ON SUCCESS AND FAILURE OF ORGANISATIONS

An essay in the theory of administration
Four case studies examined

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May 1985

1. A Mini-theory of Administration

The theory to be presented here is so simple that it
borders on the ludicrous yet, in my view and my experience,
relatively powerful in explaining what makes for success, and
what makes for failure, in an organisation. I then define an
organisation as a social system with an explicit goal: there
is a product to be produced, usually definable in terms of
goods and/or services. Thus, any company producing goods/services
is an (economic) organisation; any political party or interest
group is a (political) organisation, striving for goals for its
members or clients in general; any military unit is a (military)
organisation whose goal in the first run, is destructive rather
than constructive, afterwards administering the outcome;   and   any
university or institute is a (cultural) organisation, producing
education, research and/or some type of practice. My own
experience is from political and cultural organisations,
particularly from the latter. But I think the mini-theory
presented below is applicable across the board.

I assume any organisation to be grounded in the basic
division between <u>producers</u> and <u>consumers</u>; the latter being
known as customers, clients, civilians, and simply citizens,
in the four cases mentioned above. Sometimes the consumers are
members of the organisation, as in the case of an economic
cooperative or a political party only catering for its own
members, a military unit only protecting its own soldiers,
or a university organised like a monastery with no window to the
outside. But usually consumers are also found among non-members
or only there.

Then   among   the producers, there is usually
a relatively clear distinction between decision makers and
decision implementers (workers and functionaries, the "footfolk",
the soldiers, teaching and research assistants, and so on).
Finally, among the decision makers, there is also a division,
in most cases, between the top person (the director-general,
the president, the general, the director/directors/president
and some kind of governing council or executive committee or
both, which are simply referred to as the Board.

The result is a structure, as indicated in Figure 1:

Figure 1.   Organizations: A Structural Approach

Producers of goods/ (2) services	Decision makers (3)	Top person	President
		Board, etc.	Board
	Decision users		Workers
(1) Consumers			Customers

As mentioned, the organisation as a juridical person may have different borders from the borders indicated here, as I have included the customers as parts of the organisation.

The role of the organisation, as mentioned, is to make goods and services available to the consumers, for instance security to civilians, when the organisation is military. One would then assume that consumer satisfaction is a major goal, not only that goods and services flow in their direction. But one should also assume that producer satisfaction is a major goal, not only in the sense of the consumers offering something in return (payment for the goods and services, loyalty and gratitude, obedience, all of these three combined in the case of the cultural organisation), but also in the sense of the producers themselves being satisfied. After all, "worker satisfaction" is today listed as a very legitimate goal even in the most economically oriented enterprise, or factory for that matter. The question is how to obtain all of this.

The mini-theory to be proposed here is simply based on two axioms:

    i)   Cyclical interaction in the organisation as a necessary condition for satisfaction and performance

    ii) Multilateral interaction in the organisation as a necessary condition for satisfaction and performance

There is certainly nothing epoch-making in these two axioms. They are rather trivial the way they are formulated, but constitute a basis for almost everything we know today about participation, co-determination, self-management, democracy at

the organisation level, and so on.   This is seen particularly clearly when they are expressed as diagrams, as in Figure 2:

Figure 2:   Organisations: A   Process Approach

BAD   GOOD

President

Board
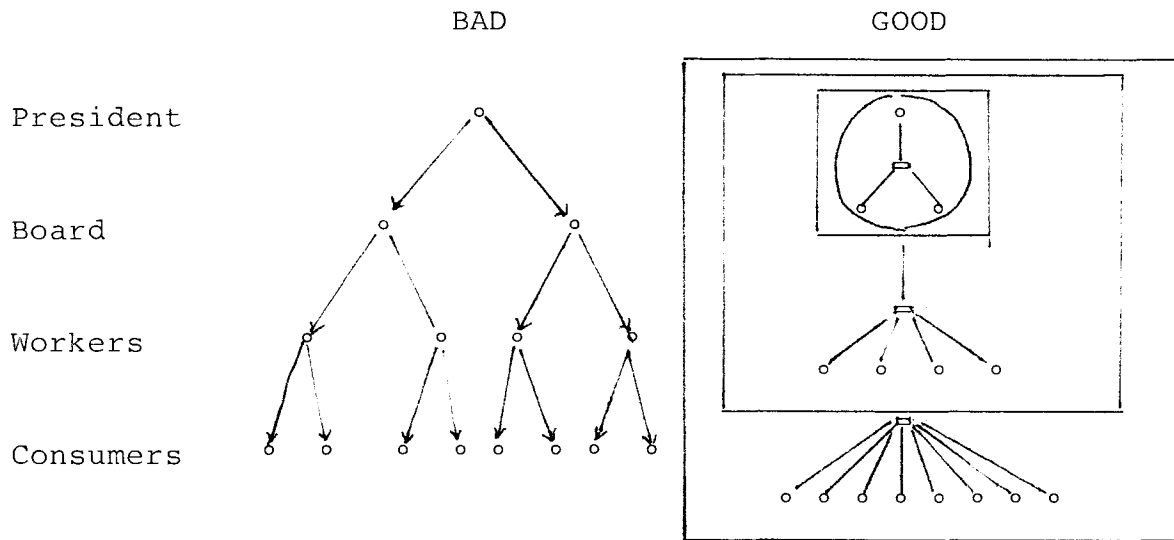
Workers

Consumers

In these figures the small circles stand for persons in the four positions (for simplicity, there is one president, two board members, four workers, and eight consumers). In the organisation to the left, dubbed "BAD" there is one way flow of interaction and only bilateral relations adding up to a simple hierarchical structure; in the organisation to the right, termed "GOOD", the squares stand for meetings/collective actors/multilateralism and the lines without arrows for bilateral relationships both ways.   Thus, the president has now become a part of the Board, possibly primus inter pares and they share all information and decision-making. Together they have meetings with the workers, sharing all information and decision-making and together these two have meetings with consumers sharing all information and decision-making. Information and decisions are attached to interactive cycles and there is a lot of multilateralism in addition to the most obvious form of human interaction, the bilateral form.

One may object to this that the boxes could be erased from the figure and all fifteen people could simply sit together around a table and work it out among the fifteen of them.

