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DEVIL'S ADVOCACY WITHIN ORGANISATIONS**

Abstract. *A conceptual study that calls for 'devil's advocacy' to be integrated into organisations is presented. The intellectual history of this concept dates back to Socratic thought and the Athenian tradition of intellectual contestation, contrasting it with societies that prioritised harmony over debate. It is argued in the article that institutionalised opposition, like legal adversarial systems or loyal oppositions in politics, can lead to better decision-making and prevent the abuse of power. In contrast to the authoritarian tendencies in the world today, an organisational culture that embraces critical thinking and diverse viewpoints is regarded as essential for progress, mirroring the principles of intellectual liberty shown in historical movements like the Reformation and Enlightenment. The appendix contains a shortened 1998 unpublished internal World Bank document explicitly labelled as an exercise in devil's advocacy.*

Keywords: *devil's advocacy, contestation, loyal opposition, critical thinking, groupthink.*

INTRODUCTION: DEVIL'S ADVOCACY AND COUNTERVAILANCE

How can a large bureaucratic organisation advance from the model of a church that already knows 'The Truth' to an open learning model? One way is for an agency to foster constructive competition and contestation within the organisation.¹ For instance, a defendant's right to an attorney in an American courtroom deprives the prosecutor of having a monopoly over the presenting of evidence and arguments. A judge must not refer a case to the jury before the arguments of both sides have been heard, and a patient should not undergo surgery before receiving a second opinion. Even the Roman Catholic Church has

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¹ This is expressed in the "marketplace of ideas concept – the proposition that truth naturally overcomes falsehood when they are allowed to compete.... The belief that competing voices produce superior conclusions [is]... implicit in scientific reasoning, the practice of trial by jury, and the process of legislative debate" (Smith 1988, 31).

moved beyond the 'Church model' while considering an individual for sainthood; it relies on a "devil's advocate" (*Advocatus Diaboli*) to state the other side of the story. A development agency should not pretend to greater authority or infallibility when it canonises a good practice success story as the One Best Way. Accordingly, devil's advocacy might not only be tolerated but fostered in a development agency that functions as an open learning organisation.²

This idea of public criticism holding a constructive role goes back at least as far as the role of Socrates in Athens as a gadfly (Jahanbegloo 2017).

For if you kill me you will not easily find a successor to me, who, if I may use such a ludicrous figure of speech, am a sort of gadfly, given to the state by God; and the state is a great and noble steed who is tardy in his motions owing to his very size, and requires to be stirred into life. I am that gadfly which God has attached to the state, and all day long and in all places am always fastening upon you, arousing and persuading and reproaching you.

(Plato 1892, Apology 30–1)

The penchant for competition seems to be a key feature of Athenian Greece that set it apart from other societies of antiquity, and Socrates claimed that the use of dialogue and contestation is the road to improving knowledge. "The form Socrates' teaching took – intellectual dueling before a sportive audience – looks much odder to us than it did to Athenians, whose whole culture was based on the contest (*agōn*), formal and informal, physical, intellectual, and legal" (Wills 1994, 163). This also touches on the broader theme of democracy as being based on government by discussion.

The traditional theory of the contest and interplay of group interests was not so much a scientific description as a normative injunction; in fact it contained the moral basis of liberal democracy. In order for the truth to be known, this theory argued, speech must be free; in order for wise decisions to be made, all the interests must be in the field and all the values articulated. The ancestry of this liberal pluralism might well be traced, beyond Mill and Madison and Montesquieu, all the way to the dialectical principle of Socrates: the method of verbal contest or discussion grounded on the faith that there was indeed a truth to be reached, through mutual deliberation, on which reasonable men could agree.... (Matson 1966, 107)

² Devil's advocacy (see Schwenk 1984) is interpreted broadly to include several related techniques to better elicit the main policy alternatives. A *Cassandra's advocate* (Janis 1972, 217) is a person who emphasises alternative interpretations of data and focuses on all the things that can go wrong ("Murphy's Law-er"). The *Rashomon* effect (see Schön 1971, 210) illustrates that the same set of circumstances and events can be interpreted very differently by different people. Discussion organised as a debate between the proposed policy and the best alternative has been called the *dialectical method* (see Schwenk 1989; or Tung and Heminger 1993). *Multiple advocacy* (Haas 1990, 210), equivocality (Weick 1979, 174) and double visioning (see Schön 1983, 281) refer to the practice of not only allowing, but fostering the presentation of two or more policy options.

