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Elizabeth Anderson, **Private Government: How Employers Rule Our Lives (and Why We Don't Talk about it.** Princeton University Press, 2017, $27.95 hardcover.

This is both an important book which raises a key issue and one which simply states the obvious. It is both a well-researched work and one which ignores a school of thinkers who were pioneers on the subject. It is one which both challenges assumptions and takes them for granted. In short, it is both perceptive and frustrating.

Elizabeth Anderson is a professor of philosophy and women's studies at the University of Michigan and her book seeks to raise the issue of workplace hierarchy and its negative effects. Her book comprises a preface, two essays ("When the market was 'Left'" and "Private Government") and a "Reply to the Commentators," plus an introduction by Stephen Macedo and four comments by various academics.

It states the obvious by chronicling the extensive power employers have over their workers both within and outside the company. That she feels the need to provide substantial evidence for what should be an obvious fact speaks volumes – it

is the elephant in the room of our so-called "free" (i.e., capitalist) economies: "in purchasing command over labor, employers purchase command over people." (57) She rightly notes that workers in the new industrial economy called it "wage slavery," rather than the "free labor" of the liberals, for they were well aware that it was "a relation of profound subordination to their employer." (35) She is also right to note that "[t]o be egalitarian is to commend and promote a society in which members interact as equals" (3), and so to be an egalitarian is to be a libertarian, someone who promotes liberty – there is little liberty when you are subject to hierarchy.

Anarchists have been noting all this since 1840, when Proudhon proclaimed property to be both "theft" and "despotism." Yet, for all her impressive research, she almost completely fails to mention the libertarian analysis – "anarchism, syndicalism" are mentioned only in passing. (6) Given that libertarians have placed the issues she raises at the center of their ideas for nearly 200 years, it is simply staggering that Anderson ignores us. While she may bemoan how "workers largely abandoned their pro-market, individualistic egalitarian dream and turned to socialist, collectivist alternatives," (59) she fails to discuss those like Proudhon with pro-market, collectivist egalitarian dreams in spite of his mutualism meeting her (unstated) criteria of being pro-market and being explicitly aware of the issues which arose with the rise of large-scale industry. Socialism appears to be equated with Marxism and this centralized system is, rightly, dismissed but there is no engagement with libertarian visions of socialism. Nor is there any mention of the work by Carole Pateman or David Ellerman, not even Noam Chomsky who regularly raises the same issues and is by far the best known libertarian writer today.

Anarchism is mentioned once more, when Hobbes' brutish "State of Nature" is equated to anarchist communism, which is an "unregulated commons" where anyone can take anything

from whoever they wish. (46) Yet simply consulting any libertarian communist thinker would quickly show that they advocate use rights combined with social overview. This would be a "regulated" commune for, regardless of myths, unregulated communes are rare in human history (and generally reflect a breakdown in society due to actions of state or wealth). So people would not expect their possessions to be arbitrarily taken from them in any anarchist system.

Anderson, then, seems blissfully unaware of the anarchist critique of property, equating property with the right to exclude others and proclaiming the arguments for property "impeccable." (45–6) Surely an awareness of the ideas being critiqued should be considered as essential research before commenting upon it? Similarly, if she had read Proudhon's *What is Property?* she would understand how the "impeccable" theory of property produces the very evils she indicates and denounces as well as the anarchist use-rights theory which ends them without creating a worse problem in state capitalism.

She *does* mention and discuss "libertarians" (60–2) but these are strange lovers of freedom because, as Macedo notes, they ignore that employment "brings with it subjection to arbitrary power that extends beyond their work lives." (xi) Anderson herself notes that these self-proclaimed "libertarians" seem to have no problem with private tyranny *and* that "it is surprising how comfortable some libertarians are with the validity of contracts into slavery" (66) as well as non-compete contracts, yet at no point raises the obvious point that these people have no concept of what liberty actually is.