This may be perfectly true for fifteen people, but hardly
for 150, 1,500, 15,000, 150,000.   There may be good arguments
in favour of avoiding such big organisations, but then it should
also be noted that even at the level of 150, multilateralism
shows clearly its limitations.   For that reason the model of
the "GOOD" organisation uses Chinese boxes: the first box is
the organisation in the extended sense advocated above, the
second box is the organisation as usually conceived of, as a
juridical entity, and the innermost box is the decision-making
nucleus.   The inner box may be accountable to the middle box
and even be elected/selected by and among them; the middle
box may be accountable to the outer box and even be selected/
elected among them. In that way, we get within this paradigm
most of the ideas of organisational democracy. But the examples
now to be given are of a much more trivial nature.

        In fact, let us start with the application of these
ideas in the field of very ordinary day to day administration.
One of the members reports to work in the morning and says,
politely, "What a beautiful morning! The sun is shining!"
There is no response whatsoever from the people present. In
other words, axiom 1, the cyclical one, has already been broken
from the very first moment. Depending on his psychological
inclination, his response will be "what is wrong with them?"
or "what is wrong with me?", possibly both.   I only mention
this to make the trivial point that cyclical interaction is
considered a matter of course among equals; if absent, it
becomes a matter of major concern, like the husband whose tender
kisses meet with no response or the wife whose excellent food
meets with no expression of gratitude (unless the two have
established that this is the nature of their cycle).

        What then, is the relation between unequal parties?
The president withdraws to his office and starts working. He
drafts a letter and writes on a slip of paper "Tell Mr X. that
the meeting is tomorrow at 3 pm" and hands both pieces of paper
to the secretary.   The secretary types the letter, files the
copy and mails it, calls the person who accepts the call for the
meeting, continues with her make-up and calls it a day.
The president, often without knowing it, is left frustrated,

because two bulbs have been ignited on his mental screen, a
letter bulb and a message bulb.   They have not been extinguished
by two simple counter-flows that would constitute a cycle
together with his interaction initiative: a copy of the letter back,
and a note scribbled on the message slip, "Called, he says okay."

To this one may object that the president would have
gotten the letter for signing and that would help, a cycle would
have been established.   If this were the final act in any
administrative sequence, filing that copy would extinguish the
sequence, particularly if the secretary sends a slip of paper,
"Copy filed under heading X, file closed".   But that would only
finalise the sequence for the president, not for the secretary
unless he initials it with an okay.   After all, the extinction
of an administrative sequence is an important event in any
organisation, possibly something to be celebrated, if not in a
festive mood, at least with shared knowledge that it has happened.

As to the message: unless the president gets the report
back, and unless he is a very carefree or careless president,
he will leave with a sense of being unfulfilled, of something
missing.   That has something to do with president dissatisfaction,
and as he himself is a member of the organisation, it is relevant
for the goal of the organisation as well as for its operation in
other directions.

So much as seen from the president's point of view, what
about the secretary?   If as a general rule actio is followed
by reactio, question by response, initiative by follow-up, or
counter-initiative, then it is not obvious that her lights have
been extinguished (accepting, now, the customary gender division
in organisations).   The president has his agenda, his mental
screen with bulbs lit or unlit.   The secretary may have hers,
an obvious one being whether what she has done is to the satisfact-
ion of the president/organisation or not.   Some feedback evaluating
her performance is important.   But equally or even more important
may be eliciting her opinion, which then would question the whole
way in which this sequence was initiated : messages originating
from the president, to the secretary.   And, still staying with
the first axiom, one way of avoiding this, would be for the

president to start the day with a discussion with his secretaries, comparing the agenda with lit and extinguished lights for everybody so to speak on the table, designing the day, dividing the work. This could then end with a similar meeting at the end of the day, comparing joint agendas with joint performance. And at that point, when more than two people are involved, one would already be in the domain of the second axiom, that of multilateralism.

At this point one may object that this approach would lead to too many meetings. It might, unless good routines have been worked into the system. But it should be pointed out that working with cycles and multilateralism is more taxing for the individual member, requires more participation, more energy, more initiative, than one-way flows and bilateralism. The bad organisation permits much more detachment. A good organisation requires involvement as the price for, presumably, higher levels of organisational performance and higher levels of satisfaction among producers as well as consumers. Many dislike that price.

Let us now go outside the organisation in the narrow sense and involve the customers. Goods and services are offered, customers take them on, but in the bad organisation that is also all that happens. Feedback in terms of willingness to take them on with a counterflow in the form of payment is too undifferentiated. All languages have expressions of undifferentiated response, more or less indicating "I am here", nothing much more - such as, Hai in Japanese, Yeah in American, Really in English, Riktig in Norwegian, Ach so in German, etc. As a rule the reactio or response has to have a specificity that comes closer to matching the level of specificity in the agenda of the organisation. If after countless consultations among president, board and workers in an organisation countless improvements have been introduced in the products, a response merely in terms of a (slightly) increased demand is insufficient, and will leave the members frustrated. For more detailed responses, they sometimes hire a market research organisation that goes at their job systematically, meticulously, and in a very specific manner, but with questions that often mirror the agenda of the producers rather than the agendas of the consumers. Direct interaction would make agenda matching possible, establish a common language, and produce more specific reactio, response, possibly even counter-initiatives.

But   then   the   problem is that it may be
painful for the higher levels to be exposed to honest, explicit
responses from the lower levels, as when the Board tells the
president the truth as they see it,   the workers tell the Board
the truth as they see it, and the consumers tell the organisation
the truth as they see it.   Reactions as explosive bursts of
anger from the outer boxes to the inner, from the lower levels
to the higher, can be seen as the outcome of accumulated
frustration due to insufficiently cyclical information(with
feedbacks, and feedbacks on feedbacks) - and due to excessive
bilateralism.   Universities get student revolts that way,
professors get the assistants against them, and the rector gets
the professors as his/her sworn enemy.   And all of them together
might one day get the very negative reaction from the rest of
society that also considers itself part of the enterprise for
cultural production and consumption - the end consumers. 1968!