The fact that not all antagonism or unsociability is helpful led Hirschman (1995) to investigate which forms of social conflict are beneficial (see also Coser 1956), a question that is also as old as the contrast between Socrates' provocative dialogues to improve knowledge and the Sophists' eristic methods to simply defeat an opponent.

Still, our focus in this article concerns the difference between an organisation that incorporates (hopefully beneficial) antagonism and one that aims at a non-antagonistic idea of agreement, cooperation, and "being a good team player" – a small society like that dryly satirised by Kant as the Arcadian ideal where men would be "as good-natured as the sheep they tended" (Kant 1991, 45). Some modern research (Lloyd 1996) considered this contrast while addressing the question of why, after such a promising start in ancient China, science developed strongly in ancient Greece, but not in China. A crucial feature of ancient China was the intermixing of power with questions of empirical truth – a feature shared with the role of the Church in the Middle Ages, or with Lysenkoism (and the role of The Party generally) in the Soviet Union. The Emperor's Mandate of Heaven was based on a view of the world that depicted the Emperor in the central role of maintaining harmony between Heaven and Earth. The views of philosophers and scientists needed to accommodate that basic scheme. In contrast, Greek intellectual life exhibited "radical revisability" (Lloyd 1996, 216), with the masters offering theories completely at odds with those of their rivals – a practice that would not be allowed where the Mandate of Heaven was seen as being based on the Official Theory (Ellerman 2020). Chinese intellectual life placed emphasis on accommodation and harmony, whereas the Greeks thrived on antagonism and adversariness. These differences extended to social and legal affairs.

Differences between individuals or groups that might well have been the subject of appeal to litigation in Greece were generally settled [in China] by discussion, by arbitration, or by the decision of the responsible officials. The Chinese had, to be sure, no experience that remotely resembled that of the Greek dicasts [large public juries], nor, come to that, that of Greek public participation in open debate of political issues in the Assemblies.
(Lloyd 1996, 109)

Given the quite clear historical verdict on the mixing of power and knowledge in ancient China, the Medieval Church, and the more recent Communist Party, there seems to be little reasoned basis for a development agency dedicated to promoting development knowledge to adopt "Official Views" on some of the most complex and subtle questions facing humankind.³

Indeed, the fact the arguments for not accepting official institutional views are so clear leads one to seek to explain why the leaders of major development

³ See Ellerman 2001 and 2002.

agencies adhere to the old 'Official Views' policy. Yet this is tantamount to asking why someone holding a position of power would oppose a regulation which would weaken that power for fear that it could be abused. While the power-holder might abstractly agree with a regulation for *others* who might abuse the power, it is not needed right now (while they are in power). Paraphrasing Augustine, their reply is: "Yes, the policy should be changed – but not yet".

Aside from not licensing Official Views, how might an agency promote internal adversariness? Devil's advocacy is a practice that might be fostered in a development agency functioning as an open learning organisation. Political scientist Alfred De Grazia recommends such a countervailance system as a part of any large bureaucracy. "The countervailors would be a corps of professional critics of all aspects of bureaucracy who would be assigned by the representative council of an institution to specialize as critic of all the subinstitutions" (De Grazia 1975, 168). The devil's advocacy concept can also be applied to written documents. When Jefferson complained about the press being one-sided, James Madison semi-seriously quipped: "Could it be so arranged that every newspaper when printed on one side, should be handed over to the press of an adversary, to be printed on the other, thus presenting to every reader both sides of every question, [so] truth would always have a fair chance" (quoted in Smith 1988, 41). Perhaps the op-ed page in a newspaper could be seen in this light. Even though all development agencies have various newsletters and bulletins from management to communicate to staff, we are unaware of any that allow independent "op-eds" to be published in it by staff or outsiders.

