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Political Economy 2001: Principles and Practices of Political Economy for the Third Millennium

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With the approach of the third millennium, many peoples — including those of the U.S. and the U.S.S.R.— seek new political-economic structures of ownership, participation, and government.

The peoples of Western Europe and of Central Europe, of Brazil and of South Africa, of the Philippines and of China, and of many more, seek political-economic structures that will liberate, discipline, and empower them in a more balanced, humane, and profound way than the capitalisms, socialisms, and nationalisms of the late modern era.

Indeed, President Bush has provocatively called for “a new world order.” For his call to ring true, it must be taken as a question. What political-economic principles and practices will create a genuinely new and more just world order? What political-economic principles and practices have the power to transform the chaotic difficulties that enterprises and nations face when they leave an unsatisfactory (but familiar) form of organizing and attempt to restructure?

Even in the very best of circumstances, when great resources can be brought to bear on these questions, the answers are neither obvious nor easy to implement. For example, in response to market demand, one of the largest U.S. consulting firms

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has recently organized a group explicitly mandated to help large firms with general organizational change. However, while the members of the group have impressive technical business skills to solve specific problems, virtually none of them have the political skills to support a general organizational transformation that increasingly empowers the client organization members to solve their own problems. Instead, they tend to retreat back to offering piecemeal technical advice. Moreover, the rest of the consulting firm tends to be allergic to this new group, rather than trying to learn from its experience. Why this stalled effort at creating “new order” even when there is market demand and sophisticated professional knowledge to spare?

In a way, the answer is very hopeful for most of the peoples of the world because it shows that the “new order” does not depend primarily on the resources and

knowledge of the “haves.” The above effort is stalled — just as most of the efforts to significantly enhance quality in large corporations stall and just as most efforts to significantly enhance political participation in developing countries stall — *because the primary requirement for continual quality improvement in economic productivity and in political justice is the public recognition and correction of errors and incongruities in the midst of ongoing action.*

To engage in this process of mutual self-correction requires the ongoing effort among participants to cultivate a nonjudgmental *awareness of the present*, and of the *distances within the present* between one’s own intentions and actions, between oneself and others, and between organizational aspirations and accomplishments. To engage in this ongoing recognition and correction of incongruities also requires the political courage and rhetorical skill to express one’s awareness in a motivating rather than demotivating way.

Increasing product quality is a challenging but relatively objective and well-known process that uses empirical measures of deviations from standards during one period of production to influence attention during the next period. Increasing *service quality, managerial quality, or relational quality* is a virtually unexplored intersubjective process of generating improvement in the midst of current action. To improve the quality of a managerial meeting requires not the modification of a machine after the meeting, but that the person talking too long stop now. To accomplish this requires that participants’ self-esteem come to be based on their capacity for ongoing awareness of the present and for mutual self-correction rather than on one’s past record, on one’s current presumption of correctness, and on face-saving social norms.

Educating for Self-Correcting Awareness

Over the past century and a half, there have been several efforts to invent such relational self-correcting processes.

In the second half of the nineteenth century, the Marxian concept of *praxis* was intended to introduce an ongoing self-correcting dialectic between theory and practice in political actions.

In the first half of the twentieth century, the Freudian practice of *psychoanalysis* was intended to introduce an ongoing self-correcting dialectic between soma and psyche in the patient and between doctor and patient in personal life.

In the second half of the twentieth century, the Lewinian discovery of *non-evaluative feedback* in group dynamics and organizational development similarly heralded the advent of a self-correcting dialectic in business life.

Each of the three is a powerful social invention that has had revolutionary impact on social consciousness and social movements in the past 150 years. Yet each of the three has been taken too much as an ideological answer to questions of social efficacy and social justice, ultimately limited by the rigidity and incompleteness of its theoretical framework. None of them has been heard enough as a call to return humbly again and again in daily living and daily work to the questions:

What is occurring now?

What can I be aware of now?

What distances am I aware of now between what I/we wish and what I/we actually do?

How can I speak not as an exercise in one-upsmanship but as an invitation to heightened awareness of the present?

In other words, none of the three approaches — the Marxian, the Freudian, or the Lewinian — has ultimately succeeded in institutionalizing inquiry in persons, corporations, or societies.

It is easy to see why not. After all, every time any of us awakens to a distance — to the distance between our dreams of a moment ago and a fuller sense of contact with the present (my embodiment, what is supporting me...), to the distance between what I espouse and what I do, etc.— every time we awaken to such a distance, we suffer. There may well be moments of blissful awareness of the present when consciousness, thought, action, and outcome in the world come into harmonious alignment. But surely they are a small minority of moments of consciousness. In most moments, we may experience the spaciousness of awareness of the present and the dignity of the effort itself, but we will also experience awareness of distance, incongruity, or disharmony.

