



BOOK REVIEWS

***Private Government. How Employers Rule Our Lives (and Why We Don't Talk about It)*, by Elizabeth Anderson. Princeton, Oxford: Princeton University Press, 2017. 224 pp. ISBN: 978-0691176512**

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Elizabeth Anderson's *Private Government* opens with a disturbing glimpse at the deleterious impact of modern firms on workers: we see people waiting in line, being searched, and urinating on themselves. Workers are bossed around, ignored and humiliated, placed, she explains, at the bottom of hierarchies of authority, standing, and esteem. This should matter to egalitarians who advocate "a society in which its members interact as equals" (3). Yet hierarchical employment relations are currently neglected in both the public arena and egalitarian political philosophy. This forms the subject matter of this volume. In chapters 1 and 2 (Anderson's Tanner Lectures on Human Values from 2014) she explains this neglect and indicates how egalitarians should react. Chapters 3 to 6 offer commentaries from various academic quarters, namely history by Ann Hughes, political thought by David Bromwich, philosophy by Niko Kolodny, and economics by Tyler Cowen, before Anderson replies to these commentators in chapter 7. Here I begin with a brief summary of the volume, starting with Anderson's first lecture in chapter 1, the comments offered in chapters 3 and 4 for this lecture, and Anderson's subsequent replies in chapter 7; I then present her second lecture from chapter 2 of the book, the comments on this lecture offered in chapters 5 and 6, and Anderson's related replies in chapter 7. Finally, I raise a few key questions.

In chapter 1, Anderson's first lecture, *When the Market Was "Left,"* offers an initial account as to why her contemporaries believe that workers are free despite overwhelming evidence to the contrary: they apparently overlook the fact that the Industrial Revolution rendered unrealistic the expectation that markets could liberate workers.

Anderson starts by reminding us that labour markets could be construed as egalitarian in the sixteenth and seventeenth centuries, as evidenced in the writings of the Levellers, Locke, and Smith. Free markets reflected the universal rights to property and establishing a trade, thus going against social hierarchies and the privileges granted to monopolies and other powerful groups. Free markets were expected to level social hierarchies by offering all willing and able-bodied workers opportunities for self-employment and independent living.

Anderson then shows how workplace transformations during the Industrial Revolution destroyed these hopes. Economies of scale led to a surge in large, hierarchically organised productive units. Working conditions deteriorated. Blind to the subordination entrenched in emerging employment relations, and guided by the false assumption that freer labour markets would expand self-employment, egalitarian optimism about free markets became doubly irrelevant.

In chapters 3 and 4, Ann Hughes and David Bromwich question the egalitarian quality of markets even in pre-industrial times. Not all of the self-employed could live from their trade. Indeed, markets were not central to the Levellers, who approved of the customary right to glean; and besides, they supported the patriarchal family. In chapter 7, Anderson accepts that her commentators are right that markets failed to deliver on market distributions and race and gender equality, yet asserts that this could be regulated. She maintains, however, that the most significant blow to more egalitarian markets was the mid-nineteenth-century change in the workplace that made even freer markets unable to liberate workers.

Chapter 2, *Private Government*, shifts the focus to the firm, opening with an incisive description of “communist dictatorships in our midst” (40): namely, the modern twenty-first-century workplace in the United States. Here we see the institutional bodies that constrain the workers portrayed at the outset. In the US, they also indirectly control workers’ personal lives via the default employment-at-will contract through which employers can fire employees “for any or no reason” (49-50), such as their private political views. This lecture considers the current neglect of these problematic aspects of the modern firm through a more political lens.

First, current absence of critical reflection on employment relationships results from the limits of the widely-adopted theory of the firm, which justifies hierarchy within firms as more efficient than transactions for allocating labour; it does not therefore identify, nor account for, authoritative commands unrelated to efficiency gains. Worse, this theory denies that authority exists in firms. Alchian and Demsetz famously liken the employer-employee relationship to a customer-grocer relationship, something Anderson rejects.

Beyond poor theory, this mischaracterisation of the employment relationship has become an ideological stance. Anderson argues that liberals have deliberately held onto justifications of labour markets in terms of exit and independence when obviously no longer applicable, turning markets into a “rhetoric” that “papered over the real issues” in firms (62). By contrast, workers’ movements abandoned pro-market stances for socialism or collectivism upon realising that freer exit meant leaving one authoritarian workplace for another. They successfully contained market ideology until World War II, but public discourse and academia eventually yielded to market ideology as these movements declined.

Finally, Anderson suggests how egalitarian political philosophy should react. She starts by bringing the firm back within the scope of political philosophy, stating that political philosophy addresses government defined as the ability of some to issue orders backed by sanctions, a capacity shared by firms and states. That firms are *private governments*—governments in which those ruled are not involved in decision making—is not relevant. Furthermore, what matters normatively in government is a combination of

freedom from interference, freedom to access effective options, and freedom from domination, so called negative, positive, and republican freedoms. Anderson argues that workers' negative and republican liberties should be protected against "private governors" (48), which requires making firm government *public*, with freedom of exit, a rule of law that constrains employers, extended workers' rights, and voice. The model of the workers' voice in Germany, codetermination, proves this to be realistic.

In chapter 5, Niko Kolodny takes issues with construing government as what matters normatively, since it omits those toiling at home or monitored by clients rather than bosses. Abuse aside, he asks what the real problem is with being subjected to someone else's will and, if a problem, what stops Anderson from demanding the full extent of citizens' rights in firms. In chapter 6, Tyler Cowen disputes Anderson's factual account of working conditions in large firms: he argues that they are good due to employer competition for labour and market distortions favouring non-taxable working conditions over pay. He also criticises Anderson's neglect to cite the interests of workers and consumers who may *benefit* from monitoring by bosses, and her failure to examine alternative arrangements like coops or codetermination, both of which might be worse for freedom and efficiency.