Another example is the systematic inclusion of dissenting opinions in higher court decisions made by a panel of judges. The concept could be applied widely to written reports recommending a specific policy or course of action. A well-constructed options paper will not just argue the virtues of the preferred option but will present the best alternatives – or, even better, have such alternatives presented by those advocating them. Conference volumes often present the main papers along with written comments and criticism by the discussants. Some journals [e.g., *Behavioral and Brain Sciences* and *The Journal of Economic Perspectives*] are organised in the powerful and rewarding format of invited papers followed by criticism, commentary, and counter-articles all in the same issue. The *Opposing Viewpoints Series* of Greenhaven Press is an excellent example of a book series that focuses on giving point and counter-point on major issues (e.g., Rohr 1989). The preface in each volume cites John Stuart Mill in *On Liberty*:

The only way in which a human being can make some approach to knowing the whole of a subject, is by hearing what can be said about it by persons of every variety of opinion, and studying all modes in which it can be looked at by every character of mind. No wise man ever acquired his wisdom in any mode but this. (quoted in the preface in: Rohr 1989, 10)

Such a point and counter-point format would seem quite appropriate for institutions that want to foster intellectual inquiry and knowledge development. Yet development agencies operating on a *de facto* church model want to bombard the client with one-sided arguments leading to uniform advice and do not wish to 'confuse' or 'distract' the client with conflicting ideas (particularly when they come from within the agency). Instead of functioning as a 'Church' enunciating a canonical view, an institution could allow multiple viewpoints each argued passionately by its advocates while adopting none as its official viewpoint. The client would then have to decide and take responsibility for *their* decision.

THE GENERAL CASE FOR DEVIL'S ADVOCACY

The general case for a more systematic devil's advocate or countervailance role in an organisation is much the same as the case for genuine debate and open discussion. Classical statements for that argument⁴ can be found in John Milton's *Areopagitica* (1644), Thomas Jefferson's *Bill for Establishing Religious Freedom* (1779), Tunis Wortman's *A Treatise Concerning Political Enquiry* (1800), John Stuart Mill's *On Liberty* (1859) and John Morley's *On Compromise* (1928). If little is known concerning a particular question, real debate and the 'clash of adverse opinions' are some of the best engines of discovery. Since 'each rooster likes to crow on top of his own dung heap', dung heaps are more likely to be appraised objectively if there are multiple other roosters in the barnyard. If 'partial truths' are known, it is better to allow the semi-truths to collide because intercourse should produce an offspring that is closer to the whole truth. Mill argued that even where opinions on a given matter are settled, debate and discussion serve to disturb the "deep slumber of a decided opinion", and thus it might be held more as a rational conviction rather than as an article of faith.

So essential is this discipline to a real understanding of moral and human subjects, that if opponents of all important truths do not exist, it is indispensable to imagine them, and supply them with the strongest arguments which the most skillful devil's advocate can conjure up. (Mill 1972, 105)

Intellectual liberty and tolerance are fundamental to the heritage of the Reformation and Enlightenment. Rather than a 'Church' for protecting 'Truth' and suppressing 'Error', free discussion and debate fuelled by the clash of opposing opinions provides the best defence against error.

