Managers as agents for social transformation?
On the limits and possibilities of critical management in a entrepreneurial ethos

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Abstract

Drawing inspiration from Kant’s *The Conflict of Faculties*, the paper starts by questioning the autonomy of CMS and its role in business schools. An analogy is proposed between the emancipatory discourse embedded in the CMS statement and the “lower” faculty of philosophy as described by Kant. Boltanski & Chiapello’s controversial and challenging argument on the new spirit of capitalism is then used to understand how critical management studies have been integrated to mainstream academic discourse. Whereas for Kant, progress toward peace may depend on philosophers acting somewhat as the “guardians of truth” in the political realm, for Boltanski & Chiapello the power of critique becomes neutralized once that the new capitalist spirit has learned to absorb the emancipatory discourses of social justice and self fulfillment. Brazilian sociologist Guerreiro Ramos’ theory of social systems delimitation is then presented as an alternative to the capitalist logic of egoistic accumulation, exploitation, displacement and mobilization of new justificatory apparatus. His ideas urges us to rethink some of the basic theoretical assumptions of public administration and public policy, and sheds new light on the theoretical debates around the CMS project and the possibilities of a true critical thinking in management practice.
It's a mystery to me
we have a greed
with which we have agreed.
You think you have to want
more than you need
until you have it all you won't be free.

Society, you're a crazy breed
I hope you're not lonely without me.

When you want more than you have
you think you need
and when you think more than you want
your thoughts begin to bleed.

I think I need to find a bigger place
'cos when you have more than you think
you need more space

Society, you're a crazy breed
I hope you're not lonely without me.

Society, crazy and deep
I hope you're not lonely without me.

(Eddie Vedder)
Introduction

How do we make sense of Critical Management Studies in a world where management has become an inextricable part of the common sense and the pursuit of knowledge has been subsumed under a system of customer-driven packaged learning delivered through mass higher education? Is the idea of university as the house of the democratic intellect, the community of contested discourses, somewhat old fashionable?

Over the last ten years or so, there has been increasing interest in what is now usually called Critical Management Studies (CMS), a container for an ever-growing body of work with critical orientation, at once diverse and polemic, and primarily concerned with the denaturalization and re-evaluation of many of the taken-for-granted assumptions within mainstream managerialist discourse. Regardless the discussion about the role of CMS in business schools should be, whether or not critical thought could lead us to radical social change, it is not suprising that many people today believe that management is a precondition for a organized society, for social progress, and for economic growth (Parker, 2002). As Parker noted, management "is increasingly articulated as a universal solution to whatever problem presents itself" (2002:2). In a more general sense, management is fundamentally about order and efficiency, is about producing patterns which will transcend space and persist in time, the synthesis of a sort of technical knowledge towards the control of nature, the control of all objects created by Man, and the control of people. Management has become an intrinsic part of modernity in its project to overcome chaos, mysticism, and disorganization through scientific progress: it is a defining feature of our contemporary society.

Organizations pressupose a group of individuals called managers whose primary task is basically to organize work. Most of them will be often exposed to professional education in management departments of public and private institutions which, on its turn, will employ specialists who teach and/or research on management. Yet, most managers will have hired management consultants sometime for advise on several aspects of organizing. The cycle becomes closed in so far as management consultants do seek the legitimacy of their "knowledge products" from academics, "in a unholly (but well compensated) trinity of self-interest and black-slapping" (Parker, 2002:2).
Drawing inspiration from Kant’s *The Conflict of Faculties*, this paper starts by questioning the autonomy of CMS and its role in business schools. An analogy is proposed between the emancipatory discourse embedded in the CMS statement and the “lower” faculty of philosophy as described by Kant.

Boltanski & Chiapello’s controversial and challenging argument on the new spirit of capitalism is then used to understand how critical management studies have been integrated to mainstream academic discourse. It is argued that this phenomena mimics to a large extent what happened with social responsibility and, more recently, with ecological discourse. Without other conceptual models that might be employed or modified to understand the constitutive role of critical movements in the birth and evolution of the capitalist spirit, Boltanski & Chiapello are left to conclude that the main function of these movements may ultimately be to inform capitalism about threats. I contend that besides the underestimation of the political dimensions of late capitalism, this argument also omits the public sector from the analysis and employs a rather fatalist view of progress offering little room for radical social change.

