

Jobs of Our Own: Building a Stakeholder Society

Race Mathews

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Reviewer: Ian Barns, Murdoch University

Since the collapse of the old Soviet Union and its European satellites, it has seemed that free market capitalism reigns supreme. The neo-liberal 'Washington consensus' now dominates the public policy agenda and the development agenda throughout the world. Australia included. Over the past two decades we have witnessed the deregulation of the Australian economy, significant reduction of tariff barriers and an opening up of the Australian economy to international competition, the deregulation of the labour market, reductions in government spending and a far-reaching programme of the privatisation of public institutions.

No longer does the idea of 'socialism' - or even social democracy and a 'managed' economy - provide a plausible alternative to free market capitalism. The market rules. Moreover, we are currently enjoying an era of sustained economic growth, catalysed by radical and rapid developments in new technologies. In the view of many economists and public policy makers the major challenges our nation faces are basically technical ones to do with ensuring the appropriate settings (inflation, interest rates etc) for sustained capitalist growth. To be sure, there are secondary 'social questions' resulting from increased inequalities, greater economic insecurities and social dislocation. These however are residual problems whose solution is to be found within the framework of a well-managed, dynamic free market economy.

Nevertheless there are plenty of doubters around who consider the dominant neo-liberal order unjust and unsustainable, socially, politically, environmentally and even economically. From the highly visible protesters against 'globalisation' in Seattle and elsewhere to a diversity of small scale grass roots cooperatives, a lot of people are looking for another way of organising economic life. With the death of state socialism as a credible alternative the search is on for a 'third way', involving the recovery of some kind of communal, social or civic framework which can resist the powers of both the oppressive state and the disruptive market.

Race Mathews' book, *Jobs of Our Own: Building a Stakeholder Society* is a valuable contribution to this search. Mathews discusses the historical origins and more recent developments of 'distributism', a political philosophy which makes the dispersed ownership of property and work a basic principle for the ordering of social and economic life.

Mathews tells the story of the origins of distributism in British socialist thought and in Catholic social teaching in the late 19th century, its development as a social vision by Gilbert and Cecil Chesterton and Hillaire Belloc in Britain in the 1920s and 1930s and then its more recent practical expressions in the Antigonish movement in Canada in the 1930s and in the remarkable Mondragon cooperatives which were started in the Basque region of Spain in the 1930s and continue to this day. Mathews argues that Mondragon's 'evolved distributism' (with its over 100 cooperatives and total

employment of over 30,000 and annual sales of US\$6 billion) demonstrates that distributism can survive and flourish in the hostile environment of global capitalism. He is even hopeful that Blair's New Labour in Britain could bring about a more distributist political programme in Britain itself.

The book will be of particular interest to those interested in the history of distributist thought and practice in the twentieth century. Despite Mathews' claim that distributism provides a genuine alternative to contemporary capitalism, his book is primarily a detailed historical study of the life and times of the early British distributists and the people who developed the Antigonish and Mondragon cooperative enterprises. Much less space and attention is given to the challenges and contexts of applying cooperative and distributist ideas in the contemporary world.

I would like to have seen a more detailed discussion of the challenges and prospects for the application of distributist and cooperative ideas in the world of contemporary capitalism. How has the shift away from Fordism, an institutional order structured around the mass production of goods and services, to post-Fordism with its more flexible and dispersed – and increasingly globalised – systems of production affected the prospects for worker cooperative enterprises? In the late 1980s, in *Age of Democracy: The Politics of Post-Fordism*, Race Mathews' brother John regarded the emerging post-Fordist techno-economic paradigm as creating a 'window of opportunity' for the creation of a new 'associative democracy' movement. Unfortunately, by contrast, Race Mathews has not considered at all the implications, either positive or negative, of new capitalist production systems for distributism.

Certainly, the emergence of a more globalised and networked capitalism does pose significant challenges for the forms of 'evolved distributism' that Mathews is advocating.

