

# ALTERNATIVE APPROACHES

# A THOUGHT EXPERIMENT FROM [ELIZABETH ANDERSON](#)

**Imagine a government that assigns almost everyone a superior whom they must obey. Although superiors give most inferiors a routine to follow, there is no rule of law.**

- Orders may be arbitrary and can change at any time, without prior notice or opportunity to appeal.
- Superiors are unaccountable to those they order around. They are neither elected nor removable by their inferiors. Inferiors have no right to complain in court about how they are being treated, except in a few narrowly defined cases. They also have no right to be consulted about the orders they are given.
- There are multiple ranks in the society ruled by this government. The content of the orders people receive varies, depending on their rank. Higher- ranked individuals may be granted considerable freedom in deciding how to carry out their orders, and may issue some orders to some inferiors. The most highly ranked individual takes no orders but issues many. The lowest ranked may have their bodily movements and speech minutely regulated for most of the day.

**This government does not recognize a personal or private sphere of autonomy free from sanction.**

- It may prescribe a dress code and forbid certain hairstyles.
- Everyone lives under surveillance, to ensure that they are complying with orders.
- Superiors may snoop into inferiors' e-mail and record their phone conversations.
- Suspicion-less searches of their bodies and personal effects may be routine. They can be ordered to submit to medical testing.
- The government may dictate the language spoken and forbid communication in any other language.
- It may forbid certain topics of discussion.
- People can be sanctioned for their consensual sexual activity or for their choice of spouse or life partner.
- They can be sanctioned for their political activity and required to engage in political activity they do not agree with.

**The economic system of the society run by this government is communist. The government owns all the nonlabor means of production in the society it governs. It organizes production by means of central planning.**

- The form of the government is a dictatorship. In some cases, the dictator is appointed by an oligarchy. In other cases, the dictator is self- appointed.
- Although the control that this government exercises over its members is pervasive, its sanctioning powers are limited. It cannot execute or imprison anyone for violating orders. It can demote people to lower ranks. The most common sanction is exile.
- Individuals are also free to emigrate, although if they do, there is usually no going back. Exile or emigration can have severe collateral consequences. The vast majority have no realistic option but to try to immigrate to another communist dictatorship, although there are many to choose from. A few manage to escape into anarchic hinterlands, or set up their own dictatorships.

# ARE THERE ALTERNATIVES?

- **Why think about alternatives?**
  - Rising [income](#) inequality, [poverty](#) and [wealth](#) inequality, [decoupling](#) of wages and labour productivity
  - Alleviation of suffering, promotion of flourishing
- **What to consider when formulating alternatives?**
  - Freedom & Democracy
  - Equality
  - Feasibility

# APPROACHES

- **Unitarist**
  - Conflict the result of poor management
  - Can unite employer-employee interests through proper management Freedom to contract and property rights over labour allow workers to leave bad situations/discipline bad managers and firms
- **Pluralist**
  - Employers and employees have a mix of conflicting objectives inherent to the capitalist employment relationship
  - Can achieve compromise on some objectives through rules, procedure
- **Radical**
  - Employment relationships inherently and deeply conflictual and unstable
  - Capitalism tend towards crisis, undermines democracy/justice, and merits fundamental reform

# UNITARIST APPROACHES

- Human relations management
- High performance work organizations
- Job and organization design
- Appropriate job matching

~ Institutional economics: ensure freedom of contracting and limitation of market power (i.e. break up or regulate monopolies)

# PLURALISTIC APPROACHES

- Grounded in idea of *industrial democracy*
  - Organizations = governments with a plurality of interests
  - Owners, managers, employees, consumers, communities all have a legitimate interest in the operations and outcomes of the firm
  - Should be governed by processes, procedures, and laws that balance this plurality of interests
    - “attempts to involve workers in a much wider range of decisions within the organization, applying the principles of representative democracy found in the political arena to the workplace” (p. 387 of text)
  - Workers “have a voice” at work-group level and through elected representative on corporate boards
  - Workers involved in decision making
- i.e. modern industrial relations systems



## PLURALISTIC APPROACHES

- Extension of economic, social, and human rights to the workplace
  - Rights that apply to individuals regardless of their status in the workplace that ensure a basic level of economic freedom, that facilitate social and political participation
  - *Decommodification*: "degree to which individual, or families, can uphold a socially acceptable standard of living independently of market participation" (Esping-Andersen 1990)

