

# The relationship and boundaries between economy and society under Talcott 's systemic terms Parsons

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<p><b>Corresponding Author</b> Aris Asproulis</p> <p>Sociologist of Work</p> <p><b>Article History</b></p> <p>Received: 01 / 06 / 2025</p> <p>Accepted: 13 / 06 / 2025</p> <p>Published: 16 / 06 / 2025</p>	<p><b>Abstract:</b> This article examines Talcott Parsons's systemic theory and the relationship between economy and society, as analyzed in his work <i>Economy and Society</i> (1956, with Neil Smelser). Parsons proposes that the economy is a subsystem of society, integrated into the more general theory of social systems. Using the "General Theory of Action", he attempts to bridge the gap between economic and social sciences, arguing that economic concepts such as supply and demand correspond to sociological concepts such as performance and sanction. His central idea is that no aspect of human activity is purely economic, since all are connected to broader social and cultural systems. At the same time, Parsons is criticized, especially by C. Wright Mills, for his excessive abstraction and the inability of his theory to connect with specific historical and social reality. The article highlights the epistemological and theoretical challenge of integrating economic concepts into a more holistic sociological framework.</p> <p><b>Keywords:</b> Talcott Parsons, Systemic theory, Economy and society, General Theory of Action, Subsystems, Social systems, Sociology, functionalism, C. Wright Mills, Theoretical integration</p>
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**How to Cite in APA format:** Asproulis, A., (2025). The relationship and boundaries between economy and society under Talcott 's systemic terms Parsons. *IRASS Journal of Arts, Humanities and Social Sciences*, 2(6)162-167.

## Introduction

The present study is an attempt to decode Talcott 's systemic theory. Parsons , as it appears in the work " *Economy and Society. A Study in the Integration of Economic and Social Theory* ", which he co-authored with Neil J. Smelser in 1956<sup>1</sup>.

In our introductory chapter, we are going to mention a brief biography of the American theorist and record the basic principles of his sociological theory, which, as much as it influenced, was equally divisive and was certainly and is still being intensely discussed.

In the central chapter of this work, entitled *Economy and Society as Systems* , we aspire to explanatorily and adequately present the innovative epistemological proposal that Parsons introduces regarding the limits, the relationship and the concepts between these two research fields. We must point out from the outset that, for methodological reasons, our analysis relies on the introductory speech<sup>2</sup> that Parsons makes on the above topics and not on the entire body of the work *Economy and Society* . However, the density and clarity that characterize his introduction, on which we are going to work, greatly reduces the possible occurrence of interpretative errors that might have arisen in another similar attempt to explain an original text.

Finally, as an epilogue, we will attempt to offer a critical view of the way in which Parsons raises and analyzes the issues that interest him. The writing of this section is to be carried out mainly in the light of the restless thinking of another American sociologist, C. Wright Mills , as it emerges in his work " *The Sociological Imagination* ".

## Import

Talcott Parsons (1902 – 1979) was undoubtedly one of the most important sociologists America has ever produced, a fact

proven by the multiple controversies that his work continues to raise, to this day, within the scientific circles of social theories.

He studied in London and, from 1931 onwards, taught at Harvard University. From his earliest writings, the influence of European classical sociology on his thought begins to become apparent. 'Social action' and 'the concept of the social system' , as basic objects of sociology in Parsons ' theory, substantiate the above proposition in the following way: on the one hand, social action finds its starting point in Weberian thought and on the other hand, the social system, in the sense of an organic whole, can be traced primarily, and not unfairly, in the thought of Emile Durkheim . Finally, beyond these two, there is a general multitude of references in Parsons 's overall work that can refer us either to Vilfredo Pareto , or to Alfred Marshall , or to many other theorists.

Nevertheless, Parsons never tried to hide his epistemological influences, but, on the contrary, in his texts he took care at every opportunity to refer both to the theoretical sources that inspired his thinking, and to the inspirers of these sources that he had appropriated. This attitude of his can be well interpreted if we include in our reasoning the most essential desire, the deepest purpose of the American theorist, which was none other than the creation on his part of a complex theoretical system, which aspired to include everything in the social world.