In chapter 7, Anderson responds to Kolodny's challenge by restating that being an inferior at work is objectionable in terms of autonomy, standing, and esteem. She clarifies that her demand for democracy is only limited insofar as some coordination remains required in firms. Next, she confronts Cowen's characterisation of working conditions by providing further examples of where they are rendered appalling. Fundamentally, she rejects his economic analysis of labour markets as bringing about good working conditions, or compensating for poor ones. Finally, she points to mixed rather than negative evidence concerning the efficiency of codetermination.

Private Government demarcates a new stage in Anderson's intellectual journey, with which she applies the insights of relational egalitarianism to the workplace. Thus, she joins various egalitarians who have been interested in the implications of egalitarian political philosophy for firms in recent years. The book will therefore be of significance to all scholars interested in "business ethics and (or as) political philosophy" (Heath, Moriarty, and Norman 2010).

Private Government is ambitious and embraces the significant task of redefining the scope of political philosophy as a prerequisite to offering a normative critique of hierarchical firms. This is not Anderson's first coup. In the late nineties, she called upon egalitarians to move away from a "narrow" concern with the distribution of goods towards social relations. Since then, theories of justice and political philosophy may have reached another impasse. Unequal social relations are as present in firms as in states, yet political philosophy has mostly remained silent about firms. By boldly redefining the point of political philosophy as a normative concern with government, Anderson extends political philosophy to firms and, presumably, additional organisations, regardless of their particular ends and contingent modes of government. Now, how helpful is *Private Government* for elaborating a political theory of workplace government?

First, *Private Government* sets out negative, positive, and republican freedoms as fundamental to governing firms, insofar as they are conducive to equal social relations.

For Anderson, firms must protect workers' negative and republican freedoms by adopting institutions similar to those of liberal democratic states, yet with a more limited scope of application considering the necessities of coordination in production. One crucial aspect of the discussion appears in one remark by Kolodny: If we object to *any* government without voice or accountability, why not deploy the full menu of democratic institutions in firms too? Anderson's reply that democratic demand is limited in firms by the need for coordination still begs the question of the correct balance between democracy and coordination for efficiency. How far can efficiency considerations infringe on workers' autonomy in organising their own tasks? Cowen's question about whether the interests of others (e.g., consumers) may set legitimate limits on the demands for workers' rights and voice in firms expresses a similar concern; and we may likewise wonder whether a firm's aim, say healthcare, justifies leaving less to be decided democratically within the firm.

Additionally, although Anderson deals explicitly with larger public corporations, her argument seemingly applies to small businesses and non-business organisations. Yet German codetermination focuses on large corporations alone. Is Anderson's focus on large corporations the outcome of some (implicit) normative assessment, or pragmatic politics? Furthermore, do democratic requirements apply to non-business organisations that enforce commands, such as churches? Anderson doesn't claim to address these questions in detail. However, even if one joins her in acknowledging the limits of "a priori arguments" (131), specific answers still require further principled thinking concerning the implications of social equality and whether it implies uniform democratisation across organisations, or more likely, whether it still underdetermines their rules of governance. Should the latter be the case, we wonder what else should matter when accounting for variations in governance.

Next, Anderson's redefined scope of political philosophy aims at economic structures that emerged in the mid-nineteenth century and dominated the twentieth. Growing economic activity in the "gig economy," by contrast, is powered by platforms involving galaxies of contractors rather than structured hierarchies involving countless employees. Contractors' working conditions (peddling through cities or toiling behind screens) are challenging, but platforms only control parts of their work. Work schedules are not imposed, nor bathroom breaks refused. Some control results from market mechanisms like client rating. Working conditions seem closer to preindustrial self-employment than employment in large firms. The extent of this trend is unclear; yet if such organisations were to develop further, Kolodny's concern that Anderson misses the harsh conditions of home-based workers or those monitored by clients would gain momentum. Can a focus on powers of command and sanction, and associated concerns for autonomy and esteem, discern the normatively relevant features of these hybrid organisations, somewhere in between markets and hierarchies? We close *Private Government* wondering whether the instruments shaped for assessing structures that emerged in the mid-nineteenth century will endure in the twenty-first.

Private Government is to be praised for its bold statement against the contemporary ideological appeal to markets. Anderson makes it clear that the time when market proponents could be sincere about equality is long gone. Her tone is incisive

on the cynical use of markets and the guilty blindness of privileged academia. Yet how effective is *Private Government* at dealing with market ideology? Those holding onto market ideology are unlikely to accept firms as public institutions. Deconstructing and calling market ideology for what it is goes some way in the right direction; yet this is likely to move only those already convinced or simply unaware. Offering a thorough alternative normative theory of the government of the firm goes some way further, and *Private Government* starts this journey. For those working on workplace government it suggests keeping an eye on issues of effective adoption and change under current conditions, if not when defining principles at least when comparing policies. A complete account would also require alternative theories across various disciplines, starting with economics and management science. Together with political philosophy and business ethics, they form the intellectual resources needed in currently ideologically dominated business education to nurture future agents of change.

We can only thank Anderson for making visible the lot of many workers, find interest in critically engaging with her account and its power going forward, and be hopeful that *Private Government* will contribute to change.

REFERENCE

Heath, Joseph, Jeffrey Moriarty, and Wayne Norman. 2010. "Business Ethics and (or as) Political Philosophy." *Business Ethics Quarterly* 20: 427–452.