Let us now turn to the second axiom and first focus
on the relationship between the president and his board. It
is obvious what is meant by bilateralism: the organisation is
run by the president setting up separate deals with each
member of the board, possibly even with each worker, on a do ut
des basis: I give you this, you give me that.   The deals
are not known across the board. If a person suspects that he
has come off rather well, he may be disinclined to share the
information lest that might produce anger in others who in their
struggle for an equal sharing of scarce resources, would be in
conflict with himself.   But the member who suspects that he may
have gotten too little may also be disinclined to share that
information, lest his poor deal is seen by everybody as a sign
of the low esteem in which he is held.   Obviously, only a
powerful, "charismatic" president can play the game this way
successfully, legitimizing that information is not shared; a
less charismatic amateur who tries differential treatment will
be revealed immediately. There is no mystique of bilateralism.

But this is only one aspect, the differential reward
aspect. Possibly more important (and also a part of the reward

system) is giving information in some directions and withholding
it in others, making some parties privy to important information,
others not.   Sometimes information-sharing may be used as a
compensation for material reward deficits, sometimes as a part
of the general reward. However that may be, the net result
is a very complicated system of a highly feudal nature, where
board members and working members of the organisation are tied to
the president as his personal clients, on conditions that he alone
stipulates and known, in their entirety, only to him.

Where the person running such an organisation usually
goes wrong is in assuming that the members/workers do not know
each other, or at least do   not   compare
information with each other.   This condition is often satisfied
in clandestine operations, for instance underground organisations
during an óccupation,or in criminal syndicates.   The only person
knowing it all is He, and the moment he shares that knowledge
with others, he makes the organisation more vulnerable since the
members will have more to tell when caught and exposed to pressure,
for instance in the form of torture.   Thus, the Mafia is said
to be organised in this way, and the organisation chart is of the
"bad type",as in the operation of a people's war against occupation/
oppression.   To fight such an organisation becomes a painstaking
job of trying to map it by finding out for each member caught
with whom he was associating, meaning from whom he got and to whom
he gave his orders, since any member would have to have a link
to some other member of the organisation; he cannot be operating
in a vacuum (In some cases he does, though, and will probably lose
his life in torture simply because he has nothing to confess. If
he had something to confess he may lose his life for that reason).

But regardless of the reasons there may be for this organisational
structure in times of even extreme crises, it does not follow,
of course, that this should be the normal way of operating an
organisation. And yet, it often seems to be, the reason partly
being that bilateralism is a president's obvious power strategy,
partly being that an organisation as a whole may acquire more
fighting spirit, more sense given to all its members of being part
of a corpus mysticum, by organising it that way. Whether economic,
political or military or cultural, the organisation may perceive

itself as being at odds with the rest of society, or if not in conflict, at least in heavy competition, and start thinking along the lines of military, even paramilitary organisations. There may also be the rationale in terms of the need for quick decision-making, for "uni-cephalism" as opposed to"multi-cephalism", the idea that one brain can process information more quickly than N brains in a meeting, and come up with a decision.

Again, I should not overlook that there may be conditions under which this organisational approach is appropriate. And one of these conditions, interestingly enough, may be the entrepreneurial phase, before, during and right after the birth of an organisation. Of course, organisations may be born as the result of cyclical, multilateral decisions, and continue functioning that way from the very beginning. But they may also be the result of one person's initiative, and so novel that he is only partly able to communicate the objectives, because it takes time to develop matching mental screens with sufficiently rich agendas, sufficiently well coordinated with those of the initiator, for interaction really to be cyclical, let alone multilateral. It should be noted, consequently, that the clandestine president, criminal president and entrepreneurial president probably all have bilateralism in common, but also want feedback: they are very much dependent on reports, that something trickles up through the fragile chains of order that they have woven together in a pyramid with themselves at the apex.unfiltered by the sycophants that tend to surround an organisation leader of that type. In fact, the more bilateralism, the more two-way interaction is needed lest the organisation becomes totally autistic, incapable of processing any responses to the stimuli they emit.

If bilateralism is combined with cyclical interaction, what then about the opposite combination, the fourth possible category, multilateralism combined with one-way interaction? This is certainly possible and would take the shape of the board and the president together working as a multilateral committee, communicating its findings to the workers, feeling no need for any response whatsoever. The findings will take the shape of SOPs, standard operating procedures. The task of the decision-users is to implement the decisions of the decision-makers, and that is all there is to it.

This structure can also be operated relative to consumers   as is
so often done in the Yugoslav system referred to as "self-
management":   all producers in the organisation in fact make
decisions as a committee, possibly indirectly through delegates
from all levels and sectors. But that decision is communicated
as a product to the customers, with no feedback envisaged from
the customers beyond the inarticulated feedback of money-backed
demand; in other words, the undifferentiated market response.

And then there are other combinations possible, for
instance, multilateralism and feedback everywhere except between
the president and the board.   There is no reason why the model
should be consistent.   Moreover, the board, the workers and
the customers could have their own multilateral organisations,
meeting bilaterally with the president, the president + board,
and the president + board + workers, respectively.   But this
is not the place or the occasion to try to map systematically
all such possibilities.   The major point has been made.
Two factors have been seen as necessary conditions, both for
organisation performance and for producer and consumer satisfaction
(the three not being the same thing):   cyclical interaction,
and multilateral interaction.   It has been pointed out that
one-way interaction and/or bilateral interaction may be the better
approach under some conditions.   But in the long run, they will
tend not to work and also to counteract the conditions under
which they are effective.   And they will end up like a one-way
street, such as - for instance - unreciprocated love or development
assistance: adding frustration to insult, and vice versa, with
decreasing performance relative to capacity, and dissatisfaction
and unrest everywhere till the organisation disintegrates or fades
away and dissolves. Except, that is, if the organisation is
kept alive artificially through external inputs such as fresh
people (particularly on the top) who have not yet gone sour,
and the resources such as money or time - meaning that slow
functioning is accepted as normal and natural.

2. Further explorations: Four cases examined

The four cases are organisations where I personally have played a certain role, and after some time have preferred to withdraw, wholly or partly. What I am now going to do is to examine these four cases in the light of the mini-theory presented above, but not necessarily as an apologia sua. I am not trying to distribute blame on persons, nor to exonerate myself, only trying to look coolly at the operation of four organisations, all of them in the sphere of cultural organisations, designed to produce education and/or research and/or practice.

