

Tom Malleson

After Occupy: Economic Democracy for the 21st Century

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Compared to most contemporary social science literature *After Occupy* is an unusual book. It not only provides an incisive critique of society generally and the world of work specifically; but also provides a radical and achievable alternative. The normative principles which guide the research are explained and justified in a refreshingly upfront manner, providing the book with a clear purpose and sense of direction which make for a highly engaging read. The book makes three important contributions: first a philosophical case for economic democracy, second an extensive overview of the theoretical and empirical evidence regarding economic democracy and finally an integrated vision of a democratic alternative to capitalism. It is, therefore, difficult to convey the scale of the book's ambition.

The book begins with a critique of democracy within the major schools of political philosophy. Malleson strongly criticises classical liberalism before arguing that while the democratic principles of left liberalism / social democracy are sound they have been unjustifiably constrained to the political sphere and must be extended into economic life. Classical Marxism on the other hand has been wedded to state ownership and central planning which Malleson holds to be insufficiently democratic. Anarchism, meanwhile, is criticised for its inherent infeasibility – principally the cost to efficiency of total equality in decision making. The book's guiding principles are, therefore, the maximisation of equality in freedom from tyranny and freedom to self-determination within a framework of 'radical realism.' Accordingly, radical change must be achievable within one young adult's remaining lifetime (about 50 years) without recourse to utopian 'after the revolution' type arguments. These guiding principles are then applied to three economic areas: workplaces, markets and finance/investment.

The workplace section begins with the democratic case for why most workers should have the right to transform their workplaces into co-ops – the exceptions being public services where wider accountability is needed and capital intensive industries where the costs would be prohibitive. In such cases democratic co-management with community representatives is deemed the best solution. A review of the extant theoretical literature regarding worker co-op performance is undertaken but finds little consensus. Some studies predict co-ops will be unresponsive to market changes, suffer underinvestment, lack discipline and innovation, and tend to degenerate into capitalist firms due to market pressures, while others predict the opposite. In order to overcome these contradictory predictions, Malleson undertakes the 'most up-to-date review of the empirical literature on worker co-ops' (p.56). This starts with in-depth accounts of the two most successful worker co-op movements, Mondragon in Spain and La Lega in Italy, before turning to an extensive review of evidence from smaller examples. Malleson concludes that if co-ops remain pragmatic, for example, they elect managers rather than making decisions collectively, retain a division of labour based upon specialisation rather than sharing tasks and rotating jobs, then they can 'operate with levels of economic efficiency that are comparable to conventional firms' (p.75).

The second section deals with democratising the market. The argument is simple: true democracy would require every citizen to have the same amount of 'dollar votes' and therefore equality, as far as economically possible, is essential. The state also has an important role to play in regulating externalities and providing institutional supports for co-ops. Here Malleson provides a strong yet concise exposition of a Polanyian view of market embeddedness and a debunking of the inevitability of the 'race to the bottom.'

The third section is perhaps the most controversial as it argues that finance and investment are of such central importance that they must be democratised. Despite the prevailing neo-liberal view, Malleson provides empirical evidence of the effectiveness of capital controls. Another controversial argument is that, as long as the economy and wages are growing, inflation of up to 20% is not economically damaging or harmful to workers. Public Community Banks and participatory budgeting are suggested as means for democratising investment.

The final section seeks to provide an overview of how these aims could be achieved within the next 50 years. A central instrument would be a modern 'Meidner Plan' whereby around 20% of private bank and firm profits would cumulatively be placed in Public Community Banks or employee trusts which could buy out firms and transform them into co-ops. Equality and state spending would also incrementally increase through higher progressive taxation (eventually to around 60% of GDP). These funds would directly finance worker co-ops, Public Community Banks and local participatory budgets, as well as greater welfare provisions.

Some will question the realism of these proposals and a few even their radicalism. This book should be seen by sceptics as an invitation to join a conversation about how our democratic values can be best realised. The accessible and engaging nature of the book makes it an excellent reference for academics and students, as well as activists, interested in alternative economics.