

- Pasinetti L (1998) The myth (or folly) of the 3% deficit/GDP Maastricht 'parameter'. *Cambridge Journal of Economics* 22(1): 103–116.
- Piketty T (2017) *Capital in the Twenty-first Century* (trans. A Goldhammer). Cambridge, MA: Belknap Press of Harvard University Press.
- Reati A (1994) Book review: new developments on structural change and the labor theory of value. *Review of Radical Political Economics* 26(4): 118–131.
- Sylos-Labini P (1969) *Oligopoly and Technical Progress*. Cambridge, MA: Harvard University Press.

Andrew Cumbers, *The Case for Economic Democracy*, Polity Press: Cambridge, 2020; Viii + 140pp. ISBN (hbk) 9781509533848, AUD 73.95. ISBN (pbk) 9781509533855, AUD 20.95. ISBN (ebook) 9781509533862, AUD 16.99.

Reviewed by: John King, *La Trobe University, Australia*

Andrew Cumbers begins this vigorously argued and highly convincing book by pointing to one major case of the ongoing retreat from democratic control over the economy – the decision in the neoliberal age to make central banks 'independent' (of parliamentary control, not of the financial markets that they are supposed to regulate). In his brief 14-page introduction, he sets out his 'three pillars' of economic democracy. The first, and also the most neglected of these, is the centrality of individual rights:

The individual is largely missing from earlier conceptions of economic democracy, particularly workplace-based forms, which have tended to see it as a collective project on behalf of workers as a whole. This has been an error and a gift to those on the right who have been able to equate the individual, freedom and capitalism – around notions of private property rights – at the expense of the common good. (p. 12)

The second pillar is democratic and collective ownership of firms, resources and property rights in a 'mixed (markets and planning) economy', and the third is 'the need to widen and deepen public engagement and participation in decision making to cultivate a more democratic and deliberative political economy' (p. 13). Such a truly democratic economy would thus require the transcending of capitalism.

Before returning to these arguments in chapter 2, Cumbers devotes the 23-page chapter 1 to a brief history of 'economic democracy as industrial democracy' (the chapter's title). He emphasises the 19th-century struggles for cooperative ownership and management that found their late-20th century equivalent in the Meidner plan, which would have transferred ownership of all large corporations in Sweden to their workers within 35 years. But there was an important defect: in the Meidner plan, the corporation 'was to be controlled by the unions rather than by the workers themselves. As such, it lacked a deeper commitment to grassroots economic democracy' (p. 28). Cumbers extends this criticism to the many and varied achievements of what Thomas Piketty has called the '*trente glorieuses*' (the 30 glorious years of social democracy, 1945–c.1975):

The focus on collective worker rights had both a progressive and a darker side . . . without a commitment to the broader universal and internationalist principles of individual economic and social rights, this collectivism can turn into the protection of particular groups and interests at the expense of others. (p. 36)

The core of the book comes in chapter 2, the 41-page analysis of Cumbers' three pillars, which is neatly summarised in Table 1 (p. 39). Everything hinges on 'the socialized individual, who is part of a broader public concerned with the sustainable and fair reproduction of society' and not (as mainstream economics would have it) exclusively with their own individual incomes and consumption opportunities (p. 39). Instead, Cumbers follows Amartya Sen and Martha Nussbaum in stressing the importance of all citizens having the economic resources, competences and capabilities that they need in order to flourish. This establishes a strong *prima facie* case against substantial inequalities in income and wealth. He then draws on the work of the political economist and philosopher Daniel Ellerman, whose theory of 'labour property rights' he discusses at some length. Cumbers goes beyond Ellerman, however, in arguing that these rights need to be extended from the workplace into the economy more generally, to include domestic labour and to take account of the rise of the 'precarariat' in today's increasingly insecure and unstable gig economy. He concludes the chapter by citing four reasons why the state must be involved in any collectively based economy, which include the need to regulate natural monopolies and to exclude market relations from the provision of health, education and social care, and the requirement that all individuals have access to the basic essentials of life, whether they work in a prosperous democratically controlled enterprise or not. The chapter is neatly summarised in the three-page Table 2, which is entitled 'A diverse ecology of collective ownership in a democratically regulated economy' (pp. 63–65).

