

## Relations industrielles / Industrial Relations



**The Case for Economic Democracy, By Andrew Cumbers (2020)**  
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economy. The problem with this measure is that too much aggregation hides or distorts strengths and weaknesses. The vast reduction of price for most technology and the absolute increase in utility indicates that there is much more strength in the economy than would be suggested by a mere reference to slower increases in Gross Domestic Product.

In fact, I would go further than Philippon; we have created two economies: one static and based on rent seeking and the other dynamic and rent creating. The largest problem in our political discourse is that we treat all corporate and economic failure as market driven problems when it is the result of rent seeking. Often, these problems are a failure of both corporations and big government working together. Philippon's book is an important step in the right direction.

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**The Case for Economic Democracy**

By Andrew Cumbers (2020) Cambridge, UK/  
Medford, Mass., USA: Polity Press,  
140 pages. ISBN: 978-1-509-53384-8.

Broadly held power has been declining since at least the early 1980s when the bright flowering of the more egalitarian initiatives and policies that had sprung up in the decades after World War II began to go into eclipse. Economic and political forces, commonly classified under the rubric of "neoliberalism", came into play that resulted in money and power flowing to the few and away from the many. The "few" whose power grew ever greater, proved to be rapacious and focused on gathering in "more and more" irrespective of its impact on the environment, sending world climate and ecology into an accelerating downward spiral. The unresponsiveness of governments to the declining

wellness and prosperity of the working and middle classes led to authoritarian regimes springing up around the globe. Crises of "climate change, economic inequality and democracy" were upon us and all of that, before Covid-19 further complicated and worsened things.

*The Case for Economic Democracy* by Andrew Cumbers, professor of Regional Political Economy at the University of Glasgow's Adam Smith Business School, is the latest in a series of publications that put forth some version of "Economic Democracy" as the antidote to these doldrums.<sup>1</sup> The title of this book leads one to expect a well-thought out and documented thesis. Instead, the author's "case" is stated very briefly in a few lines:

Accessing the economic resources to lead decent lives, doing so in a way that is fair to others, and sustainable in caring for the planet and future generations, should surely be the core of our discussions about democracy. Given the central importance of the economy in providing the resources necessary for a society to flourish, the decision making around these resources should be a matter for public engagement and democratic debate.

Attempts to move in that direction in the 20<sup>th</sup> century collapsed, Cumbers reports, under a wave of neoliberal policies which produced the crises outlined above. Twentieth century initiatives, although they had some positive results, were too narrowly focused on "industrial democracy" or "workplace democracy." Cumbers agrees that these "spheres" continue to be a "critical concern," but what is needed, he tells us, is a "broader and more holistic view" of the nature of "economic democracy."

His plan for materializing that view calls for the reformation of contemporary economies according to what he refers to as "three pillars", that is: 1- individual economic rights; 2- "collective democratic

ownership of firms and property"; and 3- public involvement and participation in decision-making.

Under individual economic rights one might have expected a discussion of the *International Labour Organization's Fundamental Principles and Rights at Work* or even more broadly the *UN's Universal Declaration of Human Rights* and especially the economic rights (such as the right to work, education and housing) championed by the Communist nations during the cold war as opposed to the civil rights (the right to vote, free speech and free press) universally accepted (in theory, if not always in practice) by the liberal democratic West. Although, in a way, he does. His primary example of an individual economic right is the Universal Basic Income. His argument in favour of it is based largely on the work of the late Eric Olin Wright. Unfortunately, Cumbers does little more than list a series of bullet-points that summarize Wright's work. Under this heading Cumbers also mentions progressive taxation, a minimum living wage and a reduction of hours all of which, he argues, would enhance individual economic rights.

Under his second pillar of democratic ownership of firms and property, his proposition is that we need "a shift away from the corporate or privately-owned firm towards collective forms of ownership that provide self-governance of labour." Towards this end, he offers a smorgasbord of possibilities to the would-be reformer including with regard to finance: "national, regional and local state banks for industrial policy/economic development;" utilities operated according to a "combination of local municipal ownership and national state infrastructure ownership;" and housing provided by "local municipal ownership and resident cooperatives." Employee ownership, he suggests, might be required in services such as hairdressing and restaurants with more than 20 employees. Cumbers makes little or no effort to expand upon these concepts.

