finally, creating strategies may be relatively easier when limited to the smaller units differentiated from the larger whole, though no unit can be considered as isolated in a globalising world society. Nevertheless, empirically the vast majority strategic steering is still—more or less successfully—performed within differentiated parts of the world society. This means that differentiation makes successful planning within the differentiated units less improbable. Consequently, the segmentary differentiation into various communities as an important example reduction of complexity, mentioned above, may also be relevant here. Unfortunately because of his (over)emphasis on the functional differentiation, Luhmann tends to underestimate the relevance of segmentary and stratificational differentiation which are also highly relevant for the steering of modern societies (see: Makarovič 2001a).

Following Luhmann's assumption of acentric society one has to question about preconditions and about processes of formation of strategic programme at societal level. In this context, it is also important to ask who is responsible for this 'programme'?

The concept of programme also includes orientation towards goals and preconditions of social action, this is also question about which actors contribute to formulation of goals (legitimacy of goals) and efforts to achieve them. Moreover, he also warns about discussions about relationship between intentional strategic action and structural constraints, deriving from (social and cultural) environment. Episodes allow formation of social structures, which are incongruent with existing ones. Thereby, strategic episodes contribute to continuous sedimentation and structuration of this environment.

Strategy as a Tool for Reduction of Complexity

We have argued that complexity is one of the main reasons and at the same time also one of the main limits to rational action. Hence any effort at management of societal processes implies that strategy is *a tool for reduction of complexity* and *as activity to steer changes*. Social systems are complex adaptive systems (Miller and Page 2007) and this complexity has to be reduced, i.e. there is a need for reduction of possible options, among which we can select. In this sense, we can understand strategy as “the activity of selecting, and selectively combining, forms of complexity reduction” (Seidl 2003: 3).

Selection between different options can lead to either declarative or authentic *consensus about the goal* we are to achieve; evolutionary mechanisms of selection and retention render other options (at least temporarily) irrelevant.

When trying to answer whether society is capable to establish strategic steering processes we have to answer the question whether it is capable to establish, first, developmental consensus and secondly, control over developmental processes (e.g. Tomšič and Vehovar 2007). This process is relatively simple for small organisations. Goals are determined by stakeholders, who are in many cases external factors (i.e. owners, members, founders etc.). Control over achievement of goals is relatively simple; capability to implement strategy is measured by proxy, i.e. achievement of set goals. On the macro system or subsystems level we are, on the other hand, dealing with inability to do so, as legitimate goals cannot simply be set by some ‘supreme’ instance in contemporary societies, even in cases, when actors have agreed on political forms and processes for setting up common goals. Such is the example of the EU policy process, which is continuously influenced by the analytically problematic category of ‘mega-actors’, defined as “individuals, economic, politically or culturally based social power makes the consequences of their decisions widely felt” (Mouzelis 1991: 107). Any goals can be declaratively determined, but often their implementation is questionable at least.

Ability to build consensus about developmental trajectories and capability of societies to control its implementation are key dimension of social steering. The only type of society that is capable of strategic steering is an *active society*, i.e. a society with high level of developmental consensus and also high level of control over developmental trajectories (Etzioni 1968). Other combinations exhibit suboptimal results. *Passive societies* exhibit with low ability to build developmental consensus and low level of control over development. Hence, we can identify this group of countries mostly among poorly developed societies (e.g. Third World). *Over-managed societies*

with high level of control and low level of consensus are also not capable of efficient strategic steering. Authoritarian regimes are a typical example. High level of social control does not necessarily imply effectiveness. In many cases we are instead dealing with “omnipresent, but weak states” (Syrett 1995), with negative impact on economic development and entrepreneurial initiatives (de Soto 2000). In many cases, *drifting societies* are societies with high level of developmental consensus and relatively low level of control. Many Western democratic societies are typical example of this category.

Successful developmental strategies are formulated and implemented in constant interlinkage and dialogue—both formal and informal—of all relevant actors, in ‘co-production’, i.e. involvement of public and private actors in strategic processes, where both sides make their contribution (Ostrom 1997). When contribution of both actors is complementary and based in embeddedness, cooperation can lead to significant synergetic effects (Evans 1997). In this relationship between competent strategic actors relationships are formed in two ideal-typical ways. They can be the outcome of communicative process between actors and planning (deliberate strategies) or derive from actions of relevant actors. Planned or deliberate strategies presuppose control over implementation of plans. This is equivalent to Etzioni’s notion of control over developmental trajectories. They do not allow processes of learning, equivalent to Etzioni’s developmental consensus. Emergent strategies presuppose processes of social learning and exclude active control (Mintzberg 1989: 32).

Additionally, the actors of strategic steering have to take into account the limitations coming from the environment (Adam et al. 2008; 2009). These can be quite ‘objective’, e.g. coming from natural environment, but they can be also social and cultural limitations. This includes interests of other strategic actors and also many other institutional constraints and social structures (Golob 2009: 70). For example, Rojec et al (2004) explain the choice of an incrementalist development strategy in Slovenia as a result of country specific historical, political and economic factors. Hence, the process of strategic steering is not only a technocratic problem, but also—or above all—a social process.

The Analytical Solution

The search for an analytical solution of the problem of societal steering cannot be found in the traditional approach of focusing on non-intentional action. Instead, forms and consequences of intentional action should come to the focus of sociological theory. Good example of this is the recent development of *strategy-as-practice* approach (see Whittington 2002; Golsorkhi et al. 2010), in which some researchers successfully applied more recent sociological theories of practice (Giddens 1979; 1984; Bourdieu 1990; de Certeau 1988) and started dealing with relation between actor and structure or macro and micro level through analysis of strategic processes. These theories represent an important starting point to study strategy as a social process, because they deal with possibility of individual and collective actors to intentionally influence structure of social systems. However, these theories seem not to be able to decisively tran-

scend the classical micro-macro or agency-structure divide. Therefore, they constrain strategy-as-practice researchers, as they cannot develop analytical apparatus that would enable us to locate societal steering processes in the context of social processes.

One notable exception to this is Sztompka's theory of social processes, *social becoming* (Sztompka 1991). It is better equipped to model dimensions and levels of strategic processes. Sztompka shapes his vision of social reality on the basis of two analytical dichotomies. First, he distinguishes between two levels of social reality: the level of *individuality* (people as individuals or as members of specific collectivities, e.g. groups, associations, communities, movements etc.) and the level of *totality* (abstract social wholes of superindividual sort, social reality *sui generis*). He does not interpret social whole as a metaphysical entity, but as a structure. Individuals are neither passive objects nor completely autonomous, but "bounded agents" in the sense of bounded rationality (Sztompka 1994). Second, he distinguishes between two forms of social reality: *potentiality* (inherent tendencies, capacities, capabilities) and *actuality* (processes, transformations, activities, development etc.).

This implies that relevant structures, which represent social context of strategic process, have emergent quality. The same is true for operations (relevant social processes): although action is component of operations, operations cannot be reduced to individual actions, as they have new specific emergent qualities.

Structures can have individual dynamics based on three principles. The first is *inertia*, implying that it is more likely that functioning (e.g. developmental trajectory) will continue in the same direction than experience radical change, although relevant actors are aware that it does not provide optimal or even acceptable solutions. However, at some point, after failing to meet demands posed by the societal complexity, another option is selected and significant path-making changes take place. One notable case is Ireland, which changed very unsuccessful strategy of self-sufficiency and import substitution in the 1950s and 1960s, after holding to it unsuccessfully for decades (O'Hearn 1998). In the context of post-socialist countries, Šušteršič (2009) introduces the concept of endogenous transition, where strategic choices of democratic governments are limited by path-dependant processes of the social and economic reforms initiated already before the political change. Notable examples are the societies in transition from a centrally controlled economic and political system to a democratic system and a free market. In these societies, the reform of the system that enforces the policies lagged several years after the establishment of a democracy (Vuković et al. 2008). The second principle is *momentum*. This implies that once the process is in place and it achieves certain level, it is almost impossible to stop it and return to starting point. It is more likely that the process will continue and that actors will try to modify it. The third is the principle of *sequences*; the phases of the operation contain pattern, which often cannot be altered (Sztompka 1991).

Sztompka's main contribution in comparison to other better known theories such as Giddens' theory of structuration (1979; 1984) and Archer's theory of morphogenesis (1988), which insist on 'duality of structure' and 'analytical dualism', is the introduction of a third, intermediary level (Sztompka 1994: 217) between totality and individuality. According to Sztompka, each social event or process, which is the build-

ing unit of society, represents a fusion of both levels at this intermediate level, which is called *praxis*.

Praxis is actuality. Therefore, there is also potentiality called ‘agency’, an area where structures and actors meet. It is doubly conditioned and is synthetic product of structural circumstances and capacities of individual and collective actors. However, like in the case of praxis, agency cannot be reduced to sum of qualities of actors or to expression of the environment. It is a new, emergent level.

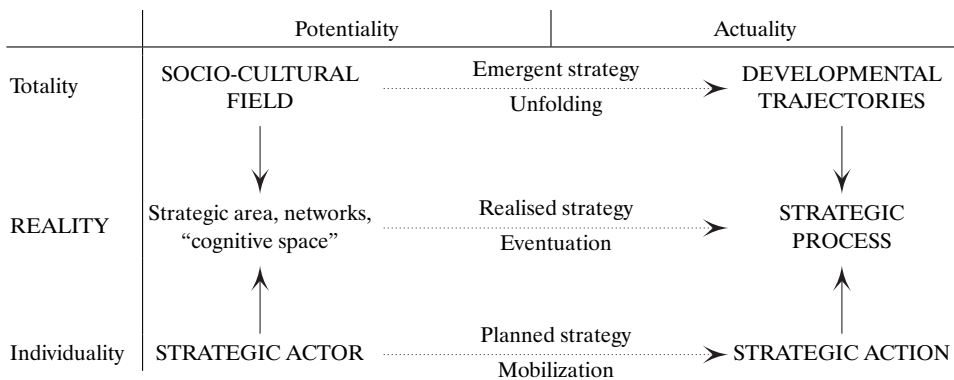
Just like agent is mobilised in action and structure is unfolding in operation, agency is ‘eventuating’ in praxis. Sztompka uses the notion of ‘eventuation’ to show that agency can be actualised as a social event, which is the basic unit of social reality in his theory. In the context of our paper, this process is the process of strategic steering. If potentiality is not eventuated, the society does not realise its strategic potentials.

Since the level of actuality has a reverse impact on potentiality Sztompka introduces three feedback loops. First, on the level of totalities redefinitions of structures take place, as a consequence of social operations, in ‘structure building’ process. Secondly, on the level of individuality, ‘moulding of agents’, as a consequence of agents’ actions, takes place. Finally, on the intermediary level of social reality, ‘agency-construction’ takes place as a consequence of praxis (Sztompka 1994: 218).

On the basis of the model of the dimensions and levels of social process we can design a model of dimensions and levels of strategic processes. On the level of individuality, the analysis focuses on strategic action of strategic actor as a potentiality. This can be both individual and collective actor. Strategic actor can mobilise through planned strategy. On the level of totality there is a socio-cultural field, which includes social and cultural factors that limit the set of options for strategic actors. Socio-cultural field is unfolding as developmental trajectory through emergent strategies.

At the intermediate level, which is, according to Sztompka’s model of social processes, the level of social reality with the event as a basic unit of sociological analysis, we can locate—as a potentiality—strategic area, network, cognitive space. It is eventuating in strategic process. Realised strategy is a resultant of emergent and planned strategy (Mintzberg 1998: 36).

Scheme 1
Dimensions and Levels of the Strategic Process



Actors can mobilise their capacities and resources in the form of strategic action. However, this is not the necessary outcome. In certain circumstances these resources are not utilised in processes of strategic steering of social development and remain a potentiality. We have to touch the question of necessary conditions for effective utilisation of existing resources. This is not only theoretical problem, but a highly relevant one in the context of formulation of developmental policies. For example, do we have to invest new resources in improvement of specific factors of development (e.g. increase R&D funding), or should we instead attempt to increase efficiency of already existing inputs (e.g. by improving cooperation between R&D institutions and business sector)? This is highly important because strategic action contributes to changes in strategic capacity of actors, either through virtuous or vicious circle.

Conclusion

In this paper, we have examined the question of possibility of rational strategic steering in the context of complex modern societies. We are indeed dealing with a contradictory situation. On one hand, there is an ever increasing need for rational societal steering, in view of the need for management of rapidly progressing societal transformations. This is mainly due to increasing complexity, as a consequence of co-existence and collocation of stratificational, segmentary and functional differentiation. On the other hand, the very attempt to deal with complexity by means of rational action produces hyper-complexity, thus rendering successful societal steering even less probable. Nevertheless, societies continuously attempt to find the key to two crucial elements of societal steering, i.e. efficient goal setting and control over their implementation.

It is therefore not surprising that a number of approaches and analytical tools have been developed in sociology, economic geography, regional studies etc. that offer solutions to problems of societal steering. Many of them deal with social construction of actors in communication with their environment. One such example is the analysis of 'business systems framework', which was used to study national specifics in structure and actions of businesses and business sector (Whitley, 1992; 1996). Unlike neoclassical economic analysis, ignoring importance of history, institutional arrangements and collective actors, enterprises are understood as embedded in nationally and regionally specific institutional context (Karnøe 1999: 9–10, Arsham et al. 2005; Damij 2005; 2008). Another interesting approach, which deserves further exploration, is the neo-Gramscian 'Cultural Political Economy' (see Jessop and Oosterlynck 2008; Jessop and Sum 2010), which enables us to analyse the role of semiotic and extra-semiotic factors in strategy formation process through evolutionary mechanisms of variation, selection and retention.

In our own approach, we have demonstrated that processes of societal steering are inherently social processes and attempted to develop analytical solution that would allow us to fully acknowledge nature of these processes. They are influenced by a variety of proximate and background social institutions. These institutions are also socially constructed; their functionality is relative and depends on respective social setting.

Our model of strategic steering is designed with the purpose of sociological analysis of strategic action. We have reached a comparatively feasible and more specific model that may contribute to the further understanding of the strategic steering of modern societies.

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Biographical Notes: Borut Rončević (Ph.D.) is associate professor at the School of Advanced Social Studies in Nova Gorica (Slovenia) and research fellow at University of Cumbria (UK). His research is focusing on social and cultural factors of development and regional development.

Address: Centre for Regional Economic Development, University of Cumbria, Fusehill Street, Carlisle, CA 1 2 HH, United Kingdom; E-mail: borut.roncevic@carlisle.ac.uk

Matej Makarovič (Ph.D.) is associate professor and dean at the School of Advanced Social Studies in Nova Gorica (Slovenia). His research cover sociological theory, political sociology and societal modernisation.

Address: School of Advanced Social Studies in Nova Gorica, Gregorčičeva 19, SI-8000 Nova Gorica; E-mail: matej.makarovic@fuds.si