The 26-page chapter 3 deals with some of the issues involved in putting the three pillars into practice. For the first pillar, Cumbers is strongly tempted by the provision of a Universal Basic Income (UBI). He discusses Erik Ohlin's six arguments in favour of a UBI (pp. 81–83) before coming down in favour of AB Atkinson's slightly more restrictive version, the 'participation income' payable to all those who make 'a "social contribution" which can be broader than the labour market, including caring for dependents, training or educational enrolment' (p. 85). As for the second pillar, Cumbers invokes various examples of decentralised collective ownership, drawing on the recent experience of 're-municipalisation' of public services in Germany, the 'collectively owned renewables revolution' in Denmark and the (much better-known) Mondragon network of employee-owned enterprises in the Basque region of Spain. For the third pillar, he speculates on what would be needed to promote a 'deliberative and participatory economic democracy' that encourages people to think about these issues and express their informed opinions on a regular basis.

Little is added to these arguments in the 18-page concluding chapter, although there is an excellent summary in Table 3 (pp. 111–112) of 'the essential elements and institutional mechanisms' that Cumbers is proposing. He repeats his earlier, and to my mind entirely convincing, claim that the state cannot be excluded from any realistic and effective effort to 'free ourselves from the oppressive institutions of capitalism and top-down bureaucratic state management to create new institutions and organizations for collective

self-governance'. 'Tackling the three most important crises facing us – climate change, economic inequality and the crisis of democracy – require[s] complex multi-layered and multi-scalar solutions that cannot wish away the state, however problematic it is in its present form' (p. 117). Anyone who (like me) has been involved in discussions on zero growth, local self-provisioning and the prospects for a Green New Deal will know pretty much what is at stake in this controversial statement.

Given the book's small format and large type, I suspect that the 122 pages of text amount to rather less than 25,000 words – it is really more of an extended essay than a book. I hope that a much larger volume is in preparation, and that Cumbers will deal at some length there with the many interesting questions that are barely touched on here. Just one example, I would like to know much more about his attitude to the ex-Yugoslav experience with economic democracy, which gets one brief and unfavourable mention (p. 47), followed by a slightly longer and less critical account of its successes in the 1960s and early 1970s (pp. 55–56). There are many similar lacunae. But this book is a really very good start.

Shelley Marshall, *Living Wage: Regulatory Solutions to Informal and Precarious Work in Global Supply Chains*, Oxford University Press: Oxford, 2019; xix + 219 pp., ISBN 9780198830351, AU 197.50 (hbk), ISBN 9780192566010, AU 138.26 (ebook).

Reviewed by: John E King, *La Trobe University, Australia*

The 10 chapters of this important and scholarly book in the Oxford Labour Law series fall into three parts. The first (chapters 1–3, pp. 1–50) establishes the case for comprehensive and effective regulation of informal work, and sets out the general principles that would allow this to be attained. The second (chapters 4–7, pp. 51–121) provides four detailed single-country case studies of the exploitation of precarious workers in India, Australia, Bulgaria and Cambodia. The third (chapters 8–10, pp. 122–192) provides a precise and detailed discussion of the models of institutional change that the author proposes in order to overcome informality in employment and greatly improve the economic conditions of the precarious workers who are damaged by it. There is a very useful 18-page bibliography.

Shelley Marshall has undergraduate degrees in Arts (specialising in Social Theory and Political Science) and Law, and a Masters in Development Economics (with a focus on economic policy). Not surprisingly, her approach is quite explicitly a multidisciplinary one. This is dictated by the nature of the problem, which 'has multiple causes at different levels – global, regional, national, local and individual', so that 'the regulatory techniques should also be multiple and dynamic, working at different levels' (p. 18). Marshall employs what she describes as 'a historical institutionalist approach', which dictates the use of different methods drawn from several academic disciplines, including political economy and ethnography (pp. 42–49).

She employs this approach to very good effect in her Australian chapter, based on extensive interviews with home-based outworkers of Vietnamese origin to establish 'why they began working at home in the apparel industry, and why they became stranded in this