Parsons ' work contains, first of all, a frame of reference for *action* , which frame presupposes an *actor*, a *situation* , and the actor's *orientation toward that situation*. The orientation of the person may depend either on personal motivations or on the more general value system . All of these and the processes with which they interact, in turn constitute what Parsons calls a *system* , noting that the types of dominant systems are three: the *social* , the *cultural* , and the *personality system* .

This entire course of Parsons' thought found great resonance in America and greatly influenced the general theory of *functionalism* and particularly *structural-functionalism*,<sup>iii</sup> theoretical currents in which most of his analysts also classify him. The most important works he co-authored are: *The Structure of Social Action* (1937), *Essays in Pure and Applied Sociology* (1949), *Towards a General Theory of Action* (1951), *The Social System* (1951), *The Summary of a Social System* (1961), *Social Structure and Personality* (1964), *Societies: Evolutionary and Comparative Perspectives* (1966), *Some Problems on the General Theory of Sociology* (1970) and *The System in Modern Societies* (1971).

If there is one consistent thing that can be identified throughout Talcott's literature, it is Parsons is, above all, the attempt at a continuous reformulation of his systemic theory, which appears quite complicated and with peculiar neologisms. This fact is also evident in our own attempt to read his work '*Economy and Society*', as follows in our following central section.

### **Economy and Society as Systems**

#### ***The definition of the problem and***

#### ***His/her approach according to Talcott Parsons***

For Parsons, it is an undoubted fact that the science of economics examines an important aspect of social life, without, however, reducing it to a science that concerns the entire spectrum of human activities, situations or objects found within a society. The aim, therefore, of the analysis he attempts in the collective volume "*Economy and Society*" is to dismantle the belief that economists should not become carriers of sufficient knowledge concerning non-economic issues and, furthermore, to indicate the necessity of economic sciences to lean towards the other social sciences -both theoretically and empirically- at least to the extent that the latter lean towards the former. In other words, the point on which Talcott wishes to intervene Parsons is the problematic - as he himself identifies it - relationship between *current sociological theory*<sup>iv</sup> and some *central concepts of economics*.

Starting his analysis, the theorist in question initially observes that the science of economics has always used non-economic terms in its general bibliography. Characteristics such as 'physical', 'social', 'psychological' or 'political' are frequently used in the language of economists, when the latter want to refer to the non-economic aspects of life. At this point, Parsons identifies the first conceptual weakness, which has to do with the fact that these words are used by economics mainly as labels that simply indicate some of the limits of economic analyses. Although the lack of precision in the definition of such words is justified since such clarification is not included in the main responsibilities of the economist, according to Parsons, there is nevertheless a huge epistemological need to bridge this gap. This need in turn gives rise, according to him, to the search for whether and to what extent there is any theoretical approach with the help of which we will be able to differentiate, classify and analyze the factors of the economy that are generally called non-economic, always taking into account, as Parsons emphasizes, the fact that the relationship between the economic and the non-economic is not the same in every case. The various aspects with which non-economic factors have been treated so far<sup>v</sup> by the various schools of economic science force Parsons to question what are the positions of these factors in a society and the economy of that society and whether the sociologist can analyze them from his own perspective, helping

both the economic and the social sciences to place their work on a somewhat more complete path.

In order to be able to give a certain answer to this complex question, Parsons draws his methodological tools from the *General Theory of Social Systems* or otherwise the *General Theory of Action*<sup>vi</sup>. Specifically, he states that both the economy and society are two *areas - territories*, where a possible research to find their boundaries and an attempt at a more precise placement both between these two, as well as with other *areas - territories*, will bring enormous profit to the scholar who will deal with them and to science in general. According to Parsons, only systemic theory can answer a question such as that of detecting the boundaries between the *economic* and the non- *economic*, as while he recognizes that systemic theory has not yet reached that level of desired development so as to be possessed of theoretical elegance or some empirical validation, nevertheless, the available tools with which it can arm the social scientist, he adds, are sufficient for the present purpose.