Again, this points to serious flaws in her scholarship in-so-far as she appears unaware of the American right's deliberate theft of the word "libertarian" from anarchists in the 1950s. Worse, she makes no attempt to understand this obvious paradox of "libertarians" advocating deeply authoritarian social relationships. After all, it is not "surprising" at all that these "libertarians" advocate voluntary slavery for John

Locke, founder of classical liberalism, did so under the term "drudgery" – amongst the many "subordinate relations" he defended, including actual slavery.

Anderson misreads Locke completely, proclaiming him an egalitarian (16) when in fact the equality he postulates at the dawn of his state of nature is simply the opening paragraph of a "just-so" story weaved to justify *current* inequalities in wealth and power in order to secure the "subordinate" relationships of master-servant, husband-wife, governor-governed, these produce. Consent was the means to do this and, needless to say, she does not tarry over Locke's contractual defences of slavery and serfdom: he did not contradict himself in defending slavery nor in drafting *The Fundamental Constitutions of Carolina* as she claims. (176) For it is to Locke that we must trace the notion of "subjection as freedom," (62) as shown by yet another author who goes unmentioned, Carole Pateman (most obviously in *The Sexual Contract*).

Locke, then, sought to justify inequality by means of just-so stories and the liberal use of the word "consent." So she is wrong to suggest that the advocates of laissez-faire "failed to recognise that the older arguments [premised on self-employment] no longer applied" after industrialisation and that it is from this "arose the symbiotic relationship between libertarianism and authoritarianism that blights our political discourse to this day." (36) Read so-called "libertarian" writers like Nozick and Rothbard and you will see that private tyranny *is* recognized – and defended with gusto. In this they follow Locke and his defense of the hierarchical social relationships of the *agrarian* capitalism he was familiar with.

The selective perspective Anderson bemoans is more apparent than real, being more than an "error." (57) It is not in fact a "bizarre combination" at all for the laissez-faire liberals to have "hostility toward state power and enthusiasm for hyper-disciplinary total institutions." (58) This is because they were interested in *property*, not liberty – as seen by Locke and his

least a mass Social-Democratic movement. Co-determination and strong unions were forced upon it from outside. This was the case in America as well, with *direct* action being the means by which labor issues came to the fore in the 1930s. So if we do take *private government* seriously (and Anderson shows why we must, assuming you need more than the daily grind of wage slavery to convince you) then we must look to our fellow workers for its solution – then the public government will belatedly catch up (assuming we are unable to get rid of both once and for all). In other words, class struggle – something Anderson does not discuss as much as she should.

Anderson, to conclude, has produced a well-documented account of something libertarians have been arguing since 1840 – proprietor despotism –without mentioning this tradition. Like us, she recognizes that social relations matter, that equality and inequality matter, that liberty and equality are mutually supportive rather than mutually exclusive. Yet, by failing to discuss anarchism, she has failed to do the research an academic of her level would be expected to do. Much worse, she fails to embrace the obvious conclusions of her evidence against wage-labor in favor of the kind of mealy-mouthed "pragmatism" she would rightly denounce if applied to chattel-slavery or patriarchal marriage. Still, she should be thanked for the evidence and arguments she provides if not for her conclusions.

the peculiar condition she deplores and explores is easily explained. So it is no coincidence that – as she notes – these questions rose with organized labor and declined with it. (40–1)

Likewise, her main thesis – that a pre-capitalist perspective is being grafted upon a capitalist reality – is hardly new. As Marx noted long ago, from "Locke to Ricardo" the defenders of capitalism invoke "a mode of production that presupposes that the *immediate producer privately owns his own conditions of production*" while "the relations of production they describe belong to the *capitalist mode of production*."(*Capital* [Penguin Books: London, 1976] I: 1083) Her account of pre-industrial America would have benefited from Marx's writings on "Primitive Accumulation" in *Capital* (Part 8, Chapter 33) and how, to quote Marx, "the anti-capitalist cancer of the colonies [was] healed," (938) but then she does not draw upon *any* socialist writers – libertarian or authoritarian – who discuss these issues. Marx *is* quoted on the nature of the workplace (4–5) but the earlier, market-based, perspective of Proudhon goes unmentioned – a strange omission given her position.

