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You'd think by now it would be natural, when I read something by an author I like, to check whether they've got a blog. I didn't find out until now, though, that Barbara Ehrenreich has a blog–coincidentally after I'd just finished reading Nickel and Dimed and Bait and Switch. Anyway, she's got a good piece on what she calls "Bossism." One thing she says coincides with my own train of thought lately:

> When corporations uphold the idea of "teams," they're grasping for the kind of ingenuity and creativity people naturally bring to a challenging situation – if they're allowed to, i.e., if they're treated like participants instead of like servants or subordinates.

That's exactly my impression of the proposals Tom Peters made in the late '80s and early '90s: organizing production in self-directed teams, eliminating first-line supervisors, and putting product development and marketing people in direct contact with production workers on the shop floor to reduce the turnaround time involved in innovation.

Reading Peters (especially *Thriving on Chaos*) is a lot like reading Kropotkin's *Fields, Factories and Workshops*. It's a great study of the seeds of a potentially decentralized and human-scale economic order of worker-managed production, that might actually sprout *if* the state stopped propping up the current corporate system.

There are two problems with Peters' approach, though. First, he greatly underestimated the inertia of state capitalism. His work of fifteen or twenty years ago was full of warnings that the hierarchical corporation was going the way of the dinosaur or Gosplan, and that his proposals for team self-management and the like were "must dos" if existing corporations were to survive into the near future. Of course, Peters is prone to hyperbole as a marketing tool, as suggested in this article I got from Jesse Walker; and he implicitly confessed his tendencies to self-parody and cartoonishness in his interview with Virginia Postrel. At any rate, the giant hierarchical corporation seems remarkably healthy fifteen years later. Peters greatly exaggerated the market pressures to efficiency in an industry cartelized among a handful of firms with the same organizational culture.

Second, Peters fit his genuinely good ideas of economic decentralism and worker-directed production into a conventional corporate framework. Virtually every radical management reform discussed in *Thriving on Chaos* is an attempt to artificially simulate, in the hostile environment of a large corporation, the situation that would naturally exist in a small enterprise (especially a worker co-op). His self-managed teams, obviously, are just a corporate version of the self-management that naturally occurs in producer cooperatives. His close contact between customer, marketing, research and production, and the resulting turnaround time, are also attempts to duplicate within the hostile environment of a corporation what would naturally occur in a small enterprise using general-purpose machine tools. In the latter case, product design and market research would be carried out by pretty much the same people setting up the machines. Peters' systems of worker incentives are just a weak version of what would exist in a self-managed cooperative, where the workers directly engaged in the production process would have the power to put their ideas for process improvement into immediate practice, and reap the full rewards for any increased efficiency.

And Peters made it clear that he was perfectly fine with bigness, as such, and preferred adopting such measures in the context of the large corporation. His idea was to combine the advantages of bigness and smallness in the same system. Production itself would be decentralized considerably, but it would take place within the boundaries of a giant mercantilist entity that retained central control over finance, as well as control of IP and branding, and the market power to enforce prices on suppliers and outlets.

Finally, self-directed teams didn't sweep the corporate world with anywhere near the force that Peters imagined they would. "Quality circles" were a popular management fad for a while, and were adopted piecemeal in some firms. And new models of bottom-up management have fared somewhat better in some industries, like information, where peer networking is so suited to the nature of the work. But for the most part, the average corporation as seen from the bottom by one of its employees is at least as authoritarian as ever.

Just how much the radicalism of prospective change was exaggerated by such gurus, and how low the bar was set for achieving it, is indicated by the examples of radically "reengineered" corporations showcased in Hammer's and Champy's *Reengineering the Corporation.* The reengineered corporation streamlines certain complicated processes that exist at that level of complexity in the first place only because the corporation has hypertrophied several orders of magnitude far beyond maximum economy of scale. The new, streamlined process is a considerable improvement, but the benchmark for measuring the improvement is the typical centralized, bureaucratic corporation. The more efficient processes are still more complicated and costly than would exist in small firms serving local markets. IBM's reengineered finance approval process, for example, in which the same person walks an application through all the stages of the process, in place of an older process that involved countless handoffs: the result is essentially what the manager of a small outlet would have done anyway, by himself, based on a common-sense assessment of the customer's creditworthiness–and probably in a fraction of the time taken even by IBM's reengineered process.

So Peters and likeminded writers are good at depicting the seeds of decentralism and bottom-up management; but they adapt them to the existing corporate system. They put new wine in old bottles.