These principles of philosophical liberalism were first hammered out in the battle for religious freedom. Jefferson requested that his tombstone record only three deeds. In addition to the Declaration of Independence, he was the drafter of Virginia's 1779 "Bill for Establishing Religious Freedom" which in part argued that truth "is the proper and sufficient antagonist to error, and has nothing to

⁴ See Levy 1985 and Smith 1988.

fear from the conflict unless by human interposition disarmed of her natural weapons, free argument and debate; errors ceasing to be dangerous when it is permitted freely to contradict them”.⁵ Tolerance for dissent and debate is fundamental to the spirit of a university, yet not that of a church. His third deed was having been a founder of the University of Virginia.

PROBLEMS WITH IMPLEMENTING DEVIL’S ADVOCACY

What can go wrong while trying to implement a devil’s advocate role? One problem is reining in the devil’s advocate. The role of a “domesticated” devil’s advocate in the councils of power entails keeping alternative opinions well within the bounds of certain (un)spoken assumptions (which are often part of the problem) and not getting “carried away” by going public or appealing to the opposition (see Janis 1972, 120). The devil’s advocacy function can lose effectiveness if it is ritualised, taken for granted, or restricted to minor approved variations of the ‘groupthink’ *status quo* (Nemeth 2018).

Intimidation is a related problem. Arguing against conventional or received wisdom is more akin to a battle than a tea party.

Recognition of dynamic conservatism [i.e., self-reinforcing nature of status quo] explodes the rational myth of intervention pervasive in official rhetoric, which envisages social change as a process made up of analysis of objectives, examination of alternatives, and selection of the most promising routes of change. ...[T]he rational myth assumes implicitly that transformation occurs in a vacuum rather than in the plenum of self-reinforcing systems... [or] that rational plans will implement themselves, or they leave the question of implementation to a mysterious process of sales, persuasion, or politics. Actual patterns of transformation center around crisis and reveal variations of invasion and insurgency. (Schön 1971, 59)

The devil’s advocacy role should form a protected part of ‘programmed conflict’ role-playing to improve decision-making, and not be attributed to the personal ‘perversity’ of the individual in that role. Hence organisations also allow for the role of and protections for opposition parties in politics.

The devil’s advocate functions like an intellectual ombudsman, a shop steward, or a public defender for alternative views. Those who oppose a strategy might be too prudent or vulnerable to individually speak out, while difficulties agreeing on collective action might hinder coordinated opposition. An institutionalised devil’s advocate role can serve as a lightning rod to collect and summarise opposing views and thereby resolve the collective action problem.

⁵ Jefferson echoes John Milton’s defense of intellectual freedom in *Areopagitica*: “And though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do injuriously, by licensing and prohibiting, to misdoubt her strength. Let her and Falsehood grapple; who ever knew Truth put to the worse, in a free and open encounter?”.

Rotation of individuals who hold the devil's advocate function can help to prevent domestication and intimidation. To implement a rotating function of devil's advocate, temporary teams can be assigned to prepare cases for the alternative policies. Individuals identified with one position can be asked to present the case for the opposition (just like authors at some academic conferences are asked to deliver the papers of others). Rotation also helps to keep a specific individual from being sidelined or dismissed for constantly being a nay-sayer, for not being a team player, even for being 'disloyal'.

Finally, a problem arises when an 'official' devil's advocate is in place: other staff members may feel they are relieved of the need to exercise critical thinking in public and thus can take the path of least organisational resistance with a clear conscience. It 'is not their job' to publicly argue against the vanity/inanity of high officials in the organisation. Nonetheless, a well-implemented devil's advocacy role would be part of a general democratisation of the organisational culture that would change the typical costs related to going public with criticism attached to the public exercise of critical reasoning.