Another flaw in her argument arises with the state. She rightly notes that the American state determines the power of the employer, given its support for "employment at will" and the power that goes with it. (53–4, 57) Yet she downplays the obvious point that changes in this situation would involve changes in *property* rights – in the direction of the use-rights and socialization advocated by Proudhon in 1840. Yet this discussion makes it clear that she thinks the state is some neutral body above classes, representing the people and so could be used to empower the many at work. This ignores that the state is currently a *capitalist* state and it will not pursue a transformation in the bargaining power of classes just because it would be fairer or because we ask nicely. Yes, the German capitalist state has decided upon a different set of options to secure the exploitation of labor but this was a product of many things, not

ideological descendants. Indeed, it is the few classical liberals (most obviously, John Stuart Mill) who are notable exceptions in this who need to be accounted for, although she does not – Mill's support for cooperatives is relegated to an end note while his pioneering feminism goes unmentioned (perhaps his later market socialism is the reason for this?).

Still, her sketches of pre-industrial liberals – the Levellers, Adam Smith, Thomas Paine, Abraham Lincoln – are useful examples of her thesis on the changing nature of market freedom. She rightly reclaims Adam Smith from the right, noting his egalitarian tendencies and his obvious preference for self-employment. (17–22) She quotes him on how all have "an equal right to the earth" and how a "tenant at will" is "as dependent upon the proprietor as any servant" and "must obey him with as little reserve." Similarly, Paine's writings could be classed as "broadly libertarian" (24) in the paradoxical and self-contradictory American sense precisely because he lived in a pre-capitalist society yet he was well aware of the need for land reform and progressive income tax, anathema for today's so-called "libertarians" of the right. His writings do "not display a trace of the anti-capitalist class conflict that characterized nineteenth century politics" because there was no industrial capitalism and this is why "it does not make sense to pit workers against capitalists." (25, 26) In short, social context matters when evaluating ideas – as can be seen, most obviously, with certain aspects of certain (American) individualist anarchists within our tradition.

As far as the evidence and logic of her case go, Anderson has done an excellent job with both even if she ignores the anarchist tradition. In terms of the conclusions she draws from these, there is less to recommend. However, before discussing this, the other contributors to the book should be mentioned. Three of the commentators (Hughes, Bromwich and Kolodny, particularly the latter) bring little to the discussion, the fourth (Tyler Cowen) is of interest simply because as an economist

(and quasi-"libertarian") he shows that her account of the mental blinkers associated with workplace hierarchy is correct. His reply – "Work Isn't So Bad After all" – is staggering in its unwillingness to understand the point being made. By definition workers *do* toil under the supervision of communist dictators, regardless of Cowen's smug final sentence.

His defense of factory fascism is replete with the invocation of "very often" – "very often" workers are fired for putting racist, sexist comments on the internet to protect other workers (ignoring, for example, the well-documented firings for political opinion Anderson provides) – while "abuses are relatively few in number" and the gains "outweigh those costs." (112–3) No evidence is provided, unlike with Anderson who provides overwhelming evidence to support her position. Likewise, he asserts that cooperatives and such like are often "less efficient" (115) when the empirical evidence suggests otherwise, which raises the awkward question of why a less efficient mode of production dominates society.

Cowan is dismissive of the notion that workplace tyranny is an issue, for if it says what he wants to hear then the voice of the people is truly the voice of god: "I do not see the evidence that suggests such events are a major concern of the American public." (113) It would be churlish to note that indifference is one of the issues Anderson raises – why do we not talk about it? – and would not the threat of being fired for raising such issues explain this? Likewise, concerns can and do change, particularly if advanced minorities raise the issue. After all, we can be sure that sexual and racial inequality did not concern "the American public" much before the rise of the civil rights and women's movements.