# PLURALISTIC APPROACHES

- Varieties of capitalism in industrialized democracies that (de)emphasize different conflicts or forms of division
  - Decommmodification; Solidarity; Redistribution

<i>The Three Worlds of Welfare Capitalism</i>					
<i>Type of Regime</i>	<i>Proto-typical Countries</i>	<i>Philosophical Basis</i>	<i>Degree to Which Labor is Decommmodified</i>	<i>Entitlement Based On</i>	<i>Type of Public/Private Mix</i>
Liberal	Australia Canada United States	Classical Liberalism	Low	Need	Market dominated/ residualist
Corporatist	Austria France Germany	Conservative Social Policy	Moderate	Contribution	State Dominated/ Occupational Related
Social Democratic	Denmark Sweden Holland	Socialism/ Marxism	High	Citizenship	State Dominated/ Universal

## BRIEF HISTORY OF INSURANCE/POOR RELIEF

- Relief systems structure the extent to which labour has options outside of the market → design often aimed to encourage market work or enforce some sort of control
- The 1349 'Statute of Labourers'
  - The first national-level Poor Law
  - In response to acute labour shortage after Bubonic Plague
  - Clearly aimed to prevent workers from exploiting labour shortage

## BRIEF HISTORY OF INSURANCE/ POOR RELIEF

- 1601 Elizabethan Poor Laws
  - In response to growing labour *surplus* and consequent vagabondage, social unrest
  - First system imposing taxes on the non-poor to finance local poor relief
  - Indoor and outdoor relief strictly tied to county/parish residence in order to restrict movement of idle (=dangerous) labourers
  - Culminating in 1795 Speenhamland System at same time as Anti-Combination Laws (1799)—the era of the French Revolution
- 1800-1834: Campaign to Repeal the Poor Law
  - Use of new arguments for capitalism (Smith, Ricardo) to create 'free' labour force
    - Both to 'free' them from dependency and moral decay
    - *And* to help produce unprecedented economic growth
  - Malthus: poor relief leads to overpopulation
  - Result: Poor Law Reform Bill 1834: [Dickensian](#) workhouses *forcing* labour to be 'free'

## “OFFICIAL” BEGINNING OF THE MODERN WELFARE STATE

- 1871: Bismarck’s social insurance programs (starting with industrial accidents)
  - Followed right after the unification of Germany (to bolster the political power of the Prussian center)
  - Meant to *counter* the growing power of the labour movement
  - *Not* redistributive because occupation-based insurance

# INTRODUCTION OF SOCIAL INSURANCE

	industrial accident	health	pension	unemployment	family allowances
Australia	1902	1945	1909	<b>1945</b>	1941
Austria	1887	1888	1927	1920	<b>1921</b>
Belgium	1903	1894	1900	1920	1930
Canada	<b>1930</b>	<b>1971</b>	1927	<b>1940</b>	1944
Denmark	1898	1892	1891	1907	1952
Finland	1895	1963	<b>1937</b>	1917	1948
France	1898	1898	1895	<b>1905</b>	1932
Germany	<b>1871</b>	<b>1883</b>	<b>1889</b>	1927	<b>1954</b>
Italy	1898	1886	1898	1919	1936
Netherlands	1901	1929	1913	1916	1940
New Zealand	1900	1938	1898	1938	1926
Norway	1894	1909	1936	1906	1946
Sweden	1901	1891	1913	1934	1947
UK	1897	1911	1908	1911	1945
USA	<b>1930</b>	<u><b>2014</b></u>	1935	1935	-

## PLURALISTIC APPROACHES

- Balance of power (both within and outside) the firm between groups will impact outcomes of bargaining and level of participation
- Reform agenda implemented not only through collective bargaining but also through broader political action
  - i.e. [links](#) between the Canadian Labour Congress/labour unions and the NDP; sectoral/business interests with liberal/conservative parties

# PLURALISTIC APPROACHES

- Implementation of industrial democracy in North America
  - Work councils
    - Post-WWI
    - Include elected workers and management representatives
    - Health and safety issues, workers' grievances, efficiency, wages
    - Councils instead of unions?
- More interest during times of labour unrest
  - e.g., post-WWII, 1970s
  - Unions mostly favored wage/benefit negotiation over workplace control