The more we seek a fuller awareness of the present, the more of the present we come to see, the more distances we embrace, the more we voluntarily suffer

So, the effort to become aware of the present in order to improve the quality of our personal/political/economic life together is inevitably a volunteering for suffering. And, while we may succeed in correcting particular incongruities, the notion that a state of psychological or social harmony will be attained once and for all (i.e., will thereafter passively maintain itself) comes itself to be seen as sheer, passive lunacy. Quite the contrary, the more we seek a fuller awareness of the present, the more of the present we come to see, the more distances we embrace, the more we voluntarily suffer.

What educational process do you know of that cultivates this taste for voluntary suffering?

Modern culture is based on utilitarian assumptions that humans, like animals, seek to satisfy desires and avoid pain, seek pleasure and comfort and avoid suffering. Organizational power is known to be used to reinforce itself and to project suffering on others — so much so that only countervailing, external powers are viewed as capable of creating a balance of powers that permits some distant approximation of justice. There is work time, and there is free time: work time for producing; free time for consuming.

Where is there time in the modern version of reality for an education toward the continual voluntary suffering necessary for continual quality improvement? What powers will support a mutually self-correcting process that may publicly expose incongruities within the power-holders themselves? And, anyway, who among us modern seekers of pleasure via reduced consciousness would sign up for a school that teaches voluntary suffering?

The answer, of course, is that many of us would because many of us hear a call to become something more than the Lilliputian version of humanity to which the modern paradigm of reality consigns us. Obvious examples might include anyone who has chosen to struggle for increased athletic performance or voluntary mastery of any difficult subject.

There are other fragments of culture that speak to us of a qualitatively different version of life. At the center of the Christian tradition, after all, is the symbol of volunteering for suffering and of the transforming results of such voluntary suffering. Nor is that myth merely a historically questionable story about one young man. Within the lifetime of many of us, we have witnessed the CEO of the largest institution in the world, inspired by a lifetime of prayer and voluntary suffering, invite that institution as a whole into a transforming process. I am speaking of Pope John XXIII and the Vatican II Ecumenical Council.

Another twentieth-century spiritual teacher — the enigmatic rascal Gurdjieff — coined the phrase “conscious labor and voluntary suffering” for the inner work he introduced to Europe and the Americas. Hundreds of thousands of people in small communities around the world, guided by his direct students, continue the struggle to practice this inner work in daily life. The Buddha’s call to a moment-to-moment wakefulness beyond illusion is another one of Ariadne’s threads that leads beyond the circular maze of modern low-consciousness realism.

Nevertheless, these clues to a “new order” are not widely known as actual spiritual practices (as opposed to mere belief systems). Moreover, how these individual efforts to expand awareness of the present can translate into political-economic processes that bring this kind of awareness into the daily affairs of professional schools, of business organizations, and of political communities has hardly been explored at all. E. F. Schumacher’s book, *Small Is Beautiful*, which explored how the Buddhist sensibility can translate into economic enterprise, is perhaps the only clear and authentic example to date.

The Power of Balance

In my recently completed book, *The Power of Balance: Transforming Self, Society, and Scientific Inquiry* (Sage Publications, Newbury Park, CA), I have attempted to deal with these issues by describing a kind of political power that encourages inquiry, even of its own foundations, rather than protecting itself from inquiry and projecting suffering on others. I relate this counterintuitive type of power, both theoretically and empirically, to the types of power with which we are more familiar (e.g., force, diplomacy, and expert power). This same perspective maps the multiple transformations through which humans can develop toward a taste for, and skill in the exercise of, this type of power. Using extensive close-up descriptions of long-term quality improvement projects in education and government, I have sought to document empirically the types of leadership and organizational structures that highlight and correct incongruities across the domains of mission, strategy, operations, and outcomes. Additionally, this research shows how few managers today make the full developmental journey toward the exercise of this “power of balance.”

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The organizational or political leader who cultivates awareness of the distances within the present attempts to see and correct incongruities among four activities or time spans, rather than narrowing his or her sense of responsibility to just one of these activities as many contemporary managers do. These four activities or time spans of leadership are:

- (1) Responding to external emergencies/opportunities that may arise unexpectedly at any moment;
- (2) Accomplishing role-defined tasks that tend to arise and be completed within a one-week time frame on a monthly, quarterly, or yearly basis;
- (3) Defining and implementing a major strategic initiative that typically requires on the order of three to five years; and
- (4) Clarifying organizational mission and encouraging continual quality improvement (i.e., increasing congruity among mission, strategies, routine operations, and actual outcomes) — a task that is best imagined as requiring a generation because organizational members determine the value of this process and commit to it actively only gradually.