Brazilian sociologist Guerreiro Ramos’ theory of social systems delimitation is then presented as an alternative to the capitalist logic of egoistic accumulation, exploitation, displacement and mobilization of new justificatory apparatus. His multidimensional model of human organization is an important resource for any public administration theory that aims to account for both instrumental and substantive concerns. Its conceptualization of the human person goes beyond the figure of the rational, calculating individual and allows for an original and critical engagement with society’s demands.

Although his ideas are still unknown to a great part of the scholar community and conceptually undeveloped, Guerreiro Ramos urges us to rethink some of the basic theoretical assumptions of public administration and public policy, and sheds new light on the theoretical debates around the CMS project and the possibilities of a true critical thinking in management practice.

What follows should nevertheless be understood as an exercise to illustrate and analyze the flawed and contradictory general principles that has been imposed upon higher education as a whole, and to CMS in particular.
The philosopher as the guardian of truth

The Faculty of Philosophy can, therefore, lay claim to any teaching in order to test its truth. The government cannot forbid it to do this without acting against its own proper and essential purposes.

(Kant, 1979:45)

The modern university as we are all familiar with today is a relatively new idea and has its origins in the intellectual work of German philosophers of the 18th and 19th centuries, particular in Kant's political writings. Strictly connected with the rise of liberalism during the 18th century, and the nationalist movements which gave birth to modern nation-states in the 19th century, the idea of university at that time may be seen as a result of a tacit deal between State power and knowledge: on one side, scholars were provided with unprecedented institutional possibilities and academic freedom to produce scientific knowledge, on the other, they were indebted to support national culture and help with constituting citizens of the recently born nation-states.

As a public institution, the university was in Kant's time, and to some extent remains today, a very sensitive place for tracing the limit between censoring and censored reason. In the preface to the first edition of Religion within the Limits of Reason Alone (Kant, 1960) in 1973, Kant explains the necessity and legitimacy of censorship. It was this publication that earned Kant the famous reprimand by Prussian king Friedrich Wilhelm II. State censorship was established in Berlin a few years after the 1788's promulgation of the Edict of Religion which prohibited any attempt that could be seen as against the official religion. Kant responds to this reprimand in the preface of the 1798's publication of The Conflict of the Faculties (Kant, 1979), an essentially political work intended to legitimize State reason as a censoring reason, which would presumably have the right to censor in certain conditions and within certain limits, but also a bold statement towards removing pure reason from all censoring power (Derrida, 2004). For Kant, pure reason should, by rights, exercise no censorship and should be exempt from all censorship. This limit between reason that censors and reason apart from censorship passes through the structure of the university itself, right between what Kant called the
two classes of faculties: the higher and the lower faculties. The higher faculties, linked to State power they must represent and defend, namely the faculties of Theology, Law, and Medicine, were charged with the task of training the professionals whose primarily task was to assist the State in solving problems relating to moral/spiritual well-being, legal disputes, and health, respectively. Philosophy was regarded as a lower faculty because it made no attempt to relate directly to the professional training of public servants. Instead, it functioned as an autonomous critical instance to educate, examine, and if necessary, intervene in the other faculties in matters related with pure reason.

The division of rights and authorities pressuposes the establishment of a border line, a limit that prefigures or configures the singular place of the department of Philosophy in the Kantian university. He proposes a definition of the philosopher as the "teacher of pure reason" (Kant, 1960:11), the guardian of truth for all the faculties (higher and lower) that has the right to censor at its disposal under certain conditions. The Kantian definition of censorship is very simple: a critique that has power (Kant, 1960:7). In strict sense, Kant wants to delimit censorship as a force (Gewalt) against a discourse, but always in favor of other discourse, according to legitimized institutional orders when evoked by State reason, or to pure reason when brought by the exercise of Philosophy (Derrida, 2004).

**CMS as a "lower" faculty?**

After two centuries of domination in the national cultures it seems that the traditional mission of the university as an institutional arm of the nation-state has been definitely questioned in face of the structural changes occurring in economy, culture, and politics. Apart from being a topic of heated debate in social sciences, it cannot be denied that the nation-state as a key element of the political and cultural project of modernity has been declining in the surroundings demarcated by globalization. As the ideas behind the project of the modern university cease to be important, as the production, cultivation and inculcation of national identities are no longer considered to be crucial social tasks, it is not surprising to see a significant reduction of State funding for the humanities and social
The "Business School model" has indeed proved to be compatible with the perspective of global consumerism and the logic of the neoliberal economy world. Within the structure of our contemporary university, the Business Schools seemed to have achieved, following Kant's words, the status of a "higher faculty". In so far as management has become a pervasive feature in our society it is reasonably expected to see Business Schools as the primary source of training of the new professional elites: not just to train public servants as in Kant's time but mainly to produce a constantly renewable stock of skilled managers available for recruiting by private organizations. A massification and expansion of higher education in management sciences is taking place amid a growing social dissatisfaction with the public shepre in general. According with Mouffe (2002b:55):

There are many reasons for the weakening of the democratic political public sphere. Some have to do with the predominance of a neoliberal regime of globalization, others with the type of individualistic consumer culture which now pervades most advanced industrial societies.