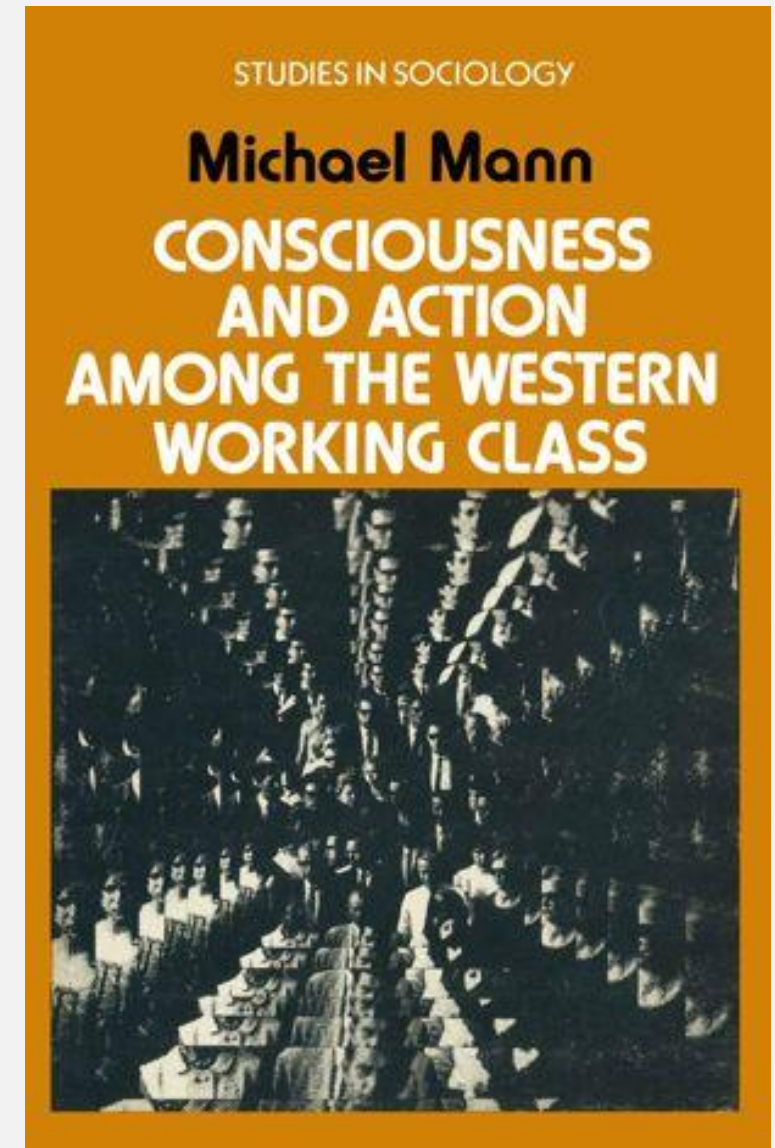


# PLURALISTIC APPROACHES

- **Germany**
  - Introduced by legislation (instead of management)
  - Codetermination: Work councils with right to advise management on workplace regulations
    - Councils mandatory in any workplace with more than five employees
    - Shared decision making with management representatives
    - Employers consult workers before big changes
  - Dual representation system (unions and councils)
- **Sweden**
  - Concern over strikes/social unrest led to codetermination
  - Industrial democracy as a “national goal within a much broader policy of commitment to reduced inequality and full employment” (p. 390 of text)
  - Worker representation on corporate boards
  - Employers negotiate with unions before major decisions

# RADICAL APPROACHES

- Fundamental reconfiguration of power alignments away from private ownership/control and towards public ownership or control
- Why emphasis on reform over radicalism?
- Mann's (1970) comparative study
  - Dual consciousness
    - “Compartmentalizing” work experiences
  - Explosions of consciousness
    - Strikes and short-term solidarity
    - Momentum?