It is worth discussing one paper Cowan draws upon to show the flaws of his comment. He suggests that German codetermination "costs about 26 percent of shareholder value" which he puts down to "lower productivity." (116) Yet German workers are more productive than American ones in terms of GDP per

the patriarchal marriage contract, (61) she does not suggest that feminists were wrong to call for its abolition rather than be "pragmatic" and ponder "trade-offs" – why is wage-labor considered different? Perhaps because she, like Cowan, is not directly affected by it but is by patriarchy? If Déjacque urged Proudhon to be consistent in extending his opposition to workplace hierarchy to the family, can we not urge Anderson to be consistent in extending her opposition to household hierarchy to the workplace?

Also, it is worth noting that she equates decision making with government, government with hierarchy – much like Engels, so showing the liberal nature of "On Authority." Yet agreeing does not equate to authoritarian, no matter what Engels asserted, and "governance" (how decisions are made) does not equal "government" (delegation of power into the hands of a few). This uncritical perspective on forms of organization is a significant limitation, particularly in a work interested in what freedom means and extending it. Still, unlike Engels she recognizes that "[n]o production process is inherently so constrained as to eliminate all exercise of authority. Elimination of room for autonomy is the product of social design, not nature." (128) This is a significant, if undeveloped, step forward from Engels.

Ultimately, for a book which, at bottom, is about class, it is woefully lacking in class consciousness. She seeks to explain our current societal blindness to workplace despotism by suggesting it is a misapplication of pre-capitalist market positions to post-industrial revolution realities. Yet is no "misdeployment," (65) for it is hardly in the interests of capitalists to acknowledge the source of their power and profits – hence a pre-capitalist vision of the market being used to describe a much different, capitalist, reality would be encouraged by those with an interest in obscuring the authoritarian and exploitative social relationships produced by property. So you would expect given class interest that this would not be discussed – and so

Similarly, there is no discussion of socialization and instead we get "independent contractors acting without external supervision, who rent their capital" postulated – and rightly rejected – as an alternative. (51) Strangely, she proclaims this universal self-employment as "amount[ing] to anarchy as the primary form of workplace order" before dismissing this because organization is needed for "large-scale production" rather than "market relations within the firm." (64) Here are lack of research becomes (again) obvious as no anarchist thinker has ever suggested such a solution to the social question. Indeed, anarchists have been aware than collectivism "decisively" defeated individualism in production (65) since 1840 and advocated workers associations as a result.

A similar blindness can be seen from Anderson's (correct) comment that many of the earliest radicals and socialists were "artisans who operated their own enterprises" but that does not mean "they were simultaneously capitalists and workers." (25) Failing to recognize capital is a *social* relationship, she fails to see that this description of meaningless: it is like saying in 1865 that all American workers were now simultaneously masters and slaves.

Ultimately, it is her apparent unawareness of the authoritarian roots of liberalism which makes her comments against the so-called "libertarians" of the right ultimately toothless. She may bemoan the perspective that "wherever individuals are free to exit a relationship" then "authority cannot exist" (55) but she can only completely reject it by moving beyond liberalism into socialism (as Mill did), something she refuses to do along with refusing to advocate workplace democracy (and the socialisation that requires). In short, while lamenting the abuses of wage-labor she has no *principled* objection to it.

Yet she unknowingly restates Joseph Déjacque's reasoning for coining the term libertarian for "employers have always been authoritarian rulers, as an extension of their patriarchal rights to govern their households." (48) Listing the horrors of

hour worked. Nor does the paper he cites argue this. It *does* suggest "codetermination reduces MTB [Market-To-Book] by 27% and ROA [Returns On Assets] by 5 basis points" but notes this is due to the "transfer of some control rights from equity holders to employees [which] results in a different set of choices for the firm." (Gary Gorton and Frank Schmid, *Class Struggle inside the Firm: A Study of German Codetermination*, Working Paper 7945, National Bureau of Economic Research, 25) The MTB ratio suggests that a company's share value will be greater than its book value because the share price takes into account investors' estimate of the profitability of the company.

