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Jobs of Our Own: Building a Stakeholder Society, Alternatives to the Market and the State Race
Mathews, Distributist Review Press, 2009

This is the second, revised edition of a brilliant book published by the Distributist Review Press. The first edition was published by Pluto Press in 1999.

It is a very readable scholarly study that covers early distributive theory in the UK (Part I); the part application of the theory by the Antigonish Movement in Nova Scotia (Part II); and the full-scale application and highly successful development of the Mondragon Cooperatives after WWII, in the Basque Province of Spain (Part III). It advocates the growth of the stakeholder society and employee ownership in Australia.

It is great news that a text of this nature is available at this time of global financial crisis, which, after the failure of state socialism in the USSR and its satellites, has also shown up, again, the major problems with corporate capitalism. The search for alternatives has begun. To reregulate capitalism has been the first response but there are superior ways. Is Australia ready to experiment?

The extensive and well documented debate about socialism and capitalism in the UK in the second half of the 19th century and the first half of the 20th century, particularly, the place of distributism in that debate, is the substance of Part I. Distributive theorists like Hilaire Belloc, Gilbert Chesterton and his brother Cecil are discussed by Mathews as socialists who provide an intelligent critique of both capitalism and state socialism. There are several others and reference is made also to the Catholic Church' social teachings in this respect, as set out in an encyclical letter by Pope Leo XIII in 1891, *Rerum Novarum* (on the condition of labour). Mathews often makes reference to Catholic priests who have played a major role in the development of distributism but he makes the important point that he is not a Catholic himself.

In Ch 1 Dr. Mathews explains "The basis of distributism is the belief that a just social order can only be achieved through a much more widespread distribution of property. Distribution favours a "society of owners" where property belongs to the many rather than the few, and correspondingly opposes the concentration of property in the hands either of the rich, as under capitalism, or of the state as advocated by some socialists. In particular, ownership of the means of production, distribution and exchange must be widespread."

Part two is a description of the history and analysis of the Antigonish Movement in Nova Scotia and other Maritime provinces in Canada. Not many would be familiar with the history, initial great success and eventual decline, of the consumer cooperatives that assisted these erstwhile fishing communities to break out of the poverty cycle they were caught in. It is however an essential aspect of the book that this account was included and positioned before the discussion of the Mondragon success story.

These activities came to a peak in the late thirties and resulted in the spread of hundreds of credit unions, consumer cooperatives and, especially, adult education institutions ("study clubs"), both in

Canada and in the US. The idea of University Extension services to adults was very much part of the foundation of this movement. After WWII serious efforts were undertaken to apply the programs to developing countries. The Coady (International) Institute is a direct creation from one of the leaders of the movement (Fr. Moses Coady). But the movement had its limitations referred to as "the Rochdale Cul-de-sac". These emerged during the 1940s and 1950s. According to Mathews. That is explained by reference to Principal - Agent theory, discussed earlier in the text. Where (consumer) cooperatives "cease to be a body where all principals are agents and agents principals, it become subject the basic agency dilemma in the same way as its conventional counterparts" (pp 156). Therefore a true "Middle Way" is not achieved.

In Part III a comprehensive account is presented of how Mondragon came into being, beginning with the very important role of its founder, the Priest Jose Maria Arizmendiarieta. As one who has also visited Mondragon (in 1985/6) I am pleased that such a new history is now published once again. Here too, many readers may not be familiar with these Mondragon developments in the Basque Province. In contrast, often quite disturbing reports about ETA activities usually get much more coverage.

Chapters nine and ten deal with this growing Mondragon Cooperative Corporation, Mark I and Mark II (since 1991), "the biggest business group in the Basque region and the ninth largest in Spain". What is emphasised here is that the group has its origin in industrial cooperatives producing a range of products, created its own bank, then added a range of other consumer cooperatives, insurance and social welfare cooperatives, and a technical university. These are owned and operated by the employees. They are growing steadily while operating in a region, which has a high level of unemployment in the traditional capitalist sector. The employee ownership culture amongst members is quite different from the traditional capitalist firm in western society. Employee directors plan and take risks but are not paid outrageous salaries. There is a ratio between executive/managerial and other employees' remuneration, which is an example of fairness which does not exist in many capitalist corporations. A democratic decision making structure is also very much part of the cooperative organisation. Principals are agents and agents are principals in the MCC.

Remarkably, the Mondragon experience seems not to have been influenced by the British theorists. Mathews believes that the Mondragon management was probably aware of the Antigonish movement without having followed their example. Unquestionably, it is in Mondragon that the total practice of the Middle Way evolved although having to adapt in recent years to economic pressures and attitudes in the traditional capitalist environment they work in, e.g. the EU. These movements developed quite independently of each other. In Australia, Bob Santamaria of the DLP advocated rural cooperatives for immigrants. He favoured a distributive approach of socialism. However, once the DLP had split from the ALP in 1955, keeping it out of office until 1972, these ideas did not take root and were less influential in Australia than they otherwise might have been.

In the concluding chapter Dr. Mathews offers sound ideas to Australian Governments - and also to churches - e.g. in relation to stimulating credit unions and fostering employee share ownership plans. For example he writes: "Businesses which begin a ESOPs may well evolve - over time -, and in the light of experience and heightened consciousness - to the point where more democratic and participative structures in the Mondragon mold are adopted".

No doubt it can be argued that the very specific environment of the Basque Province of Spain, given the separate ethnic nature of its people, has provided a strong motivation to succeed in the way that they have. This is true. However, a different but equally powerful motivation may emerge to boost employee share ownership in Australia if the dissatisfaction with large scale corporate inequalities continues to conflict with Australian concepts of a fair go. The principle of subsidiarity, inherent in

distributism, equally could provide an impetus to employees to have a greater say and a larger financial stake in the businesses they work in.

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The following URLs provided further information about this book

<http://distributism.blogspot.com/2009/07/jobs-of-our-own-new-book-on.html>

<http://www.amazon.com/Jobs-Our-Own-Stakeholder-Alternatives/dp/0967970792>