Because, Parsons emphasizes, the classics of traditional economics, such as Adam Smith, failed to adequately explain a large proportion of the concrete events of economic life - and especially the extent to which non-economic factors influence these events -, economic theory initially seemed to have to give way to a complete social theory in which the term '*economic aspect*' would lose its theoretical specificity. Then came the sociological analysis of Pareto, according to which economic theory should be supplemented by one or more distinct abstract theoretical schemes which would examine the other important variables beyond the purely economic ones. Finally, we have the proposal introduced by Parsons on the subject, which also characterizes itself as *distinctly different* from the above.

Parsons' suggestion, therefore, could be at a first level rendered as follows: ***economic theory is the theory of the characteristic processes of the economy, which economy, however, is a separate subsystem of the system of society. Therefore, the economic aspect of the theory of social systems is a special case of the general theory of the social system. Assuming that the above is true, we must clarify the position that this special case occupies in relation to the other special cases of the general theory of the social system, in order to emerge an economic theory with the self-awareness that the economy constitutes at the same time a separate system and a dependent part of a wider integrated circuit - society, as well as the other subsystems of the latter***. Now we can well understand why, according to Parsons, the peculiarity of economic theory does not lie in its use of separate variables, but in the parameters by which it distinguishes as economic or non-economic the variable it draws from the general theory of social systems. In short, what Parsons proposes is to see what society and the economy are as separate systems, as well as what their functions are, and then how they are connected to each other under the axiomatic belief that the latter is a subsystem of the former.

To serve the above purpose, Parsons proceeds to present some condensed definitions of a systemic nature, the explanation of which is a prerequisite for an analysis such as the one he undertakes. Thus, he states that a ***social system*** is the system produced by the process of any interaction that can be carried out within the social-cultural level, between two or more actors. The ***actor*** is either a person - that is, an individual - or consists of a collectivity of which a plurality of persons are members. Both

constitute what Parsons refers to as *the constituent units* of a system. The person or the collectivity participates in a given system of interaction, not usually with the entire set of his/her motivations or interests, but only with that part of himself/herself that is related to the specific field of interaction. Sociologically, this particular area is called *a role*. Typical examples of roles, Parsons says, are those of the spouse, the businessman or the voter. What must be emphasized is that an individual can occupy a responsible position of all these roles at the same time. A *society*, now, in a theoretically restrictive sense is an instance of the social system, in which the subsystems include all the important roles of the persons and collectivities that compose its population. In the broader sense, a society is the complex network of correlation of all the differentiated subsystems that constitute it. In addition, *social interaction* in Talcott's systemic theory Parsons defines it as the process that affects both the relationship of one constituent unit to another, as well as the state of the system itself, with the result that the behavior or states of the members within a social system change. Finally, during this stage - of interaction - every *act* that is performed simultaneously involves an aspect of *performance* and an aspect of *sanction*. *Performance* lies in the relationship of the act to the general goal of the social system and whether and to what extent it contributes to the maintenance of this goal, while *sanction* is analyzed from the point of view of the effect it may have on the state of the actor towards whom it is oriented.

At this point, Parsons constructs the first imaginary bridge between the general theory of social systems and the economic sciences, which is divided for methodological reasons into three central points.

First, it is suggested by Parsons, as a sufficiently obvious proposition, that the distinction that economists define between *supply* and *demand* is simply a special case of the distinction between *yield* and *penalty* as defined in the general theory of social interaction. Following the reasoning of economic theory which places the supply and demand curves in a scheme indicating the course of the functional relationship between quantity and price, Parsons points out that the same logic applies to the relationship between yield and penalty in all social interaction. The conceptual structure and the proportion of slopes that the schematized curves take are the same. Their only difference lies in the terms-names used to characterize the variables common to the two methodologies.