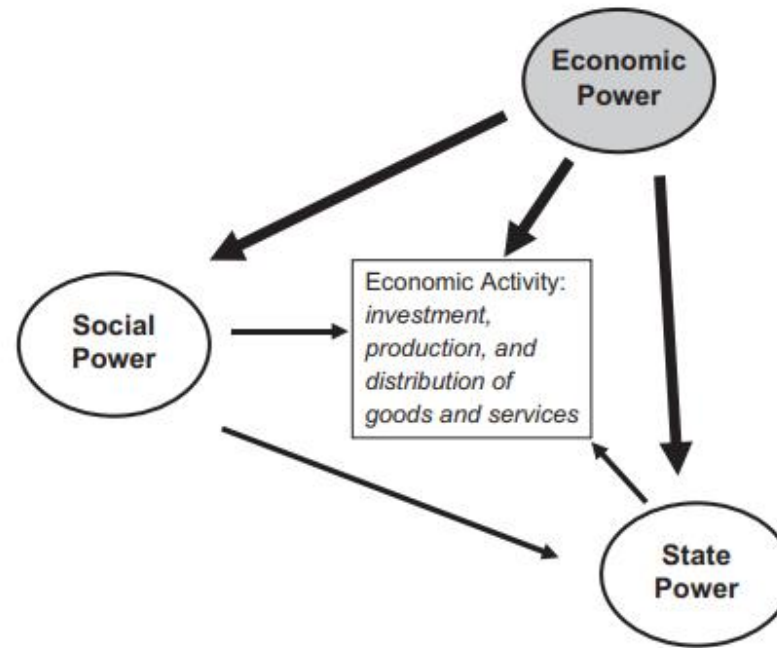
# ERIK OLIN WRIGHT'S REAL UTOPIAS PROJECT

- Recognition that Marx's predictions did not strictly bear out coupled with attempt to reconcile conservative (Hayek) critique that large-scale intentional social transformation could have great unintended negative consequences
- Components
  - Moral principles
  - Diagnosis and critique of existing institutions
  - Development of viable alternatives
  - Theories of transformation

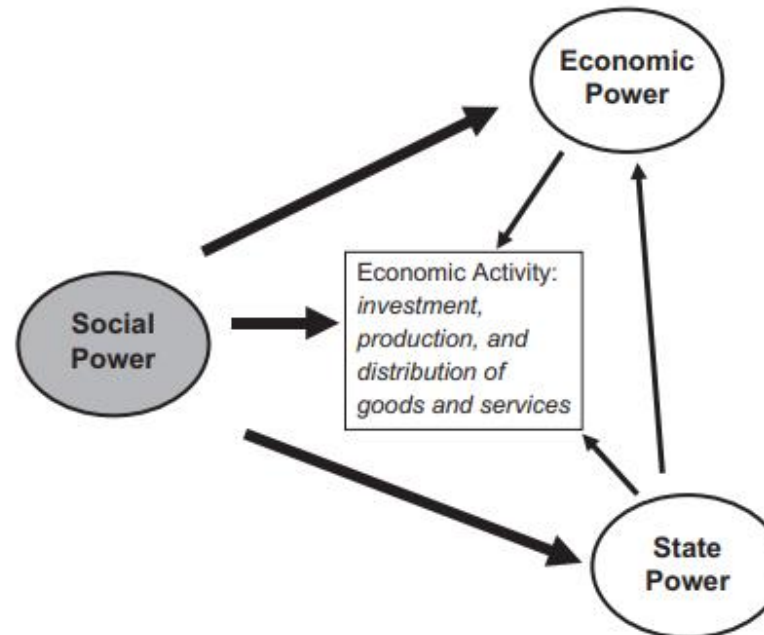
# ERIK OLIN WRIGHT'S *REAL UTOPIAS* PROJECT