First, in relation to Mondragon itself. It would have been good to have examined in greater detail how the Mondragon cooperatives have adapted to European economic integration and globalisation. Mathews is fairly brief and cursory in his discussion of the underside of the corporatisation of Mondragon activities, the increasing proportion of temporary or 'non-member' workers and the joint ventures between the Mondragon Cooperative Corporation (MCC) and conventional capitalist enterprises in production plants around the world. In response to the increasingly competitive global environment, in 1991 Mondragon managers decided that a more centralised decision making structure was needed and created the Mondragon Cooperative Corporation. Since then there has been significant internal opposition to this more corporatist approach. Is this just a problem of size and success – or does it mean that cooperative enterprises face a much greater challenge in embodying distributist and cooperative principles and practices within a neo-liberal late capitalist world? Tim Huet, director of the Center for Democratic Solutions in San Francisco who recently did a study of Mondragon, commented that, in response to the question why opposition voices are not being heeded by Mondragon managers: "From my exchanges with opposition leaders I would say another part of the answer is that the opposition is not confident it can provide an alternative – they worry MCC is correct that survival in the global market requires compromises of critical cooperative principles".

Second, in relation to the so-called ‘third way’ politics identified with the Blair Labour Government in Britain. The association between distributism and Blair’s Third Way is prominently displayed in Mathew’s book. The preface is by Peter Thompson, the Australian Anglican priest, described by Tony Blair as ‘the person who most influenced me’, and who describes Mathews as a Third Way ‘true believer’ whose book is ‘a testament to his continuing search for the Third Way in politics’. In the final chapter (adorned with a photograph of Blair which parallels the photographs of the various pioneers of the distributist movement which headed previous chapters) Mathews writes sympathetically and hopefully about Blair’s vision of a ‘stakeholder society’ as the return of distributism to its beginnings. With this foregrounding of Blair’s ‘stakeholder society’ and the so-called ‘Third Way’, one would expect a more extended critical discussion of what it has actually meant under a Blair government. To what extent has the Third Way simply represented a cooption of the labour tradition to neo-liberal globalisation, in which notions of ‘community’ and ‘mutual obligation’ have been deployed to mask the reduction of government services for the poor and the vulnerable and so on?

It would have been good if Mathews had also provided some discussion of the range of grassroots organisations, cooperatives, credit unions, community banks, permaculture associations and so on that continue to flourish around the world and embody in various ways the broad principles of mutualism, community economics and distributism. How significant are these groups as an alternative to the neo-liberal order? Do they offer a ‘credible alternative’ of the sort that Mathews’ believes that distributism can be? Do they provide the ideas and resources for a reform movement within contemporary capitalism? Or will they remain on the fringes of capitalist society, and be only likely to acquire a broader significance if and when the present ‘system’ collapses. What aims should they have? To quote Tim Huet again: “ I believe worker cooperatives have substantial economic potential today and a critical role in our future. The global industrial arena is not the only one worth fighting in. It is a postindustrial age and this provides new opportunities for cooperatives. Like the Italians [i.e. with its active network of worker cooperatives] we can utilize the community orientation of cooperatives to fill in the holes left by the decay of the old order and state... I harbor no illusions that cooperativism will gradually overtake capitalism in a “free market” competition. Only capitalism will bring down capitalism. When global capitalism gives way, we must be able to point to working examples of economic democracy, of local economies that continue to function and serve their communities...”

From a theological perspective, on the one hand Mathews’ book is an encouraging and challenging reminder that there has been a strong Christian tradition of concern and action in response to economic poverty, oppression and inequality. Mathews emphasises the importance of Catholic social teaching in the form of papal encyclicals such as *De Rerum Novarum*, the personalist philosophy of Catholic philosophers such as Jacques Maritain and Emmanuel Mounier, and the political thought of the English Catholic writers, the Chesterton brothers and Belloc in inspiring the distributist movement. Christian theology and practical pastoral concern also played a vital role in creating and sustaining the distributist initiatives in Antigonish and Mondragon.

These Christian examples challenge us to think more creatively about issues of poverty, unemployment and the like in our own world of a dominant neo-liberal capitalism. In my experience most Australian Christians uncritically accept and live within the dominant techno-economic framework. Some may lament the decline of public institutions and the waning of support for the poor and the disadvantaged, but can't imagine anything other than the dominant industrial system. Yet the more decentralist, grassroots and associative initiatives described by Mathews, and also flourishing throughout the world suggest that things can be done differently – at least at a micro level. Maybe our Christian faith should inspire us to think more creatively about an alternative economics?

Unfortunately, Mathews is not particularly interested in exploring such theological questions. For him Catholic social teaching has simply been a valuable resource contributing to a broader social agenda. He does not broach the question of whether such initiatives were simply an idiosyncratic response by some Christians who happened to be concerned with economic issues in a more communitarian way or whether they were expressing something that was integral to a living, orthodox faith.