CASE 1: The Inter-University Centre, Dubrovnik, Yugoslavia (IUC)

At the explicit level this organisation was brilliantly conceived by its founder, Professor Ivan Supek, a leading figure in Yugoslav but particularly Croatian political and intellectual life, when he was rector of the University of Zagreb. Being an organisation of cooperating universities from all over the world, it would organise courses in a building in Dubrovnik, at a low participation fee for students, bringing in professors, if possible financed by member universities which would also provide scholarships for the students. A Director-general, a non-Yugoslav, would function as rector, and a Deputy director-general from the University of Zagreb as his local counterpart, both of them ex officio members of an executive committee, in turn appointed by the IUC Council, the governing body of the organisation.

The unit produced would be a course lasting from a few days to a couple of weeks, possibly repeated over several academic years, bringing together the same and/or new persons both as participants and research persons. I was the first Director-general of the organisation, appointed April 1973, functioning until 1976 (starting summer 1973, organising the first course January 1974, and working quite intensively over a period of four academic years till I resigned as of 31 December 1976 , but carrying out duties in connection with courses planned until April 1977). I resigned over two issues: funds that had been donated to courses at the IUC and actually deposited in an account in Hamburg under my name (because the IUC did not have juridical personality), were used for other purposes and could not be accounted for . And,

there was pressure on dissident professors, also at the University
of Zagreb, not to organise courses.

In analysing this, I think I would take as a point of
departure, a rather trivial idea in organisational sociology:
the implicit organisation, the hidden agenda. In this implicit
organisation, the Republic of Croatia and the University of Zagreb
would be major actors.   In a federation like Yugoslavia member
republics will be jealous of each other and tend towards
separate foreign policies, including separate academic foreign
policies. Dubrovnik being a part of Croatia, and a very popular
resort not only in Croatia, or Yugoslavia, or Europe, but at
the world level, an inter-university centre at this place
presented itself as a major opportunity for the Republic of Croatia,
through the University of Zagreb, to get an independent identity.
Part of this could be seen as a counterbalance to the major
republic of the federation, Serbia; at the more mundane level,
opportunities would open for professors at the University of
Zagreb to associate with foreigners from all countries, inviting
them as research persons with the hope of reciprocation in the
form of invitation to their places.   All of this natural, very
human, and nothing particularly sensational.

The crux of the matter was very simple and will be found
in all four examples: there is an inner nucleus in the board,
and the inner nucleus uses the explicit organisation to promote
the goals of the implicit organisation.   On the executive
committee there were also, indeed,   members of the University
of Zagreb, although not necessarily in the majority. Of course
they had their separate meetings in Zagreb to discuss IUC matters,
supplemented by other members of that university community (and
others), close to the major source of funding, university and
republic authorities. Assuming, now, the fact that the building
in Dubrovnik was under their command, the permanent functionaries
working there on the staff of the University of Zagreb, and that
the building was also used to house a centre for post-graduate studies
of the University of Zagreb, one had to realise that it would be almost inhuman
to expect that these people, at all times, would be able to
keep the explicit and the implicit organisations separate.
Meeting among themselves the hidden agenda would be the open
agenda.   And on that agenda, of course, would be such items as

how international funds, particularly if they were in excess
of what was needed for the course for which they were destined,
might be transferred to other purposes badly in need of funding,
and how local political demands could be met, possibly so as
to obtain more funding. In practice, the latter meant that
the people associated with the magazine,   PRAXIS should be kept
in the background, even excluded at least as persons. And, if
they were nevertheless able to organise courses because of some
international solidarity from outsiders, Yugoslav students
interested in participating in these courses should at least
not be given the necessary funding.

I, as Director-general of the institution, accepted
neither the mismanagement of funds, nor the ban on dissident
professors;   the former for obvious reasons but also for the
reason that the account was in my name, and I was accountable
to Norwegian tax authorities, the second for equally obvious
reasons, but also for the reason that, on my agenda, was the idea of
IUC contributing to democratisation of political debate, not only
in Dubrovnik and Croatia and Yugoslavia, but also in Europe and
in general. From this point on it is interesting to see how
the hidden power nucleus on the executive committee behaved,
and that brings us back to the problems of cyclic and multilateral
action.

The non-cyclic aspect becomes clear in a tactic that
can be described as follows: "this is the way we do it here
in Zagreb/Croatia/Yugoslavia".   As an empirical statement that
might be true; the intention, however, was to make it a normative
statement "and you   better not interfere with it". It was a
pure case of one-way interaction, not asking for any discussion,
just to accept the disappearance of money and the disappearance
of courses, as a matter of fact.

This position, however, somehow had to be communicated
and that is where the second point enters: bilateralism. The
international members on the executive committee had to be persuaded
that this was the correct stand. The way to do it was to talk
with them one at a time, avoiding the "difficult" Director-general,
and avoiding the transparency provided by a multilateral setting.
At this point it should be added that to many people an under-

standing to the effect that "thus it is, and thus it will remain" is seen as a higher or deeper level of understanding, acquiescence being a synonym for subtlety. Needless to say, when the multilateral encounter finally took place, the "facts of life" were accepted, with the exception that some formula was found whereby the bank account could be in the name of the IUC, but then in another country less strict when it comes to limitations on who can have bank accounts, and who not.

This, however, in no way means that the implicit organisation and the hidden agendas prevailed. The general turmoil surrounding this controversy and my resignation in particular, but even more particularly, publicity of the whole issue in the foreign press (something that implicit organisations with hidden agendas never like) stayed the hand of the party machinery at more central levels. The dissidents were permitted to continue with their courses, although Yugoslav student participation was sabotaged. From the "mismanagement of funds" issue nothing has been heard ever since, as far as I know. One reason for this may be that it boiled down to exposure versus protection of a particular person, particularly important in the whole organisation, a person who simply had behaved stupidly by not making his use of the funds at least semi-legitimate.