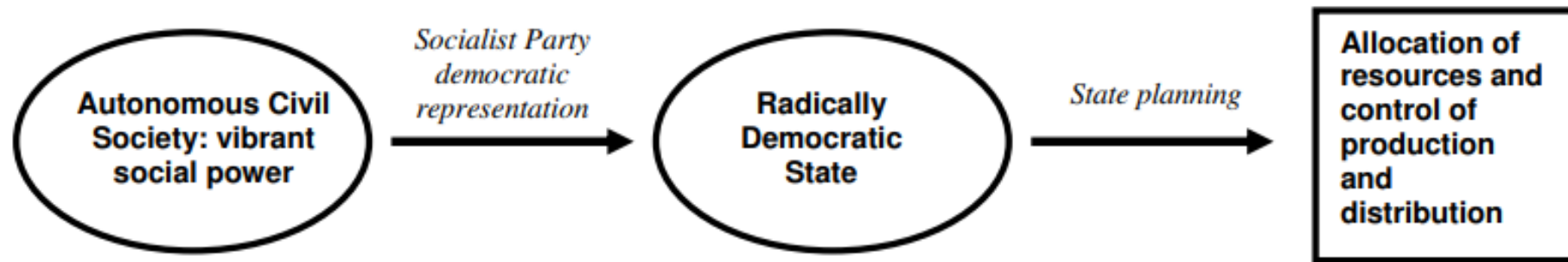
- Three kinds of power
  - Economic: control over economic resources
  - Social: capacity to motivate people for cooperative, voluntary action
  - State: control over rule making and enforcing over a territory
- Three kinds of economic systems
  - Capitalism: control exercised through economic power
  - Statism: state officials control investment and production through administrative mechanism
  - Socialism: economy is democratically controlled by social actors