It would certainly be highly contentious to suggest that something like distributism is the appropriate expression of an orthodox Christian faith. There are many powerful advocates, such as the American Catholic theologian Michael Novak, who argue instead for a basic affinity between Christianity and 'democratic capitalism'. In Australia, moral theologian Samuel Gregg who is a 'resident scholar' at the right wing think tank, the Centre for Independent Studies likewise defends the complementary relationship between Catholic social teaching and neo-classical economics.

I suggest that the issue is as much about basic approaches to Christian social ethics as it is about the moral significance of different economic systems. Mainstream approaches to social ethics have been 'Constantinian' insofar as they have assumed a common framework of 'public reason' to which Christians can provide 'Christian perspectives'. This is in contrast to the 'post-Constantinian' approach of theologians such as Milbank, Hauerwas, Yoder, Wannenwetsch, Yeago and Lindbeck have argued that the gospel entails an alternative public vision and that rather than the church being simply a voluntary association within the larger polity, it is that alternative polity which expresses the alternative narrative of the peaceable city of God.

I believe that there is an interesting and significant connection between such ecclesially centred conceptions of Christian social ethics and the more decentralist and cooperative form of economic life (of the kind discussed by Mathews) which seeks to recover a sense of the dignity of labour and production as well as equitable access to ever increasing levels of high technology consumption. To my knowledge, few of these theologians have followed through in any practical detail the idea of the distinctive political economy of ecclesial life within the context of late modern consumerism. Few have explored the economic significance of the call to be a eucharistic community.

One interesting possible example is that of the Catholic Worker movement in the United States, associated with Dorothy Day and Peter Maurin. The Catholic Worker movement is best known for its involvement with the poor and outcast in American cities. However its broader vision was of an alternative person-centred economics, which according to Mark and Louise Zwick was heavily influenced by the ideas of distributism in the 1930s. Another important figure linked to the Catholic Worker was Virgil Michel OSB who was instrumental in bringing the 'Liturgical Movement' to the United States in the 1930s. According to Keith Pecklers in his history of the US Liturgical Movement between 1926 and 1955, eucharistic worship was at the centre of the Catholic Worker response to poverty and inequality:

“As Day and Maurin were convinced of the image of the Church as Christ’s body, they were equally convinced that liturgy was the heart of such a body and the fountain of social activism. When the Catholic Worker was founded therefore, it was not simply concerned about feeding the homeless, noble as these tasks were. Nor was its primary concern the social education of workers. It was to be an organic community, grounded in the liturgy. Day delighted in the common elements of the Eucharist – bread and wine. Such physical elements were earthy, real, connecting the material with the spiritual.”

It is perhaps through the recovery of the ecclesially and liturgically centred social ethics represented by Michel, a theologically particular social ethics, that a more faithful Christian economic imagination might be recovered, an imagination which could respond to the challenge posed by Mathews’ book. This would entail a vision which did not see the liturgy and politics as distinct spheres which needed to be connected, but rather that in the performance of the liturgy itself, together we enacted – and began to discover in the Spirit of the gospel - a radically different form and vision of social life: a eucharistic economics.

Jobs of our own: Building a stakeholder society. Alternatives to the market and the state. Jan 1999. R Mathews. Mathews, R. (1999).
Jobs of our own: Building a stakeholder society. Alternatives to the market and the state. Stakeholder theory has been a popular
heuristic for describing the management environment for years, but it has not attained full theoretical status. Our aim in this article is to
contribute to a theory of stakeholder identification and salience based on stakeholders possessing one or more of three relationship
attributes: power, legitimacy, and urgency. By combining these attributes, we generate a typology of stakeholders, propositions
concerning their salience to managers of the firm, and research and management implications. ^ Mathews, Race, "Jobs of Our Own:
Building a Stakeholder Society," Sydney, Pluto Press (Australia), and London, Comerford & Miller, 1999. ^ Mathews, Race, "Australia's
First Fabians: Middle-Class Radicals, Labour Activists and the Early Labour Movement" Cambridge: Cambridge University Press, 1993.
^ Mathews, Race; Emy, Hugh; and Hughes, Owen; "Whitlam Re-visited: Policy Development, Policies and Outcomes", Sydney: Pluto
Press, 1992. ^ Mathews, Race, Burchall, David "Labor's Troubled Times," Sydney: Pluto Press (Australia), 1991. ^ Mathews,