Because these four time spans interpenetrate one another and influence one another, effective management over any extended period of time requires juggling and balancing all four kinds of leadership all the time. For example, there will be occasions when the success or failure of longest-term aims depends upon one's immediate alertness and response to an unexpected challenge or opportunity.

Tasks relating to the two short-term kinds of leadership are more externally determined, while initiative toward the two longer-term kinds of leadership are more internally determined (if they are being exercised at all). Consequently, the demands relating to the different types of leadership can be in great tension with one another. Indeed, each separate type of demand can easily swallow all of a manager's time. Moreover, one's predecessor in a managerial role is likely to have over-emphasized one of these leadership activities (i.e., been a "firefighter" constantly battling emergencies, a "bureaucrat" mired in routine, or a "visionary strategist" contemptuous of short-term issues), thus further exacerbating the inevitable tensions within the managerial role one inherits. If one is at all passive in structuring one's time, more external demands will quickly gain preeminence, driving out ongoing inquiry and strategic initiative. If, at the other extreme, one fails to perform effectively in regard to the two short-term time spans, he or she comes to be regarded as unhelpful and unrealistic (in-credible) by subordinates, peers, and superiors. Such is the scale of "conscious labor and voluntary suffering" that the organizational or political leader can choose to take on.

Since few members of organizations and polities today do take on this scale of leadership, they tend to want the incongruities that become publicly revealed to be resolved very quickly. Because awareness of the incongruity causes suffering and most people want to avoid suffering, they easily move into a posture of critics of the leadership rather than of contributors to an ongoing effort at awareness of incongruities and increasing local initiatives at quality improvement. This deteriorating dialectic bedevils every quality improvement program ever attempted in organizations and is especially evident today in Gorbachev's efforts to restructure the U.S.S.R. after five centuries of autocracy.

Liberating Structures

To avoid having restructuring and quality improvement initiatives collapse in upon themselves in a cascade of disappointment, resentment, diminished cooperation, and even violence, organizational leaders must learn to create organizational structures that gradually help more autonomous work groups, profit centers, and divisions to evolve. Organizational theory over the past half century has itself been

bifurcated between top-down, Theory X structural approaches and bottom-up, Theory Y processual approaches. The crying need is for a transitional form of organizing that helps individuals, groups, and organizations transition from reduced-consciousness, habitual, top-down organizational and political behavior to consciousness-enhancing, initiating, mutual action. Since the impact of leaping directly into a full, consensus-dominated, bottom-up structure can be destructive to ill-prepared members of a traditional organization, there must be some form of leadership initiative to govern the pace of changes.

I call this transitional type of organizing “liberating structure.” This type of structure is simultaneously productive and educative. It educates members toward the self-correcting awareness described in this article and the kind of “action inquiry” that is itself simultaneously productive and inquiring. Again, this article does not afford the space to define and illustrate the full-blown theory and practice of liberating structure. I simply include here one diagram from the book that suggests, in general, how such structures work and how they relate to the themes of expanding awareness of the present and public correction of incongruities.

As figure 1, page 116 shows, only a leadership strongly committed to and relatively skilled at exploring organizational incongruities and generating continual quality improvement is likely to undertake the risky and demanding process of creating liberating structures. These liberating structures, in turn, involve two related design elements. First, specific tasks are structured such that members learn how to do the tasks well and how to take increasing responsibility for autonomously structuring such tasks in the future. If, in response to these task demands, members choose to learn and thereby develop an increasing repertoire of useful skills, a positive “Development and Quality Improvement Cycle” commences that leads to the positive outcomes shown at the bottom of the diagram.

If, on the other hand, members choose to respond in a passive and customary way — whether that be by conforming, by rebelling, or by avoiding — the second, meta-level design element of the liberating structure comes into play. That is, such members find themselves confronted by feedback about the unproductiveness of their initial response and with the opportunity to choose again between a learning response that expands their awareness and a response based on unquestioned repetition of past practice. So long as they choose action dictated by unexamined prior practice, they will find themselves in an unrewarding “Conflict Cycle” that they are likely to experience as “involuntary suffering.”