This whole picture resulted in a gradual migration of many scholars with academic background in philosophy, sociology, history, psychology and other social sciences to management departments in Business Schools, the germ of what would constitute CMS in the early 1990's. As defined in its mission statement, the CMS is a forum within the Academy of Management umbrella for scholars to express and discuss critical views of unethical management practices and exploitative social order. This makes undoubtedly clear the link between the substantive and instrumental dimensions of organizations. The fundamental premise of CMS is to unveil the "dark side" of some structural features of contemporary society which have turned most of our organizations today into instruments of domination and exploitation, namely the profit imperative, racial and social inequality, and, more recently, ecological irresponsibility. CMS scholars share a vision that this situation can be changed on the basis of research, teaching and practice of critical interpretations of management and society. Briefly, it is suggested that this effort would generate radical alternatives to connect managers (practioners) to the
demands of a world increasingly divided and threatened by a socially and ecologically destructive system.

Directly or indirectly, the university has always been involved in the definition and formation of qualifications for the professions, in evaluations, in granting or refusal of *imprimatur*. Even though we do not see the seizure or prohibition of books by the Roman Catholic episcopal authority in our contemporary universities anymore, it would be naive to presuppose that the commitment to academic freedom and to the integrity of the university as the realm of the critical mind has not been forcibly transmuted, that the conditions of the production and transmission of knowledge do not follow the market logic. If we take Bourdieu's approach to field\(^1\), we should understand the contemporary university as the totality of the organized field which comprehends the university, the scholars community, the publishing industry, press, the media, and so forth. Not to legitimize something, regardless of which criteria is chosen, is not give it the means to manifest itself. This is already an act of censorship. In truth, one cannot construct the concept of institution without including the censoring function (Derrida, 2004).

The Academy of Management (AOM) itself is perhaps one of the most powerful censoring instances in our field. As CMS moves from a peripheral position to become a AOM Division it is rather unclear whether the critical discourse will be able to keep its strength and power, or it will be domesticated under the rules of the "mainstream game". To be able to fulfill its promise, following Kant's terms, CMS would need to function as a sort of a "lower faculty". If for Kant progress toward peace may depend on philosophers acting somewhat as "guardians of truth" in the political realm, as the "teachers of pure reason", managers exposed to CMS training would be able to promote organizational practices truly driven by human values and connected with social and ecological demands. Anyone who have had the chance to be in the "corporate world" for any given time, specially in large multinational companies, will agree that things don't work this way. The dominant narrative within CMS is perhaps the most important development in this scenario of global expansion of business schools. It is surely a breeze of fresh air that began to question the politics and ideology behind managerialism. Notwithstanding strongly influenced by the critical social agenda of the the Frankfurt School thinkers and

\(^1\) See specially Bourdieu (1988) and Bourdieu (2004) for in-depth analysis of the academic field.
by different post-structuralists flavors, it is interesting to notice academics with such an eclectic and essentially critical background ended up training managers. At the same time they bring different theoretical and political perspectives into Business Schools, they appear to be victims of the same phenomena they want to elucidate.

The ideal entrepreneurial self embodied in this "new capitalist spirit" requires not only constant submission to orders and accommodation to multiple shifting identities, but also the cultivation of a stable personality that can capitalize on opportunities which are continuously displaced. In this entrepreneurial ethos, it is rather problematic to think about social change being conducted within our organizations in an endogenous fashion. The power of critique may end up becoming neutralized once this "new capitalist spirit" has learned to absorb the emancipatory discourses of social justice and self fulfillment. This is where Boltanski & Chiapello's theoretical contributions come into discussion.

