

## Harry Glasbeek

*Class Privilege: How Law Shelters Shareholders and Coddles Capitalism*. Toronto: Between the Lines, 2017, 382 p.

Harry Glasbeek's latest book is a compelling analysis of capitalism and its main enablers, the for-profit corporation and the Anglo-American legal system. The book will be enormously helpful to everyone interested in understanding, resisting, and overcoming neo-liberal corporate capitalism—and to faculty who teach courses in sociology, criminology and law. Glasbeek's analysis of limited liability—how it works, the defences put forth by its defenders, the empirical evidence against it—is detailed and scholarly, it provides new tools to analyze but also to counter corporate capitalism. He demolishes many of the myths that maintain a *status quo* that compels the many to labour to reward the few. But this is no deadly-dull legal screed. Glasbeek's inimitable style combines humour with outrage, meticulous scholarship with serious purpose.

The book begins with its main claim: that capitalism, “the endless pursuit of private accumulation of socially produced wealth” (2) is a carcinogenic system. To change capitalism, we need to expose its mechanisms and instruments, specifically the legal system that perpetuates and normalizes the for-profit corporation. To do this it is essential to challenge TINA, the myth that “there is no alternative.” Thus the first sections of the book set out the basic principles of Anglo-American law, then of corporate law, showing how it legitimizes the corporate form, creates and confers privileges on a special kind of citizen, the “shareholder,” and equips the corporation with both the incentives and the capacity to do harm. Part II shows the legal contortions used to shield corporate shareholders from liability for the wrongs committed by the corporation(s) they own. Part III uses empirical and conceptual evidence to challenge their justifications. Glasbeek argues that corporate law as employed by its apologists contradicts the very legal principles apologists defend, principles that are rigorously applied in comparable legal cases. Thus corporate law justifies “the flagrant betrayals of legal principles, the persistent denial of our supposed economic preferences and the negation of society's more deeply held values” (6). The last chapter of the book makes an urgent plea to remove the corporate veil and hold shareholders responsible for their harm-causing behaviour.

The genius of this book lies in its accessibility and humour. Earthy common-sense comparisons make the absurdity and unfairness of corporate law crystal clear. A few examples: shareholders are described as “toxins who poison the body politic” (45); the transformation of a person into a corporation is “a magic trick” that creates a (legal) person “out of thin air” (12). The corporation thus created is “an instant adult” which can give birth to an endless number of offspring with one goal: “to maximize the corporate family's opportunities for profit-making” (12).

Glasbeek gives us empirical evidence showing that the justifications most commonly used to defend the corporate capitalist system—that it produces more benefit than harm and that corporate capitalism is the only viable system of wealth production—are wrong. He does this by establishing, using judicial decisions in Britain, the United States, and Canada, the primacy of individual responsibility, the legal principle that those who create risks for others, risks from which the

individual or entity intends to benefit, have a duty to take reasonable actions to prevent other actors from being injured by these risks. Jurisprudence consistently shows that the makers and controllers of risk should be held accountable “unless there is ... a policy or political reason why they should not be” (129). However when the risk-creating actors are corporate shareholders, this basic principle disappears.

The final chapters of the book take on arguments that capitalism has no viable alternative and argues for making shareholders responsible for corporate harm: unfettered corporations, we are told, are the source of the material wealth we enjoy. This system spurs innovation, promotes productive enterprise, and makes it possible to amass the large amounts of capital necessary to undertake ambitious, socially useful tasks (such as building railways or bridges). But Glasbeek shows that limited liability, more often than not, has been manipulated to shift risk to outsiders and that shareholders today count for “little or nothing as a source of finance for corporate purposes” (203). When the environmental and human costs of “growth,” the *sine qua non* of corporate capitalism, are factored in, the net benefit to society is negative. And the damage inflicted on democratic values and the democratic state is immense.

Glasbeek suggests a number of resistance strategies. He distances himself from the “thinking capitalists” who want to save capitalism from its excesses; they suggest various concessions—raising the minimum wage, facilitating the return of unions, creating greater job security, to name a few. But Glasbeek will have none of it. His goal is radical social change. Remove the veil and target the harm-doers hiding behind it, make them responsible for the harm their corporations do. Thus while system-saving reforms are welcomed, they must be viewed as “a staging point for translating capitalist-compatible reforms into demands that reject capitalism’s ... logic” (248), as opportunities for activists to expose the contradictions in capitalist ideologies. As Glasbeek argues, “no rights without responsibilities,” the mantra so cruelly applied to welfare mothers and employment insurance benefit recipients, must be applied to corporate shareholding elites.

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