



## BOOK REVIEWS

***The 99 Percent Economy: How Democratic Socialism Can Overcome the Crises of Capitalism*, by Paul S. Adler. New York: Oxford University Press, 2019. 240 pp.**

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Well before Vermont senator Bernie Sanders became the charming crossed-arms-and-homemade-mittens meme beloved by Democratic Party centrists and progressives alike during the 2020 Biden presidential inauguration, he was Bernie the man, a full-blown threat to the Democratic establishment, as the standard-bearer for policies representing democratic socialism in the United States. Sanders's rise in popularity and influence over the past fifteen years, at a time when the cracks in neoliberal capitalism have been increasingly evident, are not happenstance. The financial collapse, deepening wealth inequality, police brutality against African Americans, wage stagnation and antilabor practices, sexual discrimination, corporate personhood, tech monopolization, increased urgency of the climate crisis, and current COVID-19 pandemic have given rise to left-leaning populism under the guises of such movements as Occupy Wall Street, Black Lives Matter, Poor People's Campaign, Fight for 15, Indivisible, #MeToo, and the Sunrise Movement, among numerous others. Although right-wing populist groups and movements have undoubtedly also flourished, the word *socialism* is as popular as *capitalism* among Americans under forty years old (Jones and Saad 2019), and as of February 2021, the political organization Democratic Socialists of America (DSA 2021) boasts more than ninety thousand members.

At least a handful of books have been released in the past two years postulating the fading or even tumultuous demise of neoliberal capitalism and laying out a range of progressive-to-socialist political and socioeconomic solutions. While authors like Reich (2020) offer strong critiques of neoliberal/finance capitalism, many largely believe that the current system can be salvaged by mechanisms like tax reform, access to education, concerted redistributive policies, and other forms of "derigging" the current system. Young American democratic socialists like Bhaskar Sunkara (2019), conversely, have captured well the Bernie wave and rapid upswing in popularity of the DSA and other socialist organizations, especially among Millennials and Gen Zers, making a moral case for a twenty-first-century class-struggle

social democracy. There is of course Thomas Piketty's (2020) latest treatise, a deep examination of global inequality as ideologically driven, which offers as a solution a participatory socialism (by means of national and international governance and distribution reforms). And Marxist sociologist Erik Olin Wright's (2019) posthumously published guide on "how to be an anticapitalist" presents a concise but less fleshed-out response to neoliberalism of both increasing democratic social ownership from below and dismantling capitalist-promoting structures from above.

But none of these authors have, as Paul Adler has, explained clearly and forcefully how a contemporary market-favoring economy could transition—via existing institutions, private enterprises, and their structures and practices—into a more just economy based on democratic socialism. As do some of the aforementioned authors, Adler begins by breaking down what he sees as the crises of neoliberal capitalism: economic irrationality, workplace disempowerment, government unresponsive to citizens, environmental unsustainability, social disintegration, and lack of international collaboration. But in seeking the root causes of these six crises, Adler threads together the features and by-products of the capitalist system, such as private enterprise, wage employment within firms, the capture of government by business, the natural environmental and social externalities posed by businesses, and a world economy that inherently depends on very uneven power relations. Arriving at root causes is more than a useful exercise for Adler, as he then deploys them to illustrate the constant system expansion, interdependencies, and increasingly socialized production—unresolvable tensions—to which they give rise.

Before making his strong case for moving our existing structures and practices toward democratic socialism, Adler takes the time to explain the limitations of some of the contemporary attempts at reform. Socially responsible business and "ethical capitalism," as well as features of work like worker ownership and cooperatives, are explained as voluntary and thus impotent in the face of root capitalist forces. Regulations have proved inadequate and are further hindered by corporate capture of government. The belief that the Nordic social democracies are keeping neoliberal capitalism in check is also disabused. Even the digital technological revolution has not proven to be the galvanizer of changes to the unjust extraction of profit, and a universal basic income might only provide a crutch to the negative effects of technological disruption. Clearly, to Adler, the various reforms to capitalism are insufficient.

The heart of Adler's work resides in chapter 5, in which he emphasizes up front the need to socialize the productive control of US resources to serve people instead of the interests of capital and private enterprise. He calls for a combination of "realism and imagination" in addressing the simultaneous "challenges of democracy, innovation, efficiency and motivation" (50) in a democratic socialist system. Imagination is needed to begin to address the difficult work of democratizing the governance of the economy and the institutions and enterprises within it. Here Adler directly confronts the tension between the need to democratize control of systemic interdependencies and the requisite centralization in decision-making that this implies. Realism for Adler derives from strategic management, and through it, he employs a language accessible to business scholars and concepts (e.g., innovation,

efficiency, motivation) relatable to the running of a productive enterprise within an economy. He points to already existing private enterprises, our largest business firms, for insights into how strategic management—as opposed to capitalist competition between units—organizes work toward common objectives and exemplifies the challenges we will necessarily confront in socialist management of an entire economy. Kaiser Permanente provides fertile ground for Adler to explain collaborative strategizing, innovating and working at the enterprise level, and New United Motor Manufacturing Inc. (NUMMI) an exemplar of collaborative learning. Making examples of such existing “high road capitalist” firms helps Adler to elucidate how easy it could be to transition these collaborate strategic management practices to a more compatible framework of a socialized economy.

In chapter 6, Adler generalizes the benefits of a democratically controlled strategic management process within a firm to an entire economy, in a way that addresses the root causes of the six crises described earlier. He offers a sketch of a democratic socialist society through offering prescriptions that derive from socially owned, democratically controlled, and strategically managed institutions and enterprises. For overcoming the workplace disempowerment crisis, for example, he suggests worker participation in governance structures and the development of economic councils and enterprise boards to allow collective determination of pay structures and a well-balanced work life. