

Open Systems vs. Closed Systems

Guest post by Joseph Dejan. Originally published in The Voluntaryist, February 1987.

To the academic question of *more* or *less* government, we may find more useful to compare the political structure with the voluntary system.

To sustain life and maximize his well-being, organized human efforts are mandatory. Individually, man may survive, but complete independence requires all the efforts necessary just for this task. But even in a social organization, each man is capable of independent conduct, so long as he does not become a parasite on others.

Since the dawn of history, men have found only two ways of organizing human energy to reach specific goals. They can organize voluntarily, offering rewards to those who agree to cooperate, or they can organize coercively, dispensing punishment to those who refuse to join in. They also combine these two methods and establish organizations which employ simultaneously the “carrot” and the “stick.”

While one cannot deny that compulsory organizations may reach the goals intended, they can only do so through the process of enslaving others; whereas, when voluntary methods are employed the basic human and moral rights of each individual are respected. Each individual is capable of exercising his own value judgment so that he can withdraw from an organization if and when it no longer fulfills his needs or wants.

Of course, we know of two types of coercive organizations: the formal type is government (being a dictatorship or a democracy) and the informal type: any criminal gang.

Formal government can be defined as a group of men who sell retribution to the inhabitants of a limited geographic area at monopolistic prices. **Informal** government seeks to enforce their wills upon others without prior consultation.

Formal governments rely on retribution; informal governments rely on direct compulsion. But isn't it remarkable to note that the more formal they are on the outset, the more they gravitate toward informal operations where, when an informal government is organized, it's tendency is to drift toward formality! All governments, whether formal or informal in nature contain elements moving toward ultimate control of men.

All formal governments begin with the tribal council or townhall type of democracy up to and including dictatorship which rely on politics. Politics may be defined as the method adopted by government to obtain a monopoly. Governments are the perpetual enemies of competition and freedom. They begin by seeking a monopoly of force over the inhabitants of a given territory, they usually end when their monopolies become total. Contrary to any

form of coercive organization, voluntary association maximizes human well-being. Each individual acts on the basis of his own value-judgement without imposition on others. A voluntary organization as the *free market* is an open system. It has a point of input where the demands from the market are communicated to the system. It has a voluntary organized method of production. It has a point of output where the results of united efforts (goods or services) flow back into the market to satisfy the demands. But most importantly, it has a feedback loop wherein the market signals its degree of approval or disapproval to the results of the output. It issues then new input information, so that the organizational operation can be corrected, increased, diminished or suppressed in terms of market demands.

But there is another way of assuring the output of a given system: It is by suppressing the freedom of choice and by structuring the system. It is a process of corruption which in turn corrupts the environmental system. No matter what the real feedback information may be, this system continues to function in spite of its output no longer being **wanted** or **acceptable**. An environment, through political pressure, can be compelled to accept and sustain a system that is no longer wanted. If a businessman can get a law passed that will protect him from competition or can guarantee the purchase of his production, or can penalize his competitors, or can get tax-paid support of one kind or another, then this businessman can ignore the will of the market and simply act to please the political structure. The market system then becomes dysfunctional in regard to the alterations of demands. Dysfunctional attributes introduce corruption both in the basic system as well as in the overarching total system. Through artificial tampering, the dysfunctional system is sustained and will spread. It closes the system until the overarching system—being the body, the market or the entire culture—dies.

Three natural open systems exist that derive from man's nature, not requiring coercion or force. They are based on biological, economical and aesthetic necessities. They are: the family, business, and voluntary associations (clubs, fraternities, etc.). Man by nature needs a mate to reproduce. The result of this system is a family relationship. Laws need not to be passed to compel people to organize business, anymore than for the creation of families. Voluntary associations are also open systems to organize human energy based on sharing human values. They depend on voluntary choice to join and freedom to withdraw.

Although these systems are all qualified by their voluntary character, each provides for a large measure of order. Each system has its rules which must be obeyed by those joining. By adhering to these rules, order is reached. Of course, these rules are not binding on non-members. If a member refuses to obey the rules, he is asked to leave, or if the organization alters its laws, he simply withdraws. Rules are means to obtain order. They are not an end in themselves.

It is interesting to underscore that any open system is not only characterized by its

voluntary nature, but by the limitation to the application of the rules. A family does not pass rules for other families in their neighborhood. One business does not seek to force another business to follow the rules established for itself. The charter and by-laws of the Science-Fiction Club are not binding on the members of the Chess Club. The rules in all open systems follow the lines of property-ownership and control.

Conversely dealing with a closed system, especially a political system, the process is precisely reversed. First of all, open systems precede closed systems. Closed systems originate when order is already established within the three forms of open systems. Now, the rules formulated in the closed system become an end in themselves. Indeed, they become sanctified and often a matter of ritual and even obsession.

The closed system introduces compulsion and coercion. Deviations from the rules are met by police, courts, jails and, in extreme cases, by death. If a person decides to leave a closed system, he must first obtain permission, which is not always easy or possible, and if he does manage to get out of a given closed system, he will find that he has merely exchanged one set of masters for another. Nowhere in the world can we find free territory of an open system. Furthermore, the characteristics of all closed systems are that they ignore property boundaries and all other rights, while they often were created to uphold them. Thus, with the passing of time, closed systems tend to create frustration, resentment, aggression, disorder and a breakdown leading often to war and chaos. And while it is the open systems, the free systems, that organize human energy in an orderly fashion, it is the closed systems that are credited for it. All closed systems depend on surpluses. Although any government could own and operate productive enterprises, those who govern are always members of an elite which does not engage in productive work but concentrate their baneful activities on regulating others and punishing them according to the laws they have created.

Ideally, man does not need nor should he have any government. All closed systems impair human liberty and in the long run prove destructive to human well-being. They are institutions that man has created which have proven to be inadequate, immoral and dangerous to the survival of the human race.

We all know in a general way, although few have absorbed its full significance, that science and technology have brought rapid and drastic changes in our lives, and are of such a magnitude that they are comparable to a mutation. This mutation, whether recognized or not, appreciated or not, contains undreamed of possibilities for wide betterment of man's life on earth. But if the institutions are not brought up from their barbaric era, these possibilities can be turned into an irreversible disaster. The basic psychological challenge before us is that these new conditions demand drastic changes in deeply ingrained habits of behavior and thinking patterns. As the economist Kenneth Boulding puts it succinctly: "If the human race is to survive, it will have to change its way of thinking more in the next 25

years than it has in the last 25,000 years.”