Morale: be aware of implicit organisations and hidden agendas. More particularly, be aware of the hidden persuaders that operate bilaterally in order to get their one-way commands through without ever having to expose them to a multilateral discussion. On the other hand, it is also clear that some of the conditions for renouncing on rigorous adherence to these principles obtained in the Yugoslav setting: a one-party hierarchical rule bordering on dictatorship. Some people will draw from this the conclusion that one should accept a bad organisation rather than having none at all. Others will draw from it the conclusion that if one cannot have a good organisation, then better have none at all. My conclusion would be : let those who want to continue with a bad organisation do so and those who do not want, fight for the good one hoping thereby to obtain a compromise somewhere in the middle. I think that was more or less the final outcome. And the net outcome was not bad: the dissidents have a forum and the IUC is blossoming, bigger (if not necessarily better) than ever.

CASE 2:   The United Nations University (UNU)

This time the focus is on a member of the United Nations system, originally argued by the then U.N. Secretary-General U Thant, in 1969. He envisaged an organisation more focusing upon education; the outcome was an organisation for research that in the first period had three big research programmes in the fields of food and nutrition, environment and energy, and human and social development.   There was a rector in charge of the U.NU as an organisation (Dr James N. Hester, former president of New York University); a vice rector in charge of each research programme (Dr Kinhide Mushakoji, a Professor of Sophia University in Tokyo, was in charge of the human and social development programme); and I myself was director of the biggest project within that programme, the Goals, Processes and Indicators of Development Projects (GPID). The project, when it was fully operative, about three years after its start April 1977 (in Dubrovnik), had thirty sub-projects and about the same number of research units in countries and organisations scattered around the world with a considerable production of working papers and researchers involved.

However, from the very beginning, the project was marred by one particular problem rather essential from the point of view of research: there was no provision for publication, not even any certainty that the research reports   would be published. Under the contract with the UNU, the research products became the property of the United Nations University according to a standard U.N. contract form . The UNU could decide whether to publish and how to publish, without consulting the authors.   As a consequence some papers were published that the authors did not want to have published (they were merely administrative notes); other papers that the authors very much wanted to publish since, in their eyes, they were adequate research products, were denied publication under UNU auspices. True, the authors were then left free to publish them elsewhere, but in the meantime much time had elapsed and in the field of development theory quick publication is almost a must in order to be up-to-date with ever-changing theory and practice.   It belongs to the picture that those who took such decisions at the UNU Centre in Tokyo were very

well-paid U.N. functionaries, whereas the authors who had
produced the papers did so under equally extremely stingy
contracts with the UNU.   Nevertheless, leaving many   other
aspects of the situation aside, let me just focus on this one,
and ask the same question as above: where do the two axioms
from the mini-theory enter?   The answer is that they enter
with the clarity of a   textbook example, a perfect illustration.

First, as usual, there was no feedback in this organisation.
Letters were left unanswered till the conditions producing the
letters no longer obtained, not in the sense that a problem had
been solved, but in the sense that the chance of solving the
problem had passed by. On the other hand, decisions were
communicated from the top, meaning from functionaries to researchers
without any, or at least without   much, expectation of any feedback:
these were simply statements of command, dressed up as facts.
There were meetings, even many of them, where project directors
were called to Tokyo to have conferences with the programme
vice-rector. On these occasions many things were expressed,
but there were usually very few indications that they ever had
any impact. Rather, such meetings were used for one-way commun-
ication of UNU Centre decisions.

Second, there was no real multilateralism.
True, all the directors of the research units in the GPID project
had meetings, at least once a year, with the GPID project
director, and all the project directors on the human and social
development programme had meetings at least once a year with
the corresponding vice rector.   He, on his side, had many
meetings with the other vice-rectors and with the rector of the UNU,
and also participated in the meetings of the governing body
of the UNU, the UNU Council with its 24 members more or less
knowledgeable of the goals, processes and indicators of good
research, but presumably put together to represent gender, nation, discipline.
Obviously, it is not the same to meet one person from the
level above, or a box further   inside in the system, as that
person may have his own hidden agenda, playing levels and boxes
against each other, or with each other, for purposes of his own.
If a person at one level is troubled by decisions taken at the
level above, the only remedy is to meet multilaterally with

that level, not only with "his" representative. To have the
case   presented through a representative is not the same;
as a very minimum, the meagre substitute of having the case
presented in writing, circulated to all members of the level
above, might perhaps be acceptable. But that was never permitted.

This is a major reason behind the drawing in Figure 2:
the three boxes stand for multilateralism of one level with the
level above; multilateralism at the same level or in the
same box being taken for granted.   Only that way is direct
communication possible since there is no way of knowing how
the issue is presented when only one connecting link is used,
such as the project director or the programme director (the
vice-rector).   Needless to say, this also obtains still one
level further down. Researchers might have the same problem
relative to GPID, because of representation through the head of
the research unit only, as the GPID might have relative to UNU
because of representation through the head of the human and
social development programme only. But much was done to avoid this.

Again, just as in the preceding case, there is a linkage
between absence of cyclical interaction and absence of true, direct
multilateralism.   "Multilateralism" through a representative
makes it impossible to have a feedback.   Decisions at the
level above can in practice no longer be argued because the
next meeting will be next year, and to reopen the discussion is
almost impossible.   One may accept the representative's word
that "I did my best". But the representative is also in the
difficult situation of not being able to prove that contention
because nobody from the level below was present. Or, if they
were present, as sometimes happened in UNU meetings, those meetings
were consultative only, true decision-making always being done
elsewhere, on some other occasion, in closed circles.

As a result, conflicts between the UNU Centre of highly
paid international civil servants essentially interacting with
the UNU Council, and the UNU Periphery of very poorly remunerated
researchers accumulated, and there was no resolution mechanism.
Research papers accumulated even more quickly as working papers,
and there was no organisation with cyclic and multilateral
interaction provided to decide the form of publication.   In
addition, the time factor was always there: time has a tendency