Beyond the level of concepts, however, Parsons also proceeds to a deeper correlation. He strives to highlight that the general theory of social systems and economics as a science contain a strong underlying identification at the level of *classification of objects*. Specifically, he states that the action that takes place within a social system consists of *physical*, *social* and *cultural* objects or otherwise *general information*. The first objects, the physical ones, do not interact mutually with the actor, in contrast to the social ones whose content consists of this very reciprocity. Finally, cultural objects constitute a kind of generalization of the concept of physical and social objects. The economic classification of objects into *goods*, *services* and *analysis techniques* constitutes, if nothing else, for Parsons a special case of the three objects of action of the general systemic theory, as they were classified above. To be clearer, he points out that a good in the economic sense is a physical object that is required because it is considered satisfactory for some need. In contrast, services concern the mutual interaction of market participants and exist because of this reciprocity, while, finally, the

techniques of analysis of economic phenomena require the combination of goods and services, which indicates the parallel that Parsons draws here with cultural objects, and especially with the valuable use of their information.<sup>vii</sup>

The third point of parallelism with which Parsons closes the first section on the correlation of economic and social sciences, deals with the core of actions. In short, he tries to identify this "*something*", as he characteristically says, that motivates human activity to coexist mutually both on an economic and a social level. Although the issue in question is characterized by a particular complexity, what, according to Parsons, we can unconditionally claim is that there is a *mutual advantage*<sup>viii</sup> in both economic and broader social transactions. In other words, the actors - whether as individuals or as collectivities - recognize in the -exchange nature-coexistence with others, a mutual benefit.

The second epistemological unit with which Talcott Parsons aspires to inductively relate the field of economics to that of sociology, it concerns an analysis of both their separate objects - namely the economy and society respectively - under strictly systemic terms. In this conclusive attempt to parallel the two spaces, the main representative of the sociology of systems is essentially confronted with the confirmation of his own theory, as **the detection of the relationship and the limits between economy and society is displaced by a renewed search for the connection between the functions of the systems that bear the name society and economy.**

Driven both by his own systemic view of society and by the fact that most of the classical economists explicitly include the concept of system in their discourses, Parsons now confidently perceives the economy as a system. However, with the aim of interpreting his words as completely as possible, Parsons poses above all two central questions, the answers to which concentrate the value and evaluation of the degree of substantiation of his case. First, *what are the most important characteristics of a social system, with the help of which we will also determine the characteristics of an economy*, and second, *under what criteria (e.g. functional) does the economy, as a subsystem of society, differentiate itself from the other subsystems*.

Starting his answer to the first of the two above questions, Parsons emphasizes that according to the general systems theory, every social system is characterized by an institutionalized value system and its process as a system is subject to four independent functional imperatives – processes that must '*meet adequately*' if the equilibrium of a system is to be maintained. These processes are: A) *the process of maintaining plans and managing tensions*, which consists in stabilizing the existing value system against situations that may change it, such as cultural pressures or interpersonal tensions between systemic units. B) *the process of satisfaction or goal achievement*, which concerns the conquest of the individual sets of goals found within the system that Parsons calls society. Each set of goals - whether it exists or tends to be created - constitutes a relationship between the specific value system and the occasional objects of the social system in general. C) *the process of controlling the environment and adapting to it* the sets of goals that are achieved or not achieved by the actors. Here, Parsons, having the belief that *relationships* and *situations* are by definition problematic, considers that the process of controlling a situation by the actor before carrying out his action is beneficial for the functionality of a system. If the goal or set of goals in a system is clear, then the adaptability of situations occurs

naturally. However, if there is a multiplicity of goals and sub-goals, then both the environments and the driving units are examined: individuals, collectivities or roles. And D) the **process of maintaining solidarity** in the relationships between the systemic units for the benefit of effective functioning, a process by which a social system is completed.

Every system, therefore, has, according to Parsons , the property of being able to be analyzed under the aforementioned fundamental categorizations of its functions. Therefore, within the methodological frameworks that have just been defined, he examines the systems of the economy and society and the relationships that connect them. Specifically, Parsons wishes to see two separate systems. On the one hand, the economy - and therefore to ask about its orientation, imperatives and integration, and on the other hand, society, which has the economy as its subsystem - and therefore to ask the same questions again with the aim of a fruitful systemic dialogue.