Only a leadership strongly committed to and relatively skilled at exploring organizational incongruities and generating continual quality improvement is likely to undertake the risky and demanding process of creating liberating structures. These liberating structures

Obviously, the “Development and Quality Improvement Cycle” is the more rewarding pattern for the subordinate members, for the leadership, and for organizational outcomes. If the liberating structure is in fact well constructed in its details (fitting the unique limiting conditions of the time, of the particular industry/polity, and of the work force/citizenry), the vast preponderance of organizational activities will rapidly shift toward this cycle.

There are two reasons, however, why a considerable amount of supervisors' and subordinates' energy early in the career of a liberating structure will not enter the "Development and Quality Improvement Cycle," causing voluntary suffering on the part of the leadership and involuntary suffering on the part of subordinates:

Inertia vs. learning. One reason is that, prior to the creation of the liberating structure, organizational members are likely to have dealt frequently with dilemmas by avoiding them, or by passively conforming to some accepted but ineffective norm of how to respond. Heretofore, they were not confronted for such responses; on the contrary, they were at least tacitly rewarded. Now, by contrast, they may feel initial resentment at being confronted, irrespective of the merits of the confrontation. After several trips through the "Conflict Cycle," however, many subordinates will realize at least that they are no longer going to get away with low-quality work. A little more gradually, increasing numbers of organizational members will also realize that the new approach in fact improves both organizational effectiveness (and, thus, material outcomes) and the quality of their own working life through the creation of a learning environment.

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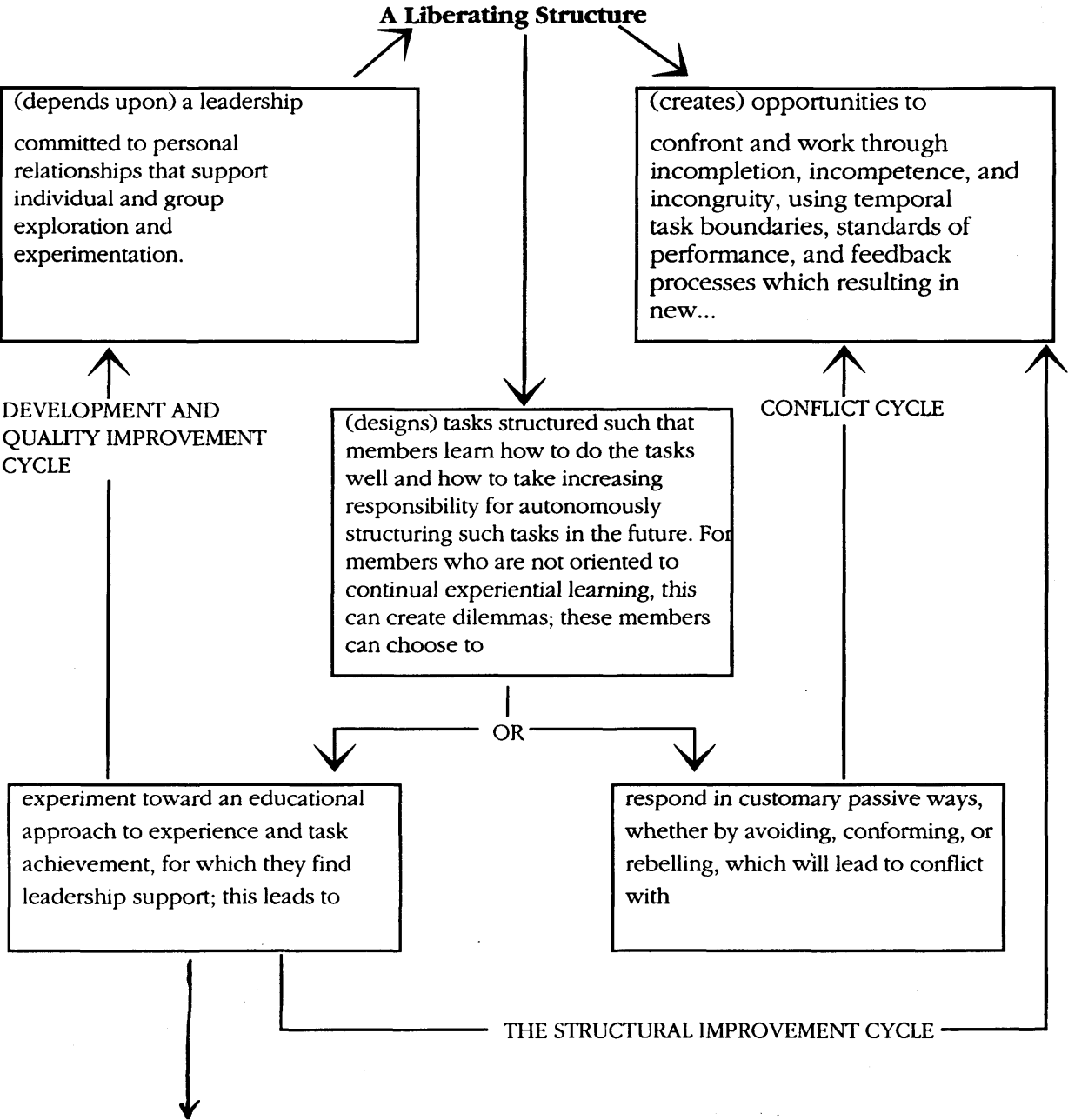
The fine-tuning process. The second reason why a considerable amount of supervisors' and subordinates' energy early in the career of a liberating structure will NOT enter the "Development and Quality Improvement Cycle" is that any given liberating structure will not be a perfectly constructed work of political art at the outset. To some degree, it will not confront unproductive behavior at the outset; to some degree, it will not persuasively present the advantages of action learning; and to some degree, it will not properly reward active experimenting. In these cases, the efficacy and legitimacy of the leadership's own initial use of power is being confronted. This difficulty can only be rectified by leadership experiments that change the liberating structure itself, as indicated in figure 1 by the "Structural Improvement Cycle."

