

A touch of nostalgia: on Albert O. Hirschman, my idol

Unplugged - "Carte blanche"

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In the original tradition of the "Unplugged" section, "carte blanche" grants a wild card to world-class scholars to share their own perspective on novel ways to conceive of management today. They may offer new avenues and draw up an agenda for a specific research question. Authors have to be invited to submit to the "carte blanche" series by one of the editors.

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I am fully aware that *M@n@gement* is primarily interested in new approaches to management and organization studies. However, as we know, fashion (not least that of science) tends to go in circles. Therefore, it is sometimes useful to go back in order to go forward (more on that topic in Czarniawska, 2010). Watching with some amusement the "positivism light" that seems to be dominating many journals, I believe, for example, that a new methodological revolution, like that of the late 1970s, is in the offing. Therefore, I hope that readers will forgive my sentimental excursion back to the works of an author who has not earned the attention he deserves in management and organization studies. I refer to Albert Otto Hirschman (1915–2012), a German-American social scientist, claimed by many subdisciplines, but truly a scholarly hybrid and, as James G. March noted in this very journal, endowed with a "beautiful imagination" (March, 2013: 736).

Although I have read most of Albert O. Hirschman's books, their influence on my research, thinking, and writing was not so much chronological but rather activated by personal interest. I have known for some time about *Exit, Voice and Loyalty* (1970)—the book that was a management and organization studies bestseller for a while. However, it is only recently that I have found a use for it. Instead, it was Hirschman's *Development Projects Observed* (1967) that has had the most important influence on a topic I have been studying with my co-author, Bernward Joerges: the travels of ideas (Czarniawska & Joerges, 1995).

It is well known that ideas travel around the world; they are translated into things, then into ideas again, and in this way are being transferred from their time and place of origin, and materialize elsewhere. However, how does this happen, and what are the mechanisms involved? Closely observing development projects in Latin America, Hirschman noted something he called "pseudo-imitation"—a successful technique for promoting projects that would most likely be opposed as too obviously replete with difficulties and uncertainties. Pseudo-imitation:

consists in pretending that a project is nothing but a straightforward application of a well-known technique that has been used successfully elsewhere. For example, for a number of years after World War II, any river valley development scheme, whether it concerned the Sao Francisco River in Brazil, the Papaloapan River in Mexico, the Cauca in Colombia, the Dez in Iran, or the Damodarn in eastern India, was presented to a reassured public as a true copy—if possible, certified expressly by David Lilienthal—of the Tennessee Valley Authority. Although obviously two river valley development schemes will differ vastly more from one another than two Coca Cola bottling plants, the impression was created by the appeal of the “TVA model,” that clear sailing lay ahead for the proposed schemes. To be acceptable, it seems, a project must often be billed as a pure replica of a successful venture in an advanced country. (Hirschman, 1967: 21)

Thus, a technology arrives, first as a nebulous idea, only vaguely related to some actions in some minds. It then lands heavily on the ground, usually showing its nasty side, requiring more money, new investments, and additional commitments. At worst, such a new technology can break down a whole social system, as revealed by Trist and Bamforth (1951) in their famous study of coal mining. At best, in the course of the fitting process, the idea and the set of actions will become adjusted to each other in a new, unique local combination. Indeed, in all his writings, Hirschman suggested that unexpected results may turn out better than expected, and therefore one must always pay attention to them. (In other words, he was fond of serendipity, even if he did not use the term.)

In the meantime, this pseudo-imitation was becoming a marketing device for the Tennessee Valley Authority (TVA) program. As Hirschman noted, for a number of years after World War II, every country with a river valley had to have a copy of TVA. One could say that the improvements in the river valley had become a master idea—a paradigm of a reform that guaranteed positive development, a product, and a producer. It had probably never had greater influence than at its end, when it had run round the globe, and its capacity for endowing local events with unique meaning had been exhausted. In *The Passions and the Interests* (1977), Hirschman observed that this phenomenon is well known in intellectual history, exemplifying his point by the acceptance of the concept of “interest.” Once the notion of interest acquired paradigmatic status, most human action was explained by self-interest, and nobody bothered to define the notion with precision. The power of master ideas resides in the fact that they are taken for granted, are seen as unproblematic, and are used for all possible purposes. At the beginning of the rule of a paradigm, it is its power to excite, to mobilize, and to energize that is most noticeable; and toward the end, it is its unquestionability, its obviousness, and its taken-for-granted explanatory power.