The most important part of such a study and such a laborious dialogue can possibly be identified - among others - in certain points such as those that we will immediately quote, thus completing our own recording of the issues raised by Parsons on the problem of the relationship between economy and society.

The universal proposition with which Parsons introduces his innovation states that **the economy is only a functional subsystem of society** . In particular, an economy is that subsystem of a social system that concerns the third systemic process in order, which is why it is described as *an adaptive function* by him. As an adaptive function of society, the economy is divided into negative and positive: negative is when it is subordinated to controlling the coverage of imperative needs and positive is when it concerns the management of the wealth of a social system. Through and through this way of approaching the economy, Parsons is now able to restore his initial concern and confront it with greater scientific confidence. By announcing his new methodology, he is undoubtedly in the pleasant position of reconsidering the use of economic and non-economic concepts through the new prism offered to him by the systemic dialogue that he developed. Three very indicative examples of this new reexamination could be the following positions:

- Production as an internal part of the subsystem of society called the economy depends on the general system of values within which the respective social reality is produced and reproduced. Therefore, the goal of the economy is not simply the production of income for the utility of a set of individuals, but the maximization of production in relation to the entire complex of institutionalized values and functions of a society and its subsystems. Here it becomes clear what Parsons means **when** he says that the economy is not defined in relation to the individual, but in relation to society.
- Words like **wealth** , **utility** , **economic evaluation** or **income** emerge as states or properties of social systems and their units and thus do not apply to the individual personality arbitrarily, that is, outside of a systemic perspective. Specifically, **utility** is redefined as the economic value of natural, social and cultural objects according to the importance that these objects have as facilities for solving problems of adaptability in the wider social system. The total of this value for a given social system, at a given moment is defined as **wealth** .

By *income* now we mean the percentage of the production or reception of these values for a period of time and finally the *economic Evaluation* is now defined as a mechanism by which individuals or collectivities assess the importance of objects and specific resources under the generalized terms of the broader social value system.

- The transition of the good from **production** to **consumption** constitutes the systemic boundary process between the economy and the other aspects of society. When the process of production is completed, the economy for Parsons '*it has done its job*' and the product is now made available to the other subsystems of the society system.

In conclusion, we are now able to conclude by claiming that for Talcott Parsons the economy constitutes the subsystem of the relationships that the units that interact in the social system in general enter into , since he demonstrated in systemic terms that within the limits of the traditional economic model of "supply" and "demand" the interaction and social values are those that determine the prices, quantities and methods of production. In addition, we have seen that both individuals and collectivities participate in economic activities, which may at the same time not be of an economic nature. For example, even a collectivity of economic self-determination such as the enterprise - the analyst in question emphasizes characteristically - includes political parameters in its actions. In this way, Parsons highlights that **while all the actions of social units may have - among others - also an economic nature, however, no aspect of social life can be defined as purely economic** . A conclusive ending with an admittedly subversive tone for the era, the country, and the conditions under which he wrote and developed his thought.

### Critical conclusions.

#### dialogue with C. Wright Mills

As we have already emphasized in our preface, systemic theory has become and remains simultaneously a pole of attraction for some and a target of criticism for others. After our own attempt to approach Talcott Parsons , we can in a way understand and possibly attribute some of the causes of this Manichaeian duality that his texts enjoy.

Some of the reasons why his theoretical model is so popular today may be the topicality of the discourse he uses, the complexity of the way he presents his thoughts, as well as the clear way in which he defines everything in society through his theory. However, the very same elements that act as a magnet for Parsons ' followers are those that, seen from a diametrically opposed perspective, repel his critics.

For scholars who accept Parsons and his theory, the timeliness of his discourse highlights his unique scientific talent to grasp reality and codify it within interacting systems. For them, the complexity of his style has the property of exciting the imagination of the reader or scholar, so that the latter wishes to investigate Parson's ideas in greater depth. Finally, the clear way in which he can distinguish social phenomena from each other comes from the perfection of the methodological tools of his systemic view, his supporters point out.