The New Spirit of Capitalism

When The New Spirit of Capitalism (Boltanski & Chiapello, 2007, hereafter to be referred as NSC) was first published in 1999 in France it immediately established a reputation as an important contribution to economic sociology. Rather than advance a critical theory of Capitalism, Boltanski and Chiapello are primarily concerned to propose an historical sociology of critique. Briefly, they intend to demonstrate how the articulation of denunciations, protests and objections against prevailing social norms and institutions often follow from significant historical change in the Capitalism system, at the same time as they offer advance warning of and motivation for its further transformation.

Boltanski and Chiapello's point of departure is a powerful statement about the current stage of Capitalism, a new and virulent form they named as a connexionist or network Capitalism. Based on a thorough sociological study of the spread of managerialism in France after the 1970's, the authors ask themselves about how has this new variant been even more pervasive than previous forms, how it managed to installed itself in "corporate France" in such a smooth, inconspicuous way without attracting any critical attention or running into any real organized resistance from forces like the press,
the intellectual elite or the students movement. Still more intriguing is the fact that France witnessed one the most violent anti-capitalist protests in the 1960's. The 1968 mass revolt in Paris was a rejection of liberal-capitalist system, and, as pointed out by Zizek, a movement that

… supplemented the traditional critique of socioeconomic exploitation with a new cultural critique: alienation of everyday life, commodification of consumption, inauthenticity of a mass society in which we "wear masks" and suffer sexual and other oppressions.

(Zizek, 2008:1)

To this extent, Boltanski and Chiapello argue that Capitalism has always been under attack throughout history. They go further, affirming that there are a set of possible forces behind this process: a demand for liberation, a rejection of inauthenticity, a refusal of egoism, and a response to suffering. Boltanski and Chiapello claim that these opposing forces function as "critiques". The first two would represent the "atistic critique" whose classic expression can be found in the bohemian milieux of the late 19th century. The last two forces were at the cornerstone of the traditional labour movement and represent the "social critique". These two forms of critique are linked to the Capitalism system and to each other in a variety of ways, along a continuum ranging from intertwinement to antagonism. The 1968 revolt in France and its outcomes saw a coalescence of these two critiques. Boltanski and Chiapello saw, however, a gradual displacement and weakness of the social and artistic critiques of Capitalism: the emergence of a new form of Capitalism that abandoned the hierarchical Fordist structure of the production process in favor of a network-based form of organization that accounted for employee initiative and autonomy in the workplace. Instead of chains of command, networks with a multitude of participants organizing work in the form of teams or projects. In addition to just profit seeking and customer satisfaction, an apparent concern with public welfare and ecology. By way of acentuating auto-poetic interaction and spontaneous self-organization, Capitalism is transformed into an egalitarian project, usurping the left's rhetoric of worker self-management and turning it from an anti-capitalist to a capitalist slogan: it was Socialism that became conservative, hierarchic and administrative (Zizek, 2008). For Boltanski and Chiapello, these changes were not just reactions to a crisis of authority
within the enterprise, and of profitability within the economy. They were also responses to demands implicit in the artistic critique of the system, incorporating them in ways compatible with accumulation, and disarming a potentially subversive challenge that had touched even a younger generation of managers who had assimilated the revolutionary ‘spirit of 68’.

![Figure 1: Dimensions of the new spirit of Capitalism (Boltanski & Chiapello, 2007)](image)

In a typical Weberian fashion, Boltanski and Chiapello conceives Capitalism as a system driven by the need for the unlimited accumulation of capital by formally peaceful means, a statement which is fundamentally absurd and amoral. Neither material incentives nor coercion are powerful enough to activate the large number of people needed to make the system work, most of this people with little chance of making a profit and with a very low level of responsibility. Therefore, the system needs justifications that could link personal gains to some notion of the common good. According to Boltanski and Chiapello, conventional political beliefs such as the material progress achieved under this order, its efficiency in meeting human needs, the affinity between free markets and liberal democracy, are too general and stable to motivate real adherence and engagement. What are needed instead are justifications that could have a strong appeal on both the collective level (in accordance with some conception of justice or the common good) and the individual level. For managers to be truly able to identify themselves with the system, two potentially contradictory desires must be satisfied: one is for autonomy, expressed in an attitude towards exciting new prospects for self-realization and freedom; the other is for security, by assuring that all advantages acquired will last and be transmitted to next
generations. Managers are the primary target of these codes since they represent a key element in linking the capitalist elite to the work force.

CMS as an artistic/social critique?