DEVIL'S ADVOCACY AS A QUALITATIVE VERSION OF THE OPPORTUNITY COST DOCTRINE

In economics, the opportunity cost doctrine evaluates an option or item by comparing its value to the value offered by the best alternative. If plan B is the best alternative to plan A (and the plans are mutually exclusive), the opportunity cost of choosing plan A is the value foregone by not choosing plan B. Plan A is preferable if its value exceeds its opportunity cost. The application of the opportunity cost doctrine requires an analysis and evaluation of the best alternative – and that is the more general role of devil's advocacy even when quantitative values cannot be assigned to the alternatives. By eliciting plan B, devil's advocacy generalises the opportunity cost doctrine from cost-benefit analysis to general policy analysis. In a rivalrous market, competition provides the B plans and hence organisational devil's advocacy could be seen as an attempt to provide the benefits of benchmark competition *within* the organisation.

One pseudo-scientific method of evaluation is to determine if the benefits of expending resources on plan A exceed the benefits of the 'untreated' or 'control' plan B (namely, doing nothing). However, a genuine evaluation of plan A would compare its benefits against the benefits of spending the same resources on the best alternative plan B (not an untreated control sample of doing nothing). While the design of best alternative plan B is often devilishly difficult, it is a task of the devil's advocate in the sense of constructive criticism because the sponsors of plan A generally have no such inclinations.

Evaluation should be seen as the devil's advocate role in retrospect.⁶ It is this

⁶ When other possibilities are simultaneously being realised by a given project, like with parallel experimentation (Ellerman 2014), evaluation can be based on direct comparison and benchmarking of

role of considering the best alternative use of given resources which is so often overlooked when organisations congratulate themselves for projects that ‘have a positive impact’ and ‘succeed in meeting their objectives’. Enormous ‘group-think’ pressure exists for one to conform and become a team player by ‘celebrating our successes’ rather than ‘dwelling on hypothetical counterfactuals’ (about what might have been done with the resources). Economists often seem to be as allergic as anyone to ‘dwelling on what could have been’ despite that constituting the underlying logic of the opportunity cost doctrine. Without a backwards-looking devil’s advocate, the most informative negative feedback and learning might be lost, and the organisation will be condemned to repeat its ‘glorious’ past.

VARIATIONS: THE ADVERSARIAL LEGAL PROCESS, LOYAL OPPOSITION, THE SEPARATION OF POWERS, AND CIVIL SOCIETY

The general role of devil’s advocate has been incorporated into various institutions. The state requires significant *prima facie* evidence to charge a person with a crime. Notwithstanding the evidence, the adversarial system gives a defendant the right to legal representation, to have access to the evidence, to call witnesses, and to contest the charges in an open court before a judge and jury. For an individual perspective, this could be seen as a matter of individual rights, but from a social viewpoint the adversarial system of legal proceedings seems to add to the quality of social decision-making on important questions of guilt or innocence.

In a multi-party democracy, the main party not holding power forms the institutionalised “loyal opposition” that plays the role of devil’s advocate in politics (see Ionescu and de Madariaga 1972; Kirshner 2022). The loyal opposition forms an independent power base of those who seek to express opinions and policies at variance with the party in power. Without such a protected role, those out of power could end up isolated, atomised and silenced, and the iron law of oligarchy will hold full sway (see Michels 1962; Ellerman 1988).

The separation of powers within a government or organisation is intended to diminish/ prevent the problems that may arise from the exercise of unified and unopposed power.

This policy of supplying, by opposite and rival interests, the defect of better motives, might be traced through the whole system of human affairs, private as well as public. We see it particularly displayed in all the subordinate distributions of power, where the constant aim is to divide and arrange the several offices in such a manner as that each may be a check on the other – that the private interest of every individual may be a sentinel over the public rights. (Madison 2008)

the experiments.

Centralised power can be abused in private and public bureaucracies as well as in democratic government. The general idea of the separation of powers, with one interest checking the over-extension of another interest, holds broader applicability in organisations.

The public evaluation of government policies and actions calls for a protected public space for ideas to be discussed, views to be aired, and opposing opinions to collide. For this, a free press is required, along with access to electronic media, and a tradition of tolerating open discussion in spite of possible adverse impacts for vested interests. Courageous and outspoken individuals are not enough; it takes a multitude of vigorous non-governmental organisations (NGOs) and associations to sustain the sphere of civil society. Thus, in the broadest sense, civil society, and the traditions of public discussion that undergird it, support the devil's advocacy function in liberal democratic societies.