On the other hand, those who generally question his theory of social systems respond to the above statements in the following way. Parsons 's current discourse , they emphasize, reflects nothing

more than his attempt to normalize the already existing social situation, so as to limit the emergence of mechanisms for its change. For his critics, moreover, the entire Parsonist conception is the description of a utopia, a vision where there will be a world without a sense of history and without any substantial change within it. Now, regarding the complexity with which Parsons records his ideas, it is questioned by the analysts who fight him whether and to what extent this - the complexity - exists due to the existence of a deeper meaning whose dynamics alone prevent it from being formalized and made clear, or whether ultimately the cause of this confused discourse is the complete lack of semantic depth. Additionally, the question is raised by them whether systemic theory is such an amazing methodological model that it has the ability to grant the researcher who will use it the ability to more easily distinguish social phenomena, or whether in any case this ease of distinguishing phenomena is due to the fact that systemic theory constitutes an epistemological funnel of social observations whose process has as its result, but also as its purpose, the direct and violent categorization of everything, thus preempting the analyst - who deals with it - for the classification of the phenomena that he may put under observation.

One of the harshest, but also most scientifically comprehensive, criticisms of Talcott's theory Parsons is the one carried out by the sociologist C. W. Mills, in the latter's work ' *The Sociological Fantasy* ' <sup>ix</sup>. On the issues raised above, Mills positions himself, as a sociologist of sociology, we would dare to say, with a fair amount of irony and seriousness at the same time.

Initially, he accepts that Parsons's *high* theory, as he calls it, is not easily understood. Therefore, of course, Mills points out, it is also burdened with the suspicion that it - Parsonian theory - may not be fully understandable by definition. This, without a doubt, is a protective advantage for the theory itself, which however becomes a disadvantage insofar as its ' *opinions* ' aim to influence the way sociologists study. Perhaps because of this weakness produced by the semantic complexity of Parsons' texts, Mills states, in his slick style, that one could record the former's entire systemic program, in half the number of pages, simply by translating it into less complex or clearer English. Moreover, Mills continues his relentless criticism by saying that the causal basis of Parsons's theory lies in the initial choice of a level of reflection so general that those who embrace it can no longer descend to the level of observation. As *high-flying* theorists who are those who deal with the Parsonian view, Mills characteristically states, they never descend from their abstract generalities to look at problems in their historical and structural surroundings. The absence of a solid sense of genuine problems gives the works of systemic scholars this distinct tinge of unreality, he emphasizes, adding that Parsons's high theory is drunk on syntax and blinded by meaning. Finally, he states, with a somewhat disarming qualification, that the theorists of Parsonian methodology are so preoccupied with their syntactic concepts and so devoid of imagination, so inflexibly attached to high levels of abstraction, that the typologies they construct - and the work they do to construct them - resemble more a barren play of concepts than a systematic attempt to define human problems in a clear and orderly way. The only lesson we can take from Parsonian theory as sociologists, according to Mills, is that we should be conscious thinkers and therefore at all times in a position to control the levels of abstraction at which we move, a self-discipline that was and is completely lacking in the theorists of social systems theory.

Concluding this study, we must leave open the question of whether the very clear - in systemic terms - clarification that

Parsons achieves between the economy and society, has a significant value for sociology as a science or whether it is necessary to reexamine whether and to what extent Parson's theory itself is based on an economic logic of social reality, and therefore can, as a theory, relate terms of both the economic and the social sciences with such ease. What we can testify in turn is that if sociology is the science that studies the real, then Parsons, for the time he wrote, did this and more. However, the essential sociological problem, in our opinion, arises from the moment that Talcott's systemic theory Parsons does not stop at describing the real, but reduces the real to universal and ahistorical. A reading that indicates the deeply conservative aspect of the Parsonian perspective, despite the charm that the intelligence of its inspirer, as it emerges in the latter's texts, may radiate.