just to continue running, regardless of the speed of organisational
metabolism. Instead of what obviously should have been the
case, a United Nations University Press (UNUP) eagerly soliciting
manuscripts, immediately working on them to demand improvements,
the UNU Centre developed a pattern of resistance against
research outputs, regarding them as   nuisance rather than opportunity.
          On   the other hand, the UNU also had its positive
aspects: even   if   short on vertical multilateral interaction
for decision-making, it was long on horizontal and highly
cyclical multilateral interaction, bringing researchers together
to seminars and conferences. And all this took place under the
UNU auspices, providing a minimum of protection for vulnerable,
sometimes even politically exposed researchers. Important factors!
          My own dilemma in this connection was to strike a
balance between the desire to get out of an absolutely impossible
situation where publication is concerned, while at the same time
preserving the UNU as a resource for those in the GPID system who
wanted to keep it as such, in spite of its poor performance where
publication possibilities were concerned. In short, I preferred
individual resignation, making an adequate publication procedure
a   conditio sine qua non for my own continuation. No adequate
steps were taken by the UNU Centre to redress that grievance,
nor have any steps been taken since that I know of. The UNU
Centre simply seems to see those decisions as their prerogative,
in total contradiction with all principles of academic freedom.
Of course, the point is not that a researcher has an undisputed
right to have whatever he produces published - that would be
equally intolerable. The point is that he has the right to
discuss and to know with whom to discuss the conditions for
publication, what should be revised and how, and if the
conditions are not met, the right to go elsewhere immediately.
I think he also has a reasonable expectation that an organisation
paying for the research is interested in publication. So, the net
result was that those who wanted published   a (considerable)
number of books outside the UNU, and those who wanted to continue
benefiting from the two positive aspects of the UNU, did so
and published a trickle inside the UNU, even inadequately processed.
          Conclusion: real multilateralism, not fake, is needed. The
cards on the table! -and, more particularly: worker co-determination

in the process that constitutes the justification of the whole organisation, to get the products out. And in this case the workers are the researchers, the products their papers. Why did it not happen? Because the UNU Centre itself was an interested organisation, with a hidden agenda. Perhaps they were not really interested in publications, and even saw the researcher as a threat. Perhaps they were more interested in keeping alive and growing, always promising that a new programme was taking shape where the "real" research would come out, as distinct from the misunderstandings that had so far governed the organisation, always holding out new promises, hopefully in return for new funding. Publications, in short real research output and not working papers masquerading as publications, might be compatible with the goal of the explicit organisation, but not of this power and wealth-seeking organisation within the UNU system. Of course, the matter is more complicated than this, but the hypothesis is sufficient to bring out the major point: an implicit organisation with a hidden agenda of that type would not have been able to stand up against true multilateralism. Consequently, all was done to thwart the principles.

CASE 3: Cursos Internacionales Benidorm Universidad de Alicante
(CIBUA)

The present author, to some extent motivated negatively by the frustrations from IUC in Dubrovnik (see above) and positively by a desire to contribute, however little, to the democratisation process in Spain by building an institution for informed debate on current issues, took the initiative to create a summer university in the province of Alicante in 1976.

The process took a long time, since it was a question of finding the right "actors". But the formula that finally emerged proved somehow to be the right one: bringing together four actors, the Municipality of Benidorm, the Province of Alicante, the University of Alicante, and the Savings Bank of the Province of Alicante (and Murcia) - the latter being an institution with considerable cultural and social obligations and resources. The idea of having it in Benidorm was motivated by the desire to bring something more cultural into a town not necessarily known for its cultural assets. My task was

to convince the actors that this was possible, a process that
took about four years. But in 1980 the formula stuck and
it was decided to start the following year. And so, we did,
with about seven participants and 15 resource persons the
first year, 1981, followed by 90 participants in 1982, 150 in
1983 and close to 400 in 1984.

I consider the organisation a success, so what is discussed
here is the problem of how to make a good institution better.
Again, through cyclical, and multilateral, interaction.   By
Spanish law the university of the province has monopoly on
tertiary education in the province, so of the four actors that
were brought into the picture, it soon became very clear that
the University of Alicante wanted the upper hand.   The person
appointed for that purpose, as the head of the organisation,
a University of Alicante professor, reported to the board,
essentially consisting of the deans of that university, but not formally
to the   persons organising the courses.   To   the course
directors he presented   one-way commands presented as decision-
making from a board inaccessible to the course directors, and
bilateralism, striking deals, and very different deals, with different
course directors (a practice also known from the IUC in Dubrovnik
with some course directors and resource persons accommodated at
very posh hotels, others - usually those financed internationally,
meaning not from the University of Zagreb - in considerably more
modest conditions).   At the same time, questionnaires were
distributed to participants to elicit their opinion, and since
the participants only knew the side of the CIBUA facing them
(meaning course directors and research personnel), he could in
fact use participants to criticise the layer in between, those
who really did the job.

A small organisation, meeting only a couple of weeks every
year, a small problem.   But the structure is interesting and
brings out more clearly a point implicit in the two foregoing
cases.   We are dealing with an organisation embedded in another
organisation, like the IUC, from the University of Zagreb point
of view, was a part of that university CIBUA, from the University
of Alicante point of view, was a part of that one.   The problem
in the two cases was the same: course directors and resource

persons were not necessarily on the University of Zagreb/
University of Alicante staff, had no identity with those
organisations, not even any knowledge of them. To them these were
independent summer schools, not a third or fourth summer term
run by a university, on the basis of its own resources.
Consequently, an administrative structure suitable for the
management of a new school or faculty was eminently unsuitable
in this case, not drawing on the new resources, their experience,
ideas, wishes. And cyclical multilateralism was so simple: all
that was needed, from the very beginning, was a meeting between
the director and the course directors in order to make
decisions for the next year, pending the approval by the University
board. And in a corresponding vein, a meeting between course
director, resource persons and participants in order to evaluate
the session that just took place, before everybody leaves.

So, why did such events not take place? At one level
of analysis, because that would constitute an alternative
power centre and question the authority of the University board.
At another level of analysis, it would challenge the authority
of the director,. make the discrepancies and even contradictions
in his bilateral deals transparent, subject him to contradictory
ideas - in short, possibly more than he could handle. A person
of limited charisma and ability might have to resort to one-way bi-
lateralism if he does not have sufficient confidence in more
participatory organisational structures. Under such structures
he himself would become more anonymous, more like a functionary.
Using one-way bilateralism, in other words authoritarian
structures, he will by definition stand out and compensate
positionally for what he might not possess personally. And thus it
became.

CASE 4:   Université Nouvelle Transnationale (UNI-T)

We are dealing here with a very special organisation,
an outcome - in a sense - of a cooperative called Mutuelle s
Générales de France (MGF),   producing, distributing, and
consuming health food in considerable quantities throughout
France (but particularly in the Paris region), increasingly
also internationally - said to involve 180,000 families.