A commodity appears at first sight as extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing, abounding in metaphysical subtleties and theological niceties. (Marx, 2008:42)

Contemporary societies seem to have a sort of fetishism for the "new". Indeed, novelty has been a source of value for capitalism since its early stages. The discourse of change has always driven the system by offering new set of values - a "new spirit" - to enable the continuous renewal of capitalism itself while keeping its very essence as a system of production aimed at endless accumulation. Boltanski & Chiapello suggest that it is critique that drives the continuous restructuring of capitalism, a thesis that posits important implications for scholars concerned with the critical study of management and organizations, a field which itself has a great skill in forging new theoretical approaches sometimes fleeting and cursory like some popular management fashions.

Insofar as demands for autonomy, empowerment, and creativity at work were met with a new idea of capitalism, where change, networks and projects become the ruling ideology, a new articulation is needed to provide the stimulus and content for a new wave in face of the growing reformist pressure coming from social and environmentalist movements. In such a context, it seems that Corporate Social Responsibility (CSR) and environmentalism have definitely become “global celebrities” over the last decade. Those issues are now taken fairly seriously by large business organizations and are increasingly being used as part of marketing strategies to promote corporate image. Clearly, they are not exclusive matters pertaining to radical social movements or NGOs anymore.

In an interesting empirical study about the dynamics of the institutionalization of CSR in the field of banking organizations in Brazil, Ventura & Vieira (2007) call the attention for the strong emphasis that retail banks have been giving to CSR in recent years in Brazil: massive advertising campaigns, especially TV commercials, promoting social and community values, and even an important shift in focus in their corporate
reports that start to publish indicators of CSR programs along with the typical information on business performance. Based on Boltanski & Chiapello's explanatory model (Boltanski & Chiapello, 2007), Ventura & Vieira are led to conclude that CSR actions in banking organizations in Brazil, formerly isolated and marginal, have turned into structured and institutionalized programs during the last 10 years. To this extent, the authors argue that CSR can be seen as a displacement of capitalism in response to a new cycle of social critiques. Once institutionalized in the field, CSR has become intrinsically linked to the idea of performance: "CSR is good for business". A similar phenomena appears to be occurring with the ecological discourse which has been definitely transmuted into marketing slogans, in most cases blended with CSR and sustainability programs.

CSR and ecological discourses have been put on top of the corporate agenda not because of a presumably whisper of conscience or interest on the common good, as most of the CEOs of large corporations would like us to believe. Rather, it may be seen as a response to the urgent need for rebuilding corporate image to meet the demands of a society still shaky by the series of scandals surrounding "corporate America" in the early 2000's, and increasingly unsatisfied with labor instability, social inequality, and the general deterioration of public services.

When it comes to CMS, it is rather unclear to whether the critical project would be able to really act as a social/artistic critique and inform ways for radical change in the existing order in our organizations, or if it is too co-opted to be radical most of the time. Following Boltanski & Chiapello's approach, the values we articulate when performing critique in CMS, which are certainly reformist but in a fairly gentle sense, may end up being, in turn, a source of a new displacement or restructuring of the system. Any alternative would require an institutional and systemic will. For a business manager to engage in a critical scrutiny of the political and social deficiencies of management, as suggested in the CMS mission statement, it would be required him/her to step outside the established boundaries of organizations, or, in other words, to step inside the public sphere. Even though Boltanski & Chiapello share a desire to imagine possible alternatives to the emerging world order, they lack a deeper sense of other conceptual models that might be employed or modified to understand them, a related but more serious problem which consists in the neglect of the political dynamics of late capitalism.
The authors affirm that they "omit the public sector from our analysis because it does not directly form part of capitalism" (Boltanski & Chiapello, 2007:267). Boltanski & Chiapello go further and argue that the legitimation of capitalism is primarily advanced through moral appeals to the common good or challenged by calls for juridical restrictions on commodification (Boltanski & Chiapello, 2007:399, 500). On one hand, as long as they omit the public sector from the analysis and decline to offer any commentary on the State’s civic promise to correct social inequalities and promote social justice, the authors seem compelled to treat conservative, neoliberal and welfare state policies in the same fashion, as a single strategy of regulation or accommodation to the imperatives of capitalist employability and profitability. On the other hand, the argument is trapped in a rather fatalist view of progress with no room for radical social change.

Articulation of a critical reflexivity capable of responding to the invasion and functionalisation of alien metaphors into the whole range of human life is required to restore a proper balance between the managerial model on one side, with its specific logics and objectives, and individual/community goals on the other, with all its ethical implications.

