People believe that on a sinking ship the captain's rule must be absolute. Hierarchy today in corporations is increasingly ridged, and this type of corporate hierarchy negatively affects democracy. Over a hundred and fifty years ago, John S. Mill pointed out two feudal institutions that survived in modern democracy: families and capitalistic corporations. Both operated just like old feudal systems; husbands subjugated their wives in families, and corporations maintained hierarchy to regulate the human relations.

Mill believed women's suffrage and employment could modernize feudal families, and cooperatives could democratize businesses. Today gender equality is increasing (though not in companies); women work in politics and in the economy. However, capitalistic companies are still hierarchical. Although corporations are essential institutions in modern democracy, they haven't overcome the outdated principles of hierarchy. We have accepted this modern paradox in silence and without the much needed public debate. On the other hand, the cooperative movement has promoted democratic corporations (in addition to fair consumption and savings).

The return of corporate hierarchy on its own is worrisome; it is the combination of hierarchy tied to sound principles, like *philia*, that enable healthy development. *Philia*, an Aristotelian word, means friendship and informal reciprocity. To be successful, organizations should bring workers together in the pursuit of common goals for the common good. Vertical corporations don't work well because they exclude most of the workers from decision making. Though they may make profit and employ people, these corporations inhibit employees' personal development and well-being. As in every social relationship, corporations have an impact on their workers' emotions, passions, hopes and love; businesses must move beyond narrow self interest actions. *Philia* among workers and directors assures enthusiasm and graciousness, which are qualities that foster innovations and help overcome economic crises.

Originally hierarchy existed to protect the pure people from the impure. Both archaic organizations and capitalistic corporations built vertical structures to assure privilege. Like the institutions of old, today's top managers avoid any contact with the proletariat. Hierarchy (*immunitas*) without reciprocity (*communitas*) has created empty and hostile companies.

In companies where entrepreneurs and employees were old friends who worked side by side (often as craftsmen), participative management has produced good products and created a strong sense of well-being. As far as decision-making, reprimands, responsibilities, duties, salary and risks are concerned, managers are different from employees. However, all workers share and fight for the same ultimate goal: the prosperity of businesses, communities, families and the fulfillment of their dreams.

Entrepreneurs, directors and employees have different roles set by corporate hierarchy and contracts; however, *philia* and implicit mutual agreements (as important as contracts) can bring them together as equals. This corporate solidarity can bring a humane and pleasant life to all. Equality within companies allows people to reach their full potential. Relations among equals produce true happiness; the eye to eye contact between men (Adam) and women (Eve) fills them with joy and wonder. If formal and vertical relations replace *philia* within organizations, the joyful and entertaining atmosphere disappears.
Company parties are very useful and, unfortunately, very rare. Bosses play around, drink and eat with workers, bringing everyone together. If they do not engage with their workers, then even Christmas celebrations can reinforce distinctions, hierarchy and privilege. Although hierarchy is essential when managing a sinking ship, it is not the most effective way out of crises. During times of calm, companies and communities must invest in philia and reciprocity. A vertical structure can save companies and communities from hardship, but they need the workers' hearts and souls to overcome great crises. Contracts and organization charts can't assure this as well as informal pacts. Philia is stronger than blunt commands - although it is more familiar and "contaminated" -; it bears moral power, which is collectively recognized. This power, built on everyday experience, comes from the awareness of people's common fragility and vulnerability.

Farmers and women of the past (and the present) are familiar with this invisible power. Philia transforms hierarchy into a more humane, brotherly and stronger structure. Like in Adriano Olivetti's businesses, this strength springs from the corporate operations, governance, rules and fair wages that are inspired by philia. Friendly and generous entrepreneurs are stronger than unsociable privileged bosses. Despite that, business schools don't teach these qualities. Capitalistic professors condemn and discourage friendship and solidarity; they consider these to be abilities for "losers". However, these attributes are like birch trees, which seem very frail but are stronger than the robust pines when resisting stormy winds. The world's stormy economy and tormented civil society exhort us to investment in personal relations and in a new organizational culture. We need to appeal to the power of birch trees.

Translated by Cristian Sebok