However, there is no doubt that a great many of the development projects, whether pseudo-imitations or not, have failed—or at least did not achieve the planned results. Quite often, that is inevitable, as the planners and the reformers establish exaggerated expectations and do not allow their reforms to be modified by the (modest) effects of “muddling through.” As a result, the reforms—quickly and superficially evaluated—seem to lead nowhere (“futility thesis”: Hirschman, 1991) or to produce effects opposite to those intended (“perversity thesis”: Hirschman, 1991). In time, an attitude that Hirschman called a “fracasomania” develops—a failure complex he observed in Latin American countries that were attempting

reforms. He noticed in *The Rhetoric of Reaction* that many a defamed law had, in fact, “a variety of useful accomplishments to its credit” (Hirschman, 1991: 33n).

I recognized “fracasomania” when studying city management in Italy and in Poland (Czarniawska, 2002). My Italian interlocutors often launched the perversity thesis (e.g., discussing the new institution of public tenders). The perversion thesis is only an ironic variation of the futility thesis, of which Hirschman said, “[t]he contribution of Italian social science [...] is preeminent” (Hirschman, 1991: 59). He even quoted the Italian proverb: “*Si cambia il maestro di capella/Ma la musica è sempre quella*” (ibid.), taking this as equivalent to the famous French formulation of the perversity thesis: *Plus ça change, plus c’est la même chose* (1999: 59). Note, however, that the sayings are not identical. The Italian proverb says that replacing actors does not necessarily change the action pattern: the very point I was trying to make about city management in Warsaw and Rome.

And is it so bad if nothing much changes? Hirschman was exceptionally skillful in exposing the faults of purist attitudes, of both reactionary and progressive types. He rescued a significant element of conservative thought from oblivion or ideological attack: “An essential component of [Edmund] Burke’s thought was his assertion, based primarily on the English historical experience, that existing institutions incorporated a great deal of collective evolutionary wisdom and that they were, moreover, quite capable of evolving gradually” (1991: 161).

Surely this can be said about the historical experience of any country. Nevertheless, this does not exclude the possibility that a country’s institutional order can be usefully enriched by the experiences of other countries, resulting in innovative hybrids. What is crucial here is not to put too much faith in universal laws, perfect plans, and Utopian expectations—or what Hirschman called “fundamentalist storytelling” (Adelman, 2013: 349).

However, a student of public sector reforms—in all countries—must sooner or later encounter another mystery to be resolved. If reforms fail (or at least fail in terms of the expected effects), why are they constantly undertaken? Later, Nils Brunsson (2009) wrote about “reforms as routines.” Hirschman answered this question by claiming that the experience of failure is simply expunged from official memory:

once [the] desired effects fail to happen and refuse to come into the world, the fact that they were originally counted on is likely to be not only forgotten but actively repressed. [W]hat social order could long survive the dual awareness that it was adapted with the firm expectation that it would solve certain problems, and that it clearly and abysmally fails to do so? (Hirschman, 1977/1981: 131)

Well, capitalism, for one. Only that, as Hirschman observed, “*capitalism was supposed to accomplish exactly what was soon to be denounced as its worst feature*” (1977/1981: 132; italics in the original). It was supposed to free self-interest in order to rein in all other passions. In addition, so it goes: new reforms; new disappointments; new plans; new expectations; and, at best, some positive, unexpected consequences.