(Re)visiting Guerreiro Ramos: the tasks of a new organizational theory

Today the market tends to become the shaping force of society at large, and the peculiar type of organization which meets its requirements has assumed the character of a paradigm for organizing human existence at large. In such circumstances the market patterns of thinking and language tend to become equivalent to patterns of thinking and language at large. This is the environment of cognitive politics. Established organizational scholarship is uncritical or unaware of these circumstances, and thus is itself a manifestation of the success of cognitive politics. (Guerreiro Ramos, 1981:81)

Few Brazilian intellectuals has achieved international recognition for relevant contributions in social and human sciences in the 20th century like Alberto Guerreiro Ramos (1915-1982), an uncommon combination of political activist, public servant and eclectic academic. After more than 20 years of the publication of his last and more important work, The New Science of Organizations: A Reconceptualization of the Wealth
of Nations (Guerreiro Ramos, 1981, hereafter to be referred as NSO), the main themes brought by Guerreiro Ramos continue to animate the debates in organization theory.

Guerreiro Ramos was one the first scholars of his generation to criticize the abusive application of economics to human affairs in the field of social sciences, and in organization theory in particular. His work anticipated to some extent the failure of the New Public Management agenda in fulfilling the promise of greater cost-efficiency for governments through market-oriented public reforms, a manifestation of what he used to call cognitive politics. He clearly saw that the centrality acquired by market mechanisms in contemporary societies was pernicious to the well-being of humanity. In NSO, he began to develop a theoretical approach that he expected would contribute to freeing human beings from the the pervasive influence of instrumental rationality on modern life and its distortive ramifications for the denaturation of language and the uncritical socialization of the individual into market society. In order to support his points about the historical turn in rationality and its implications on modern society, he went through a careful reading of such seminal thinkers as Aristotle, Hannah Arendt, Karl Polanyi, Eric Voegelin, Max Weber, Karl Mannheim, Alfred Whitehead, and (with some restrictions) Max Horkheimer and Jürgen Habermas (Andrews, 2000; Bariani, 2006; Geczi & Ventriss, 2006; Ventriss & Candler, 2005).

Guerreiro Ramos’ critique of formal rationality has an obvious affinity with the critique of instrumental rationality put forward by critical theorists, particularly those directly linked or influenced by the Frankfurt School. NSO dedicated a considerable time discussing the critical assessment of rationality, a central theme in the works of Horkheimer, Adorno and Habermas. Still recognizing several points of convergence, it was Habermas, however, that caught most of Guerreiro Ramos’ attention as well as his most incisive comments. Like in Habermas, Guerreiro Ramos is emphatically critical of the narrowing of the concept of reason within modern societies. In the introduction of NSO he already points out one of the main theses that would follow his elaborations throughout the book: his intention is to show that the concept of reason has been distorted by the modern market society in order to adapt it to its interests. Habermas offers an almost identical thesis in his The Theory of Communicative Action (Habermas, 1984, 1987). For Habermas, the problem with modern society is not its excessive rationalization
but the adoption of a too narrow concept of reason. Instrumental reason has become
dangerously dominant and the continuation of the Enlightenment project will require a
broader concept to include communicative reason. Thus, it is possible to say that the
fundamental difference between Guerreiro Ramos and Habermas is how they propose to
redefine the concept of reason as alternative to instrumental reason: whereas the former
adopts the concept of substantive reason borrowed from Weber, the latter introduces the
concept of communicative reason (Andrews, 2000).

Guerreiro Ramos’s analysis relies to a large extent on the distinction Max Weber
made between instrumentally rational and value-rational types of social action.
Meanwhile instrumental reason designates the pursuit of rationally calculated ends,
substantive reason depends on “a conscious belief in the value for its own sake of some
ethical, aesthetic, religious, or other form of behavior, independently of its prospects for
success” (Weber, 1978:24-25). Weber noted that modernity was associated with an
increase in the reach and effectiveness of instrumental rationality. This process could be
observed in several institutional domains: (i) scientific and technological developments
led to an increased understanding of the processes of nature and thus to an
“intellectualized” view of the world; (ii) the capitalist market economy freed production
and exchange from “sentimental obstacles” and bolstered the pursuit of personal gain;
(iii) juridical formalism enabled individuals to calculate and predict the legal
consequences of social actions; and, (iv) formal and bureaucratic organization allowed
for the exercise of a calculable, systematic, and efficient administrative authority
(Murphy, 1994:28-29).