**Configurations of Capitalist  
Empowerment**



**Configurations of Socialist  
Empowerment**



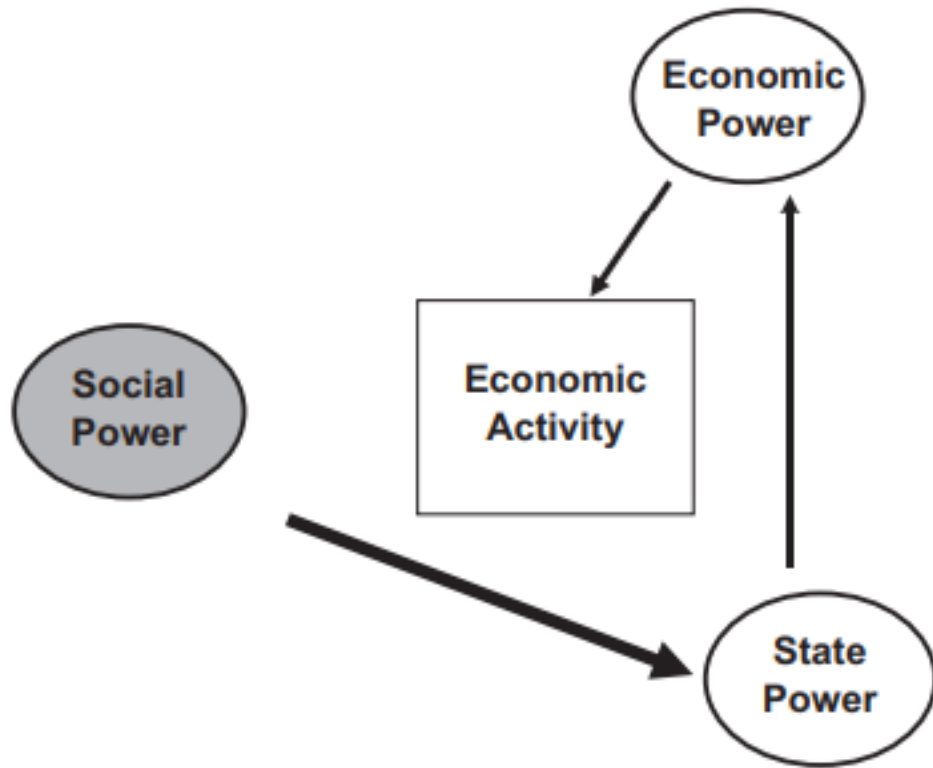


**THEORETICAL MODEL OF DEMOCRATIC STATIST SOCIALISM**

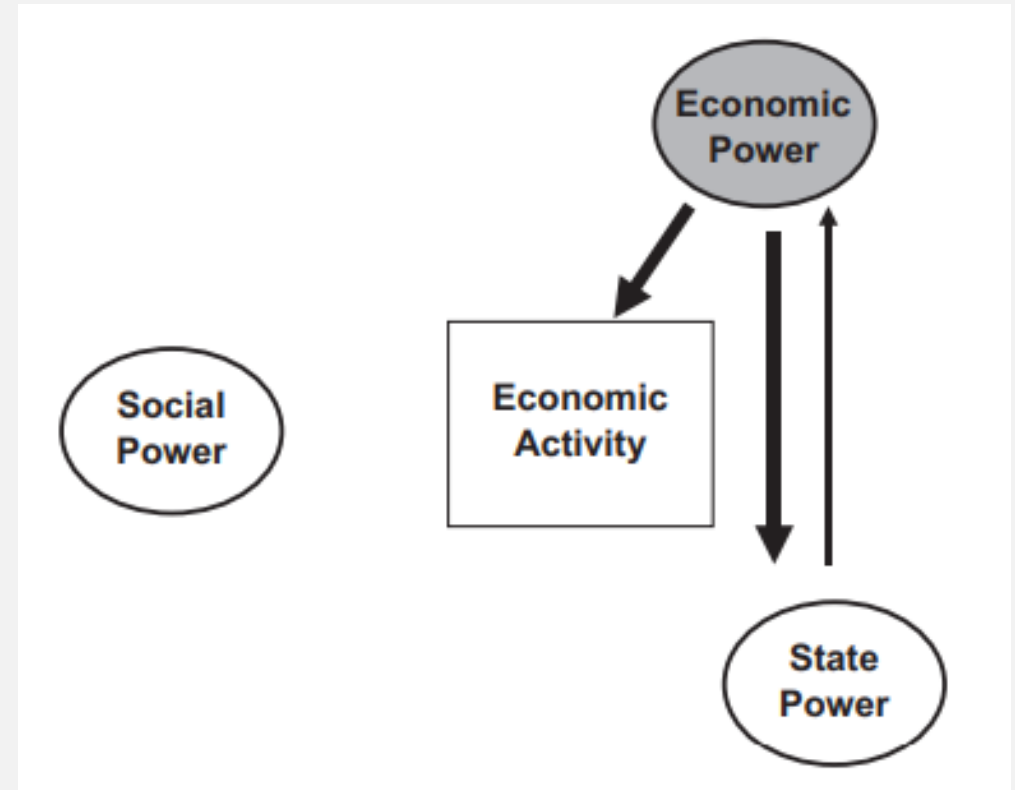


**CHARACTERISTIC HISTORICAL OUTCOME OF REVOLUTIONARY STATIST SOCIALISM**

## POSSIBLE ALTERNATIVES

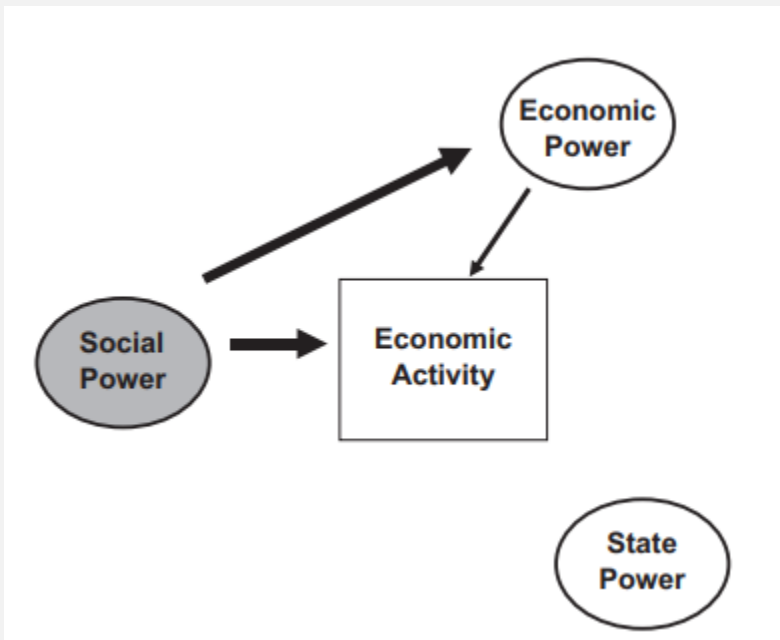


Social Democratic Statist Regulation



Capitalist Statist Regulation

## POSSIBLE ALTERNATIVES: WORKER CO-OPS



- Producer Co-ops: Collective ownership and production
  - Distinct from consumer, housing, or marketing co-ops
- One person, one vote
- Only members can own shares, benefit
- i.e. [Mondragon](#)