APPENDIX: EXAMPLE OF DEVIL'S ADVOCACY AT THE WORLD BANK

Introduction

In this appendix, I present for the first time an abridged version of the author's internal World Bank devil's advocacy document prepared while working as Senior Advisor to the Chief Economist of the World Bank, Joseph Stiglitz. The paper argued against the Bank's general shock therapy and voucher privatisation policies and became the basis for Stiglitz's *Whither Reform* speech (2001) that in itself acted as "shock therapy" for the Washington Consensus. The full version of the document can be downloaded at <https://www.ellerman.org/transitional-heresies-of-a-devils-advocate/>.

Transitional Heresies of a Devil's Advocate

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Doing the Devil's Work

In matters of the post-socialist Transition, there is also a "Washington Consensus On Transition" (WCOT) forged on both sides of 19th Street and in the halls of the US Government--with an assist from the best and the brightest from some of our finest universities.

If the Knowledge Bank is seen, explicitly or implicitly, as a "Church" then the Washington consensus on the post-socialist transition has been the Gospel dispensed by our evangelists and missionaries to all who would listen on the far

⁷ * The findings, interpretations, and conclusions expressed in this paper are entirely those of a Devil's Advocate rendered in that unofficial capacity and should not be attributed in any manner to the World Bank, to its affiliated organizations, or to the members of its Board of Directors or the countries they represent.

side of the former Iron Curtain. Yet Faith that is untried and untested in open discussion and debate will soon lead to arrogance and hubris. Seasoned Defenders of the WCOT Faith need to constantly sharpen their tools of argument lest they fall into an intellectual dullness more characteristic of highly ingrown and inbred groups--as in some isolated towns in Appalachia or remote islands of the Adriatic.

Better yet, the Knowledge Bank need not function as a "Church of Development"; it could instead function as an open learning organization.⁸ Part of the difference is the extent to which open discussion and debate are a vigorous part of the organizational culture. As we know all too well, this does not happen automatically in a large bureaucracy. New unaccepted ideas need to find a voice and old well-accepted Truths need to be constantly tested. All this is unwelcome to those who mistake the inertia of conventional wisdom for the weight of rational argument. Attacks on the current Faith will usually be seen as "the work of the Devil." Therefore, in an open learning organization, the Devil must be given his blasphemous due in the function of devil's advocacy. In the words of John Stuart Mill's *On Liberty*:

So essential is this discipline to a real understanding of moral and human subjects, that if opponents of all important truths do not exist, it is indispensable to imagine them, and supply them with the strongest arguments which the most skillful devil's advocate can conjure up.⁹

The sympathetic bureaucratic response would be to officially establish a "Devil's Advocate Office" but that would miss the spirit as well as the substance of the function. Official Dissent would soon be no dissent at all. Devil's advocacy by its nature needs to be "wild," spontaneous, and unofficial. Otherwise the hounds of heresy would soon be neutered into lapdogs of liberality trotted out on occasions to show how the Institution always "listens to both sides of the question."¹⁰

Thus it is necessary from time to time to take leave from our "team player" role and to play this blasphemous role of being the Devil's Advocate *conjuring up* arguments against the current faith, the Washington Consensus On Transition.

Voucher Privatization

Let's start with voucher privatization. Many are unhappy with the results, but the "standard" Washington Consensus is still the framework and the "devil" is thought to be only in the details. Yet, voucher privatization has deeper problems.

⁸ This argument is spelled out in more detail in the paper "Knowledge-Based Development Institutions" (1998, World Bank, mimeo.) and in the abbreviated version for executives "Global Institutions: Transforming International Development Agencies into Learning Organizations" forthcoming in *The Academy of Management: Executive Journal* (February 1999).