With several sales points in Paris, the organisation provides
a considerable range of foodstuffs for its members, and in
addition a small surplus out of which some University activities
- lectures, discussions, some research - can be financed.
I was asked to become rector of that part of the system Spring 1984,
accepted, and was appointed in a touching ceremony in Brittany,
August 1984 and started working in Paris, early November the same
year.   Unfortunately, the MGF people had "forgotten" to
inform me that they had been exposed to major insults in the
French press, were involved in 14 libel courtcases, that the
owner of the house they had rented and used for commercial as
well as fledgling academic activities had refused to continue
the lease. So when I arrived the situation was quite different
from what I had expected and had been shown.

  However, these difficulties were of minor importance
relative to the organisational structure with which I was
going to become acquainted. That MGF had as enemies the
communists (because trade unionised industrial workers played
no role in the organisation), the socialists (because MGF
did not seek, nor would have been interested in public funding),
the liberals/conservatives (because MGF was cooperative and
non-capitalist as an economic organisation), and the fascists
(because the organisation was racially completely open and the
president was a Canadian Indian), was only to be expected
in a country hysterically afraid of "Green" initiatives and parties.
Resistance was to be counted upon and the press campaign was
a part of it, as was also the difficulty in finding adequate
quarters, including the circumstance that the Rector of the
Sorbonne, the President of the Academie de Paris, simply
cancelled the agreement for the present author to give lectures
at their rented amphitheatre in the Sorbonne, because of the
association with UNI- T/MGF.

  What I had not expected, however, was an organisational
structure essentially based on one-way communication and
bilateralism. At the apex this time was a president, a
man even calling himself and being called Man, as erudite as
a Renaissance personality, tremendously charismatic - in short

just the opposite of the person characterised in Case 3 above.
Convinced that he was the necessary condition for the
survival of the organisation, the authoritarian way of running
the structure was the natural way.   Of course there was and
is a board, consisting of MGF people close to him and hardly
much in disagreement with him.   The academic activities of
UNI-T with a rector (myself), a vice-rector for public relations
and artistic activities, and a secretary-general, then become
merely, at best, an appendix, at worst a facade, something
decorative to present to the outside world.

After a short while, I invited the people most concerned
including the president, for a meeting every Friday at 3 p.m. to
discuss all pending matters and to make decisions.   This became
an absolute necessity for the simple reason that the president was
very rarely available. Everybody was asking for him, waiting for
him.   When he materialised, he preferred bilateralism, often
of a very inspiring character. But equally often it turned out
that when the matter was somewhat closely scrutinised, decisions
were meaningless because conditions for their realisation (such
as, for instance, a minimum of funding) were not present.

The meetings, an exercise in cyclical interaction also
involved secretaries. The president either did not arrive at all, or
arrived too late to participate in the discussions but then
released some information that made the whole discussion - including
decisions up to that point -look ridiculous, or - on rare occasions -
participated, and then the meeting quickly became extremely
emotional.   The two axioms in the mini-theory, when realised,
are consistent with myths about reality only when they are shared
by all participants.   In this case there was again an explicit
organisation, UNI-T, and an implicit organisation with a hidden
agenda, MGF, with its board which only partially overlapped
with the participants in the Friday meetings. (In addition, the
degree of overlap was even unknown as the membership of the MGF
board   was, and still is, very far from clear).   At the same time
the president was the only one who could release funds and release
administrative action; decisions not agreed to by him could be
silently sabotaged by funds being unavailable and/or   manpower

equally unavailable.

This unfortunate state of affairs climaxed when an effort
to bring some clarity into the situation by producing a pamphlet,
very much wanted by rector, vice-rector and secretary general,
in order to have a "visiting card" to present to all the
organisations with whom we wanted to work, also fell through.
Mysteriously, it was never printed in spite of having passed
the board and been approved. Finally the president reported
that he had sent the manuscript to his lawyer and the lawyer had
said no, it could not be printed. On demanding the reasons
why, no answer was produced, and it was strongly advised not
to make direct contact with the lawyer as this was the president's
private lawyer, also used in the defamation cases (the written
judgement of those cases, considered favorable to MGF, h as never been
made available either).

Conclusion: Where the preceding case was a case of
non-charismatic power, trying to make itself great by acquiring
positional status, this seems to be a case of highly charismatic
power not wanting to debase itself by accepting the rules of the
game of a more participatory organisation. The costs, that
people disappear because they feel superfluous, futile, utilized,
redundant, can be kept low by promising them that better times
will come in the future, or by substituting for those who leave
people not yet acquainted with the real state of affairs.
A high turnover in the "hired" echelons of this non-organisation
is therefore to be expected.

But at the same time the conditions mentioned above,
the clandestine combined with the entrepreneurial, obtain   to
the point that the outside world probably will suspect that the
organisation is criminal, if not in the sense of engaging in
violence or illicit accumulation of wealth, at least in the sense of
political subversion (which is what the organisation is accused
of, see Les Evénéments de Jeudi,   1985).   The charismatic
person, the guru, the person who sees, will almost always be
at variance with contemporary society, whether in fact he is
the precursor of something new that will be guaranteed easier
conditions of life tomorrow, or is on a sidetrack of history.
Combat becomes a way of life, and the higher the pressure from
the outside, the more support for the charismatic personality

from a   group increasingly sharing his myths, never challenging him,
increasingly becoming like a sect.   The sectarian characteristics
are partly a product of the surroundings, and are then reinforced
by the surroundings (in a sense correctly) feeling that their
hypothesis was correct. People who want to normalise the
organisation, not in the sense of withdrawing from struggle but
in the sense of making it more accountable to itself and to
others, will be seen as not understanding the gravity of the
situation, and in addition as undermining the charismatic power
centre in a <u>guruocracy</u>. Of course, a guruocracy will always have
some of the trappings of democracy: large assemblies, meetings
with speeches and performances and much acclaim of the proposals
put forward.   But the inner workings of the system will be
very far from democratic, or even participatory in the more
modest sense put forward in this paper. The members will
develop the idea that it is better that we are all wrong and
go dwn together than to have a split in the organisation
(meaning the inner organisation, not the trappings); <u>and the guru
knows best</u>.