In time, I have shifted my interest away from public sector reforms to another fascinating phenomenon of contemporary world: the production of news. I was surprised to find that news production was highly standardized, practically automated: thus, my title *Cyberfactories* (2012). Although some journalists, such as Morozov (2012), are now sounding alarm bells, Hirschman noted—in his *Rival Views of Market Society* (1992)

—that, in certain production tasks, standardization leads to a positive effect (which he called “lack of latitude”) on standards of performance (i.e., intolerance of poor performance):

When this latitude is narrow the corresponding task has to be performed *just right*; otherwise, it cannot be performed at all or is exposed to an unacceptable level of risk (for example, high probability of crash in the case of poorly maintained or poorly operated airplanes). Lack of latitude therefore brings powerful pressures for efficiency, quality performance, good maintenance habits, and so on. It thus substitutes for inadequately formed motivations and attitudes, which will *be induced* and generated by the narrow-latitude task instead of presiding over *it*. (Hirschman, 1992: 19)

Applying Hirschman’s reasoning to the production of news in agencies, it can be surmised that journalists working in an agency do not have to be “highly motivated” and “inspired”; the task at hand will see to it that they do it right. After all, “narrow-latitude tasks will, if performed poorly and (*ex hypotesi*) disastrously, give rise to a strong public concern and outcry—to voice” (Hirschman, 1992: 20).

I recently returned to *Exit, Voice and Loyalty* (as did Hirschman, re-applying it to the situation in the German Democratic Republic after 1989: Hirschman, 1995). It struck me how appropriate this frame is to the recent discussion about the transformation of universities (Czarniawska, 2015). The present fashion and the related centralization fad are undoubtedly attempts by management to tighten the couplings. (They still have not read their Weick, 1976.) The result may mean the collapse of collegiality, and it certainly will not achieve anything but a mechanical connection of research and teaching. However, it yields at least one positive effect: As in Sweden (where I live), faculty and students in France, the UK, and Poland recourse to Voice (although many young people in Germany, Italy, and Poland choose Exit). Not much Loyalty is observed. According to Hirschman (1995), however, the more opportunities there are to Exit, the louder the Voice.

Last but not least, Albert O. Hirschman was to me an exemplar of good writing—just the opposite of what Michael Billig (2013) sarcastically described as a prescription for success in social sciences. I therefore inserted a long quote from Hirschman’s *Shifting Involvements* (1982/2002) into my method book, *Social Science Research from Field to Desk* (2014):

I am not sure that this book qualifies as a work of social science. It is so directly concerned with change and upheaval, both individual and social, that at times I had the feeling that I was writing the conceptual outline of a Bildungsroman (with, as always in novels, a number of autobiographical touches mixed in here and there).

This blurring of genres [observe the influence of his friend from Princeton, Clifford Geertz] does not bother me, but it exacts a price. I have tried to make the various turns and transitions, which stand in the center of the essay, as compelling as possible. But they admittedly fall short of carrying the conviction and of achieving the generality which social science likes to claim for its propositions. Then again, as many of these claims have proven excessive, perhaps I need not worry.

[...]

Early, partial drafts of the essay were intensively discussed in seminars at the Institute for Advanced Study, at Stanford (p. xv) and Yale, and at the European University Institute in Florence. [...] Never before have I received so many excellent suggestions that just had to be incorporated, with the result that at times I felt I was turning from author into editor. Perhaps this wealth of good advice stems from the character of the book, from its coming close to being a “conceptual novel.” Everyone who read the early fragments wanted the hero to behave a bit differently or had a different explanation for his or her actions. I am very grateful to all these excellent people for having thickened my plot. (Hirschman, 2002: xvi)

At present, I am a senior professor, and—like most senior professors—I am looking at our field with a mixture of curiosity and trepidation. Some very good ideas seem to be replaced by some very bad ones; some new ideas seem to be vanishing without any impact. For comfort, I am re-reading this fragment of “A dissenter’s confession”:

The effect of new theories and ideas is much less direct than we often think: to a considerable effect, it comes by way of the general impetus that is given to a certain field of studies. As a result of few contributions, that field suddenly comes alive with discussion and controversy and attracts some of the more intelligent, energetic, and dedicated members of a generation. This is the indirect, or *recruitment* effect of new ideas, as opposed to their direct, or *persuasion* effect. (Hirschman, 1986/1992: 34)

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