<sup>i</sup> The work against him prototype title of It is called "Economy and Society, A Study in the Integration of Economic and Social Theory", by TALCOTT PARSONS and NEIL J. SMELSER. The edition that reaches our hands was printed in 1984 in the cities of London, Boston, Melbourne, by the publishing group Routledge & Kegan Paul.

<sup>ii</sup> The opening chapter of Parsons' study, which will concern us in the main part of our present research, is entitled "*The Problem: Current Sociological Theory and Some Central Concepts in Economics*" and is divided into the following central subchapters: a) *The Problem*, b) *The Program*, c) *Some Agreements between Economics and Sociological Theory* and in the following secondary sections: d) *The Problem of Cost*, e) *The Problem of Welfare* and finally f) *Technical Note*. The semantic completeness with which Parsons presents the first three sections makes them the subject of our work.

<sup>iii</sup> Functionalism is the theoretical school of thought in sociology that defines all social elements as being connected as if they were the functional parts of a large organism called a social system. The great interdependence of the parts of the system is what makes it real, functionalists emphasize, since, as they themselves say, the functions performed by each part are fundamental to its preservation and possibly its expansion as a system. For structuralism, the individual units of a system have meaning only thanks to the relationships between them, which together constitute the very structures of the system itself. Thus, structurefunctionalism comes from the union of the two theoretical perspectives above. The analysis of social reality and social relations within and through the concepts of structure and function constitutes its methodological core. This dynamic theoretical school of thought of structural functionalism, although it has enjoyed and continues to enjoy great popularity in many of the economically developed countries of the West, especially after World War II, has nevertheless received and continues to receive

intense criticism as it is considered a scientific model that encourages social conservatism, as the organic framework that defines society does not seem to accommodate the possibility of social change.

<sup>iv</sup>In the concluding section of the introduction to the work "*Economy and Society*" with the subtitle '*Technical Note*', one can easily discern the fact that when Talcott Parsons speaks about *current sociological theory*, essentially referring exclusively to the more general theory of social systems and more specifically to his own systemic view of things.

<sup>v</sup>Here Parsons uses the examples of Schumpeter and Keynes. The former explained that the entrepreneur is not simply a homo economus, the embodiment of economic rationality, but also consists of social parameters. For example, two of the remaining incarnations of the entrepreneur ('roles' we would call them today) concern his prestige in society and the maintenance of a family dynasty through his name. Keynes in turn analyzed the instabilities in employment and income with non-economic concepts such as '*attachment to the wage mode of paid work*' and '*marginal propensity to consume*'.

<sup>vi</sup>According to Parsons, the historical origin of the *General Theory of Social Systems* or *General Theory of Action* lies deep within Western social thought. Furthermore, the course of systems thinking reaches its peak with the studies of Weber, Durkheim, Pareto, Freud, Cooley, Mead, Thomas, Kroeber and Malinowski.

<sup>vii</sup>Regarding the third category, which contains the *cultural elements* of the social system or the *techniques* of economics respectively, Parsons takes care to inform the reader that there is a lack of clarity on the subject, both on the part of economic science and the general theory of action.

<sup>viii</sup>Parsons notes, the term '*mutual advantage*' was first introduced in 1935, by Professor Knight H. Frank in the collective volume of economic essays, under the general title "*The Ethics of Competition*".

<sup>ix</sup>The American sociologist C. W. Mills (1916 – 1962), became known mainly for his studies on '*political sociology*' and the '*sociology of sociology*', as well as for his highly critical stance towards American capitalism in general and the position of the social sciences in the United States in particular. He was considered by many to be one of the most dynamic social scientists who contributed with their work to the so-called sociological radicalism, a modern American movement theoretically inspired by the ideas of Karl Marx and Max Weber. The particular point that differentiates his thought from the more general spirit of conflict

theory is that he refuses to place his hopes for the social transformation of the capitalist system in the working class, but hopes for the transformative effect that knowledge can have on reality. His most important works are: *The Paper Workers* (1951), *The Power Elite* (1956), *The Causes of the Third World War* (1958) and finally *The Sociological Imagination* (1959) from which we draw part of the thought of this theorist for the benefit of our own study.

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