Productivity, as Cowan surely knows, is different than profitability. Profitability is the difference between costs and prices. Productivity is the value workers create – how it is distributed is where it intersects with profitability. Any arrangement which increases the workers' bargaining power will by definition reduce profitability (because workers keep more of the value they create) but may increase productivity (for precisely the same reason). Thus Cowan completely misunderstands the paper he cites, for Gorton and Schmid are discussing the *distribution* of surplus rather than its size. They conclude that "codetermination does empower employees, and that they use their power in ways that contradict the desires of shareholder" and "the ability to influence decision-making via supervisory board seats is valuable to employees, allowing them to redistribute firm surplus towards themselves." (6) Also "unionization is associated with lower firm profitability" for "unions are successful in redistributing firm surplus towards workers." (8–9)

In other words, Cowan is attacking codetermination because German workers retain more of the value they produce instead of funnelling it upwards into the hands of shareholders – and Anderson makes the same obvious point. (142) Apparently the German 1% is being exploited by the 99% and

"liberty" means that inequality there should rise to U.S. levels. Sadly for Cowan, Gorton and Schmid are not as strong in *their* conclusions: "None of this is to say whether codetermination is socially optimal or not." (32)

Overall, Cowan's comments show that it takes substantial educational effort to become so blinkered. Of course he is fine with wage-labor – at least for other people, he being a tenured economics professor at George Mason University. As Anderson notes (134), being near the top of the wage-labor hierarchy, obviously he would be happy with it and she writes a wonderful response to his platitudes which is well worth reading for its focused anger and destructive power. An example:

"He worries that we can't have nice things if workers don't submit to the dictatorial power of their employers. This is the same argument British West Indies sugar growers made in Parliament in defense of slavery, during the debates over abolition." (142)

Kolodny's comments are of note purely because he gets Anderson to admit to not endorsing full workplace democracy, a decision based on "pragmatism" and because there "are enough disanalogies between state and workplace governances." (130)

So in spite of her detailed and well referenced account of workplace tyranny, she fails to advocate its abolition and while talking of "republican freedom" (64) she baulks at (to use Proudhon's words) "industrial associations, small worker republics" – and for no good reason beyond the rather vague comment that "some of its costs may be difficult to surmount" (66) and a cryptic reference. Few would so easily dismiss a move from (political) dictatorship to democracy by noting it "is challenging" and those involved may "have a hard time agreeing"! (131)

While it is right to say that she cannot propose what the workplace constitution ought to be (133) for that is up to workers to determine how to manage their affairs, we can outline principles for a solution. Yet her suggestions are woefully weak. After chronicling how wage-labor is private

tyranny, she dismisses the obvious solution of workers control in favour of co-determination on the German model. This is about as convincing as a critic of slavery or monarchy proclaiming the solution cannot involve ending them but somehow tempering them with forums for discussion. Indeed, those who opposed these purely on the "pragmatic" position that it was not economically efficient or hard to abolish would be considered almost as bad as the aristocrats and slave drivers (who could, at least, call upon god to justify their position).

Another option mooted is something like a company union, dismissing independent unions because they are "adversarial" and so misses her own point. (70) Any union activist will tell you that being "adversarial" is essential; otherwise the union becomes another extension of management's power and, as she proves, there is a lot to be "adversarial" about! Similarly, while suggesting that firms "vigorously resist unionization to avoid a competitive disadvantage with non-unionized firms," (70) perhaps a more realistic analysis would be that bosses *like* to be dictators and *like* to appropriate as much as they can from their employees' labor? After all, the decline of unions since 1980 has been marked by productivity and wages separating, with the latter stagnating as the former grows (so disproving the platitudes of free market economists who had suggested in the 1950s and 1960s – and even today! – that unions were not required to secure decent wages).

Needless to say, she does not address the issue of reform or revolution – a topic which provoked some debate amongst the libertarians who long ago noticed the problem she raises. She proclaims that worker ownership "is far out of reach for most firms, given the size of capital investment needed." (131) This is true but this option is hardly the only available – there is also expropriation (direct action) and nationalization (political action) – and so a bit like suggesting that the only way to end slavery was for the slaves to buy themselves back from their masters.