   <u>In</u> short: just the opposite of the spirit underlying a
good organisation as defined here. And, more particularly,
the opposite of the spirit of never-ending questioning, underlying
a university.

3. Some conclusions

I hope by the four cases to have demonstrated that the analytical paradigm based on the two axioms has a certain explanatory power. At the same time, it may also be that the fully participatory organisation is too disorderly, too unstructured, too "entropic", and for that reason possesses insufficient energy in times of crisis (and birth is a crisis!) to really act. It is very much better at mobilising creativity and a securer sense of well-being, at all levels, but creativity, like proposals, may be mutually destructive, with one idea cancelling the other, as opposed to the single-mindedness coming out of the inspired leader on the top of a very orderly organisation, the visionary. In short, there is a case for non-cyclical bilateralisation!

Maybe the case could even be made in favour of oscillation between the two patterns, one for crises and one for sailing in more quiet waters. A social organisation distinction of that kind would be compatible with a personality and organisation distinction between more entrepreneurial/authoritarian / more democratic personalities, with obvious hypotheses as to who belongs where and when. There is an obvious difficulty, however: lack of synchronisation. The authoritarian personality may hang on, presiding over an organisation which undergoes structural change towards a much more cyclical way of doing things and more multilateralism. He can no longer act out his personality in this setting, which then becomes the setting for a basic conflict between the personality structure of the leader and the organisation structure. Sooner or later one will have to yield. The same applies to the opposite combination, the democratic personality on top of a structure which can only operate on totalitarian leadership: both will suffer, one will have to yield. These transition periods may be very painful for everybody involved, and for the leader to continue, a lot of personal charisma may be indispensable. But charisma can only hold the organisation together; more substantial inputs are needed for the organisation to produce real outputs.

It may have been noted that in the case studies presented in the second section of this paper, a third element was actually made use of quite often, the hidden agenda. The structure was always the same: the top leadership had an agenda different from what was put on the table for lower levels. There were basic goals at stake: Croatian nationalism in one case; the survival of a tiny new member of the United Nations family of organisations, and particularly the survival of the leadership with their rather handsome salaries in the second case; the survival of a certain power structure with certain individuals and a particular style of leadership exactly the opposite of what is demanded by the two axioms in the third case; and the survival of a particularly charismatic leader with a hidden agenda located in the deeper recesses of a brilliant, but somewhat out of touch with reality, mind in the fourth case. I think these goals were hardly made explicit even at the innermost levels. The goals were simply taken for granted, although it was also felt that this should not be communicated to the uninitiated.

I only want to point out that this third element is nothing but an explicit consequence of the two axioms. The hidden agenda is impossible when the organisation is truly multilateral, involving all levels, not only the top level, because the cards have to be placed on the table, visible for anyone to look at. Orders to act that do not seem compatible with the information available will lead to questions, queries, open opposition, and then to dialogues, debates, new decisions if the organisation is multilateral and cyclical. The hidden agenda is exactly what is to be expected when the two axioms are not respected, they will lead to a feeling of delight when a person becomes initiated, considered trustworthy enough to become party to the hidden agenda. But the rest of the organisation will be marginalised by such policies, be given segmented views of what the organisation is doing only, be fragmented away from each other, and generally subjected to a heavily vertical division of labour between those who are in the know and those who are not, penetrated and manipulated by the latter. In short,

the classical exploitative organisation, and even if it
may work better under some particular circumstances, the
organisation itself is the antithesis of democratic values.

To this, however, two objections may legitimately
be raised, one addressing itself to the general theory, and
one to the case studies.

First, I have tried to show that disrespect
for the axioms may have two consequences.   But I have not
given any case showing how respect for the axioms will lead
to positive consequences!   Thinking through my own experience
with organisations, the reason, in a sense, is very simple:
all these organisations that are reasonably cyclic and multi-
lateral do their work every day, they function, they produce
and are the settings for reasonably creative and happy
activity of human beings.   But they are not brilliant! They
are the material out of which ordinary day to day life is made,
not efforts to build new institutions, implement new visions.
I am thinking of the International Peace Research Institute, Oslo
when it became more quiet after the first entrepreneurial period;
I am thinking of my experiences with countless and rather
stabilised universities. And I am pressed to admit what then
becomes the major conclusion of this paper: when the two
axioms are satisfied, the organisation functions, is able to
handle day to day conflicts, but perhaps not able to handle
major changes in environment, to transform itself fundamentally.
The inescapable conclusion is the need for a pattern of
oscillation, making the authoritarian intervals as brief as
possible.

Second, are these not essentially the comments
of a puritan Norwegian, taking things too seriously and
wanting everything to be explicit? Possibly, yes.   But for
democracy to work maybe things have to be explicit and
have to be taken seriously. The organisation is not a play-
thing for somebody on top;   the organisation belongs to
everybody and not only to the insiders, but in a sense also
to those who are in contact with the organisation, the

interactive part of the environment. Moreover, I'm not at
all so convinced that the presumably more subtle continental,
and particularly southern Europeans, in the south-east or the
south-west, with their countless hidden agendas and super-complex
patterns of bilateralism with deals in all directions at the
same time, serving as a cloak for an essentially dictatorial
exercise of power, are able to achieve so much more than we
slower, less imaginative and more puritan northern Europeans.
In short, I acknowledge the significance of more general socio-
cultural factors, here, but think they tend to work in favour
of the theory advocated rather than to disconfirm it.
How often have I not heard "Johan, do not take it so seriously!",
meaning that manipulation and exploitation should just be
permitted to continue, with a lot of small people being made
use of, although - admittedly - not necessarily against their
will.

        And at that point I choose to stop. As long as human
beings are producing something, whatever it is, and cannot do
so alone, there will be organisations - meaning that organisations
are terribly important, not only in order to understand society,
but in order to understand the human condition in general.
And whenever I turn around I find the two factors pointed out
in the axioms to be significant, although not necessarily in the
same way in all organisations. Their ramifications are at
all levels, intra-personal and inter-personal, intra-group and
inter-group, intra-societal and inter-societal. And that
should constitute more than sufficient basis for paying more
attention to organisations as a social molecule out of which more
complex social configurations are made. - for instance in the
studies of such macro phenomena as peace and development.