⁹ John Stuart Mill, "On Liberty," in *J.S. Mill: Utilitarianism, On Liberty and Considerations on Representative Government*, ed. H.B. Acton (London: J.M. Dent & Sons 1972), 105.

¹⁰ See, for example, the discussion in I. L. Janis, *Victims of Groupthink* (Boston: Houghton Mifflin, 1972) of the "official dissenter" in some governmental organizations within the Beltway.

It was more about post-socialist politics than “privatization” so let us begin with several voucher privatization arguments that are part of the WCOT Canon.

- *No-cash argument*: Lack of cash implies giveaways. But there is a third option besides cash sales or free vouchers: credit. There is also an alternative to third party credit: seller-supplied credit.
- *Speed argument*: It is not always the case the vouchers are fast and case-by-case is slow. Moreover the speed argument was hardly consistent with shutting down and even reversing some types of non-voucher privatization quite successful in CEE (lease buy-outs) in order for “some shares to be left to go into the voucher auctions.”
- *Social justice argument*: Justice demands spreading shares across the population. But wealth takes other forms than shares, and shares in quasi-bankrupt companies have the least claim on the residual worth.
- *Share-privatization = Company-privatization argument*. Why do the experts on privatization sometimes seem to be so inured in a pre-Berle-Means fantasy-world that they didn't understand that privatizing shares in a mass distribution in fact “socializes” the company (and yet why when it comes to arguing for voucher investment funds, they understand the point quite well)?
- *The 0.4% solution to the “corporate governance” problem*. Why does anyone really think that a “corporate governance” problem in a company is solved by having it controlled by an investment fund with an even worse corporate governance problem and with a minuscule interest in ownership income? (Hint: it has something to do with the politics of the different people who would have “corporate governance” in each case.)
- *Red directors argument*: Why do western advisors seem to assume the role of cold-warriors assigned to vet the Red directors instead of seeing to it that the directors of whatever coloration are bearing their own costs?
- *“Get the State Out” Argument*: “Getting the state irreversibly out” of the economy is not an argument for *voucher* privatization as opposed to, say, cookie-cutter case-by-case privatization. Moreover, the main thrust of voucher schemes was often to bring power back to the new “clean” state by *reversing* the earlier decentralizing reforms (e.g., Solidarity's self-management councils).

Institutional Blitzkrieg versus Incrementalism

The debate is not “fast versus slow” or “rapid versus gradual” methods. It never was; that was another phony argument. The argument was institutional blitzkrieg versus incrementalism. One of the best treatments of this debate about development strategy is in Hirschman's 1963 *Journeys Toward Progress* (republished by Norton 1973) which far antedated the transition debate. Reformmongers in their strategies and even more so in their rhetoric could be divided into those who take an ideological, fundamental and root-and-branch approach versus those who take an incremental, piecemeal, and adaptive approach (in Spanish

described as *criollo*). The incremental approach is well described by Woodrow Wilson in his First Inaugural Address using words that might someday find their translation into Russian.

*We shall deal with our economic system as it is and as it might be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step we shall make it what it should be, in the spirit of those who question their own wisdom and seek council and knowledge, not shallow self-satisfaction or the excitement of excursion whither they cannot tell.*¹¹

In the far future, intellectual historians will see how little the Washington consensus on the Transition understood the critique of Bolshevism-Jacobinism by the conservative tradition of Hayek, Popper, and Burke.¹² It is a devilish thing to say, but so many of our best and brightest economists seem to have just thought the Bolsheviks had the wrong textbooks. With the right textbooks in their briefcases, the “market Leninists” thought they could fly into the socialist countries and use a peaceful version of Leninist methods to make the opposite transition.