Concrete examples of what he has in mind under this second pillar are the Yugoslavian system of "self-managed worker enterprises" that, he says, worked "very well through the 1960s and 1970s." Unfortunately, he offers no substantial review of the history and performance of that system nor what it would take to successfully resurrect it under contemporary conditions.

Examples of other contemporary practices that fit into this category are a bank in Costa Rica whose governing body is "a democratic assembly of 290 representatives elected from different economic and social sectors among the bank's member owners..." and Denmark's "cooperative" renewable energy strategy under which "around 10% of the population were involved in the ownership of wind turbines." Also referred to approvingly are recent efforts in a variety of countries to "remunicipalize various services" that had been privatized as the result of neoliberal ideology.

Under his pillar three, for examples he offers up participatory budgeting, citizen committees on macro-economic policy and in Ireland and Iceland citizen advisory bodies on the creation of new constitutions. He commends these last two examples even though their most robust proposals did not make it into practice. He also sees unions and collective bargaining functioning under this pillar. The trade union movement, Cumbers declares, "remains a crucial political actor for securing the kinds of changes desired here" but he offers no blueprint for union renewal and broad-based collective bargaining.

In his concluding chapter, Cumbers offers this comment:

A project for a radical anti-capitalist economic democracy must...seek to work through and reclaim the state while continuing to foment new autonomous spaces outside it. This would require working with those in existing

left and green political parties that share the aspiration to build a more democratic and egalitarian economy, whether this is labelled anti-capitalist or not, and recognizing the difficulties of becoming incorporated into existing elite projects and overcoming complicit trade union and social democratic actors.

The audience for whom this short (140 pages) book is apparently intended are those who, like him, consider themselves “radical anti-capitalist economic democrats.” The author wants them to work with political entities that challenge the status quo while seeking to put an end to “existing elite projects” and “complicit” trade unions and social democrats. Cumbers presupposes his readers are well versed in these issues because, other than citing some British literature, he says very little otherwise about them.

Most of the literature on “Industrial Democracy” or “Workplace Democracy” focuses on the revision of economic enterprises by way of some combination of collective bargaining and statutory change to worker and community participation in corporate governance. In this book, Andrew Cumbers provides a broader vision of what is required for modern economies to be truly and thoroughly democratized. Unfortunately, he offers only a broad outline and several lightly documented examples of what the final product might look like. This approach has promise but a lot of work remains to be done.

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**Note**

- 1 See, for example, Isabelle Ferreras (2017) *Firms as Political Entities: Saving Democracy through Economic Bicameralism*, Cambridge: Cambridge University Press; Elizabeth Anderson (2017) *Private Government: How Employers Rule Our Lives (and why we don't*

*talk about it)*, Princeton: Princeton University Press, (both recently reviewed in *R/IR*). See also Rafael and Juan Gomez (2016) *Workplace Democracy for the 21 Century, Towards a New Agenda for Employee Voice and Representation in Canada*, Broadbent Institute; Roy J. Adams (2016) *Economic Democracy Now: Why Liberal Democracy's Best Chance for Survival is the Establishment of Universal, Effective Economic Democracy*, Director's Debate Series, online at <<https://cirhr.library.utoronto.ca/digital-collections/directors-debate-series/>>; Work: Democratize, Decommodify, Remediate, A Manifesto, written by Isabelle Ferreras, Julie Battilana, Dominique Meda and 3000 others, published on line at <<https://global.ilmanifesto.it/democratizing-work/>> and in periodicals around the globe on 15 May 2020; Sharon Block and Benjamin Sachs (2020) Clean Slate for Workers Power, Building a Just Economy and Democracy by, a project of the Labor and Worklife Program of Harvard Law School (online at: <<https://www.cleanslateworkerpower.org/>>).

**A Primer on American Labor Law**

By William Gould IV (2019) Cambridge: Cambridge University Press, 300 pages.

ISBN: 978-1-10845-889-4.

The latest edition of Professor Gould's primer on American labour law follows the path and theme laid out in the first edition nearly 40 years ago. In response to feedback from both union and employer representatives in the U.S. and government officials, and other industrial relations specialists abroad, Gould set out to write a book providing a basic outline of the American labour law system. The preface contains a summary of significant developments since publication of the previous edition including, for example, the landmark *Janus* decision of U.S. Supreme Court, which held that non-union dues-paying employees or non-union members in the public sector “have a First Amendment Right under the Constitution not to pay dues as a condition of employment”. It also includes a new chapter on collective bargaining and dispute resolution in professional sports.