If the organizational or political leadership refuses to change under such circumstances, the entire effort will rapidly cave in upon itself, for the leadership will be perceived as in-credible and inauthentic and will lose all moral suasion with the membership. Today, for example, this very process may be occurring in the U.S.S.R. Was Gorbachev's step back from a market economy this past fall, along with his stronger alliance with what are being called the "hard line Communists," a strategic refusal to engage in structural change? Or was it a tactical step back to re-recruit and gradually reeducate parts of the leadership before making structural changes toward a market system that could not yet be sufficiently supported to have a chance at succeeding? We do not know yet for sure, and it is entirely possible that no one yet knows for sure. For, whether successfully or not, Gorbachev himself is certainly feeling his way toward the future without even so much of a theoretical guide as the theory of liberating structure provides.

Conclusion

At present, it appears extremely improbable that ten years from now the political and economic organizing process advocated in this article will be taught as "Political Economy 2001" in major universities, let alone be enacted in the world's major political and economic organizations.

Figure 1: Dynamic Model of the Operation of a Liberating Structure



1. More effective task achievement because system is increasingly self-correcting.
2. More learning and development by members because experiments are supported and differences are confronted.
3. Increasing awareness of, and appropriation of responsibility for, relations among organizational purposes, processes, and tasks because structure is increasingly perceived as empowering and just rather than repressive.

Similarly, it appeared extremely improbable ten years ago that the Cold War would now be over.

The degree to which nations contributed to and invited the presence of the Intercultural Inquiry Corps would provide an immediate measure of their openness as a polity to inquiry and self-transformation

In my view, Mikhail Gorbachev continues to be the key player on the current world stage. If he were to resign his current role in the not-too-distant future and become Secretary General of the United Nations instead; and, if, in his new role, he were to create an Intercultural Inquiry Corps based on the notions advanced here, the world's peoples and institutions might familiarize themselves more rapidly than now seems conceivable with the notions of *awareness expanding voluntary suffering, continual quality improvement through public correction of incongruities*, and leadership based on *the power of balance* and expressed through liberating structures.

Such an Intercultural Inquiry Corps could dispatch multi-professional teams to relate to specific organizations and communities, identifying businesses and other community organizations that deserve microdevelopment capital investments from the World Bank and providing leadership training for those organizations. The degree to which nations contributed to and invited the presence of the Intercultural Inquiry Corps would provide an immediate measure of their openness as a polity to inquiry and self-transformation. Properly developed, the Intercultural Inquiry Corps would enact, and thus illustrate for other organizations around the world, the cardinal principle of political power in this paradigm of political economy: the principle of inquiry-in-the-midst-of-action, or 'action inquiry.' Only such a principle is broad enough yet demanding enough to weave a global community from the class, ethnic, national, religious, and racial differences and antagonisms that today disjoint the human world.

Finally, putting the whole matter of this article in yet another way, the aim of the principles of political economy advocated here is to internalize war and thereby make it nonviolent. Instead of killing external enemies, through the voluntary suffering of expanding awareness that embraces and corrects incongruities within our own families, organizations, and communities, we attack our true enemies — unconscious loyalty, unproductiveness, and injustice — and truly create "a new world order."