According to Guerreiro Ramos, organization theory has internalized the criteria of
efficiency, expediency, and calculation of ends and has employed them to judge the
entire range of social conduct. He condemned this trend by arguing that not all conduct
follows the imperatives of the market; instead, some conduct expresses “concern for the
enhancement of the good character of the whole” (1981, p. 28). This ethical type of
conduct is driven by each person’s exercise of his or her substantive reason. The
encounter and deliberations of these bearers of substantive rationality are the proper
means of designing a good society.
Contemporary theoreticians and practitioners tend in fact to legitimize the expansion of economizing organizations beyond their specific contextual boundaries by practicing a misplaced and mistaken humanism. Through integrationist strategies, i.e., through strategies which aim at the integration of individual and organizational goals, they strive to transform economizing organizations into homelike social systems. Thus they indulge in the practice of cognitive politics, by which issues such as love, selfactualization, basic trust, openness, dealienation, and authenticity are brought within the confines of the conventional organization where they only incidentally belong…. The practice of dealing with them in the realm of economizing organizations is theoretically indefensible.

(Guerreiro Ramos, 1981:84)

Guerreiro Ramos' critique of public administration and modern social science is fairly summarized in the following quote:

*Current organization theory does not systematically distinguish between the substantive and the formal meaning of organizations. This confusion obscures the fact that the formal economizing organization is a recent institutional innovation required by the imperative of capital accumulation and the enhancement of processing capabilities characteristic of the market system.*

(Guerreiro Ramos, 1981:105)

Guerreiro Ramos calls for the importance of acknowledging the historical character of economizing considerations and to envision a more substantive approach to public affairs. He does not mean we should eliminate market-oriented criteria from our public decisions. In fact, he is quite open to the possibility that a market economy may be the most appropriate and effective approach to producing and delivering goods and services. But he does argue that the market system should be “delimited” or regulated by substantive reasoning. Guerreiro Ramos declares that production “must be managed ethically” (1981:171) and that the criteria of reciprocity, redistribution, and exchange should figure equally in our decisions.

At the core of Guerreiro Ramos' theoretical framework is what he calls the "social systems delimitation". By rejecting the idea that the market should coordinate all human action, he presents his "para-economic" paradigm, a multidimensional proto-model where the market is just one among other domains individuals can engage. Figure 2 below shows a graphic representation of the "para-economic" paradigm. In the model, there are
enclaves reserved for personal actualization which can take in small groups - the social system "Phenonomy" - or in communities of regular size - the social system "Isonomy". The market is represented by the social system "Economy" but it is not the only enclave where human activity can take place. Activities are likely to be driven by formal norms ("Prescription") when they have a predominant economic character, leaving little room for personal actualization. On the other side, individuals would have a larger scope for personal choice in enclaves with more flexibility ("Normlessness"). Administrative procedures are typical of economic activities and "the more human action is considered administrative, the less it is an expression of personal actualization" (Guerreiro Ramos, 1981:125). For this reason, Guerreiro Ramos regards the economy as one of the four extreme cases in social systems. The other three would be the "Anomy" (absence of norms, action taking place in small groups), "Mob" (absence of norms, action taking place in communities), and "Isolate" (very prescriptive action taking place in small groups).

![Figure 2: The Paraeconomic Paradigm (Guerreiro Ramos, 1976):250); (Guerreiro Ramos, 1981):122)](image)

We should note that Guerreiro Ramos does not reject profitseeking behavior in itself. He simply insists that the space of the economy is unable to encircle the entire
range of human activities. Thus, in an isonomy, profit and revenue are merely incidental to the participants’ concerns. What matters instead is freedom from coercion and superimposed constraints. In this enclave, people seek consensus on public issues; they come together as equals, in order to “enhance the good life of the whole” (Guerreiro Ramos, 1981:131). The classic example of an isonomy is the Greek polis, but Guerreiro Ramos believes that modern arrangements such as parent-teacher associations and neighborhood organizations point to the same human need for engagement in substantive decisions.

A second enclave discussed by Guerreiro Ramos, the phenonomy, is similarly characterized by a lack of subordination to the demands of the market. This setting is “necessary for people to release their creativity in autonomously selected forms and ways, and is part of the expressive endeavor . . . which mobilizes the creative efforts of a small group or a single individual” (Guerreiro Ramos, 1981:133). Guerreiro Ramos lists freelance artists, writers, and craftsmen as examples of persons engaged in phenonomies. These individuals are expressing their unique distinctiveness at the same time as they are adding something substantive to the life of the community.

