POLITICAL PARTIES

by believing that by flocking to the poll and entrusting its social and economic cause to a delegate, its direct participation in power will be assured.³

The formation of oligarchies within the various forms of democracy is the outcome of organic necessity, and consequently affects every organization, be it socialist or even anarchist. Haller long ago noted that in every form of social life relationships of dominion and of dependence are created by Nature herself.³ The supremacy of the leaders in the democratic and revolutionary parties has to be taken into account in every historic situation present and to come, even though only a few and exceptional minds will be fully conscious of its existence. The mass will never rule except in abstracto. Consequently the question we have to discuss is not whether ideal democracy is realizable, but rather to what point and in what degree democracy is desirable, possible, and realizable at a given moment. In the problem as thus stated we recognize the fundamental prob-
OPERATIONALIZATION OF CO-OPERATIVE OWNERSHIP – A TOOL AGAINST CO-OP'S OLIGARCHISATION

Ryszard Stocki, Wojtyla Institute/SWPS
## ARISTOTLE’S TYPOLOGY
#### NUMBER AND INTEREST

<table>
<thead>
<tr>
<th>Interest</th>
<th>One</th>
<th>Few</th>
<th>Many</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-interest</td>
<td>Tyranny</td>
<td>Oligarchy</td>
<td>Mobocracy</td>
</tr>
<tr>
<td>Common interest</td>
<td>Monarchy</td>
<td>Aristocracy</td>
<td>Democracy</td>
</tr>
</tbody>
</table>

*The best*
INDICATORS OF OLGARCHY:

• Lack of leadership turnover,
• Minority control of resources,
• Low levels of participation in governance,
Oligarchy, then, is a concentration of entrenched illegitimate authority and/or influence in the hands of a minority, such that de facto what that minority wants is generally what comes to pass, even when it goes against the wishes (whether actively or passively expressed) of the majority.
**LEGITIMATE AND ILLEGITIMATE FORMS OF FORMAL AND INFORMAL POWER**

D. K. LEACH, 2005

<table>
<thead>
<tr>
<th></th>
<th>Formal Power</th>
<th>Informal Power</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legitimate</strong></td>
<td><strong>Authority</strong></td>
<td><strong>Influence</strong></td>
</tr>
<tr>
<td><strong>Illegitimate</strong></td>
<td><strong>Coercion</strong></td>
<td><strong>Manipulation</strong></td>
</tr>
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</table>

**Oligarchy**
Minority concentration
CHALLENGES
HOW OLIGARCHY STARTS?

Pursuing self-interest

• Blood equity
• Literacy (competence)
• Sweat equity (time, effort, suffering)
• Material equity (financial and material resources)
• Any other way of expecting a reward for an investment

Lack of trust in people

• Evil intentions
• Lack of competence
• Lack of experience
• Irresponsibility
• Lack of engagement
• Narrowmindedness

Low expertise in leading

• Isomorphism (corporate or military mindset)
• No team skills (how to conduct meetings)
• Inability to use democratic procedures
• Ignorance of social media
• Ignorance of management software.

Receiving reward - material, emotional (public recognition), power (influence), gratefulness, etc.
COLLECTIVE ORGANISATIONS’ MANIPULATIONS

• Agenda setting (what is discussed (voted) what is not),
• Withholding information
• Non-material sanctions (ridicule, shaming, guilt)
• No decision (where decision should be made)
• Availability of persons in time
• Time for voting and deciding

Conclusion: both majority and minority may not be aware of oligarchy being slowly installed
REACTIONS TO OLIGARCHIC GOVERNANCE

Non-authentic attitudes

Avoidance
Comformism
Cynicism

Frog boiling

Authentic attitudes

Organisational change
Solidarity
Opposition

It happens
I act

sobota, 7 września 13
ORGANIZATIONAL BEHAVIOR IS ON THE CROSSROADS BETWEEN PERSONALISTIC VALUE (HORIZONTALLY) AND THE SOURCE OF SECURITY (VERTICALLY)
SOLUTIONS
THREE FORMS OF OWNERSHIP (IDENTITY SOURCES)

**Legal ownership**
Kaarsmaker, 2009; Ben-Ner, 2007; Ellerman, 2006

**Psychological ownership:**
Pierce et al. 2004; O’Driscoll, 2006; Dwyer and Ganster, 1991

**Control ownership**
Vroom & Jago, 1988; Mazur, 1966

**Total participation in management**
Graham & Titus, 1979; Stocki, Prokopowicz & Żmuda, 2008
GOVERNANCE CHANGE
STEP TO RECOGNIZE OLIGARCHY IN A DEMOCRATIC ORGANISATION

• Show that a minority is wielding illegitimate power,

• Show that the majority is in some way resisting that power, and

• Show that there is a pattern of the minority being able to overcome such resistance on issues it feels are important.
CONTROL BASED ON EXPERTISE
## Corrected Aristotle’s Typology

### Number, Interest and Real Participation

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<table>
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<tr>
<th>Common good</th>
<th>Spectrum of participation techniques</th>
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<tbody>
<tr>
<td></td>
<td>Expertise</td>
</tr>
<tr>
<td></td>
<td>Meritocracy</td>
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<td>Common Meritocracy</td>
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- Tyranny
- Oligarchy
- Mobocracy
- Expertise
- Meritocracy
- Common Meritocracy
- Monarchy
- Aristocracy
- Democracy

**Number of rulers (Competence)**

- Self-interest
- Common good
- Common interest

- Expertise
- Meritocracy
- Common Meritocracy
- Monarchy
- Aristocracy
- Democracy

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**Sobota, 7 września 13**
Manager-Centered Leadership

Group-Centered Leadership

SITUATIONAL GOVERNANCE

Group decision making - Vroom & Jago, 1988

Influence by Leader

Area of Freedom for Group

0

Decide

3

Consult (Individually)

5

Consult (Group)

7

Facilitate

10

Delegate

Group decision making - Vroom & Jago, 1988

sobota, 7 września 13
DETERMINANTS OF DECISION MAKING CHOICES

Strategy
- Interaction Constraint
- Value of Time
- Goal Alignment
- Value of Development
- Likelihood of Disagreement
- Team Competence

Values
- Leader Expertise
- Group Expertise
- Decision Significance
- Importance of Commitment
- Likelihood of Commitment
- Leader’s competence

Expertise
- Situation

sobota, 7 września 13
MEASURE PSYCHOLOGICAL OWNERSHIP
MEASURE INPUT AND ITS NATURE

- Measure everything be transparent and give feedback (especially measure sweat equity by hours)

- Audit human mental models - e.g. by CoopIndex

- Educate people (business literacy, co-operative literacy).
Diagnostic process

Real Co-ops

Ideal Coops

TPIM

Number of similarities x number of persons who experience them
HOW DOES IT WORK? - REAL TRANSPARENCY
Application of co-operative values

Values Summary

- Self-help
- Self-responsibility
- Democracy
- Equality
- Equity
- Solidarity
- Honesty
- Openness
- Social responsibility
- Caring for others
Adherence to Co-operative principles

Principles Summary

- Voluntary and open membership
- Democratic control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Co-operation among Co-operatives
- Concern for community
- Concern for the environment
- Participatory management
- Labour control
- Payment solidarity
- Social transformation
WHAT NEXT?