The task was not resetting inflationary expectations with a dose of “shock therapy.” The task was deep-lying institutional transformation. The origin of what became known as the “shock therapy” approach to the transition was not a bad analogy with inflation-stopping therapies. Rather it was more the moral fervor of economic cold-warriors who sought to raze the evil institutions of communism and to socially engineer in their place (using the right textbooks this time) the new, clean, and pure “textbook institutions” of a private property market economy. Only a blitzkrieg approach during the “window of opportunity” provided by the “fog of transition” would get the changes in place before the population had a chance to organize to protect its previous vested interests. This mentality was not new. It was a reincarnation of the spirit and mindset of Bolshevism and Jacobinism. But, thankfully, the “radical reformers” had more benign and seductive instruments: aid, loans, conditionalities, and even young professors with world-class credentials.

There has been some recent criticism of the purveyors of WCOT for “ignoring institutions.” How could anyone accuse the Gaidar-shock-therapists (or Bolsheviks and Jacobins for that matter) of neglecting institution-building? Institutions were not ignored. Institutions were just “built” Jacobin-style with bright young people (some from elite western universities and financed by aid dollars) drafting

¹¹ Quoted in Albert Hirschman, *Journeys Toward Progress* (New York: Norton 1973, 249), who in turn quoted it from David Braybrooke and C. E. Lindblom, *The Strategy of Decision* (New York: Free Press 1963), Chapter IV. Lindblom and Braybrooke's treatment of “disjointed incrementalism” is the context. Lindblom has recently returned to these general issues in his excellent *Inquiry and Change* (New Haven: Yale University Press 1990).

¹² See Peter Murrell, “Conservative Political Philosophy and the Strategy of Economic Transition,” *Eastern European Politics and Societies* 6, no. 1 (1992): 3–16 for a development of this theme.

"new institutions" which were then "implemented" by the "democratic powers" of presidential decrees ("democratic powers" established by blasting an elected Parliament to rubble). Robespierre would have understood perfectly.

The Chinese were not historically immune to this mentality but they "got it out of their system" in the Great Leap Forward and the Cultural Revolution. They learned the hard way where that Bolshevik mentality would lead. When they came to choose a path to a market economy, they chose the path of incrementalism (crossing the river by feeling for the stones one at a time) and pragmatism (the question is not whether the cat is black or white or Red but whether or not it catches the mice). They had the wisdom to "know they didn't know what they were doing" so they didn't jump off a cliff after being assured by experts that they would be jumping over the chasm in just one more great leap forward. Meanwhile under the Jacobinic reform regime guided by prophets armed with clean textbook models, the Russians learned to appreciate the old saw that "it's not so much what you don't know that can hurt you--but what you know that ain't so."

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»HUDIČEVO ZAGOVORNIŠTVO« ZNOTRAJ ORGANIZACIJ

Povzetek. To je konceptualna študija, ki zagovarja integracijo »hudičevega zagovornišva« znotraj organizacij. Intelektualna zgodovina tega koncepta sega nazaj v Sokratovo misel in atensko tradicijo intelektualnega izpodbijanja, ki jo primerja z družbami, ki dajejo prednost harmoniji pred razpravo. Članek trdi, da lahko institucionalizirana opozicija, kot so pravni kontradiktorni sistemi ali politično lojalne opozicije, privede do boljšega odločanja in prepreči zlorabo moči. V nasprotju z avtoritarnimi težnjami v današnjem svetu besedilo zagovarja organizacijsko kulturo, ki sprejema kritično razmišljanje in različna stališča kot bistvena za napredek, kar odraža načela intelektualne svobode, ki jih vidimo v zgodovinskih gibanjih, kot sta reformacija in razsvetljenstvo. Dodatek prinaša skrajšani neobjavljeni interni dokument Svetovne banke iz leta 1998, ki je izrecno označen kot vaja »hudičevega zagovornišva«.

Ključni pojmi: hudičevo zagovornišvo, izpodbijanje, institucionalizirana opozicija, kritično razmišljanje, skupinsko razmišljanje.