A paraeconomy postulates a society diversified enough to allow its members to deal with substantive issues of life according to their pertinent intrinsic criteria, and in specific settings where they belong. From the paraeconomic viewpoint, not only the economies which constitute the market enclave, but other substantive enclaves and the variety of their mixed forms are to be considered agencies for optimal allocation of resources and manpower.

(Guerreiro Ramos, 1981:22)

Guerreiro Ramos emphasizes that his model does not imply socialism but he admits that the State must exercise some level of control over the economy to avoid market goals and priorities to run over all of the other social enclaves. He does not detail the role of the State in nurturing a model of organization that could allow for both economic and quality of life pursuits. But his brief discussion of how a “para-economic” multidimensional society might be brought into effect clearly hints at the State’s crucial responsibility for ensuring that the market does not assault the entire range of human activities. The relationship between the State and the public sphere is surely an issue that
needs to be better articulated. Guerreiro Ramos assumes that the State can implement policies that strike a balance between instrumental and substantive imperatives. However, for such an assumption to be convincing, we first need to verify if the State is indeed capable of protecting the public sphere, and if it can continue to do so in face of the challenges of globalization.

**Conclusion: CMS as a political engagement**

... the impact of morality and ethics upon the individual should never be ignored or overridden, and that, furthermore, there can be no easy marriage of - or divorce between - the 'moral' person and the 'immoral' organization. The relationship between individual and institution is radically changed when alien managerial models non-consensually reconfigure universities into 'higher-education outlets' and a fundamental clash with the real demands of a real university education is engendered.

(Roberts, 2004: 88)

Is there space for the democratic intellect in an era characterized in managerial terms by the lack of trust and the total scientific control designed to remove any surplus intellectual capacity that might be available for critical reflection?

Most academics seem to have witnessed the decline of the role of the intellectual in the public sphere with silence, sometimes uncomprehendingly. They have neglected to investigate, following the canonical criteria of their own vocation, that any attempt to change unjust organizational forms or management practices needs not just critical but, above all, critical reflexive thought. Here we may draw some guidance from Pierre Bourdieu when he exposes the resistance academics feel to articulate their own condition:

To understand in this case is difficult only because we understand far too well, in a manner of speaking, and because we do not wish to see or know what it is we understand. Thus it is that the easiest thing can also be the most difficult because, as Wittgenstein says, 'The problem of understanding language is connected with the problem of the Will'. Sociology, which of all sciences is the best placed to know the limits of the 'intrinsic form of the true idea', knows that the force of the resistances which will be opposed to it will be very exactly commensurate with the 'problems of the will' which it has managed to overcome.

(Bourdieu, 1988:35)
The observations made in this paper should not be construed as a repudiation of the CMS project but a call for a political engagement. Once we acknowledge the dimension of the political, we begin to realize the one of the main challenges facing CMS is how to create political identities in a society dominated by the market logic from which antagonism appears to be eliminated or at least domesticated. The nature of the "spirit of capitalism" implies the recognition and legitimation of conflict for purpose of taking control of it. Nevertheless, as Mouffe tells us, "... in democratic societies [...] conflict cannot and should not be eradicated." (Mouffe, 2002a:8).

Guerreiro Ramos never intended his NSC to be more than a theoretical prolegomena to a model of social organization that allows humans to appear as full beings, free to deliberate on the issues facing them. Future studies on multidimensional models of civil society would benefit from employing a conceptualization of citizenship that emphasizes the many struggles for affirmation in our contemporary world. An analysis based on these type of actions not only broadens our vision of the public sphere but also represents an opposition to the current depoliticizing pressure by focusing on an inclusive perspective, a pluralist social science capable of investigating political and economical processes along with cultural, social, and ecological ones.

A substantive organizational theory must take into account these new spaces for action. Theories that attempt to build on Guerreiro Ramos' theoretical project need to pay attention to the increasingly dual character of the public sphere, where the boundaries of what is considered to be "local" are blurred and, to a large extent, constructed on a trans or multinational basis. Guerreiro Ramos' critique of the instrumental character of social sciences led us to confront our extreme confidence in criterias of efficiency and expediency in public decision making, and constitutes a fundamental step toward conceiving a public sphere that can accommodate both substantive and utilitarian needs. The relevance of his work would surely benefit from more theoretical development, particularly on the discussion of the interweaving issues of power and the State.
References:


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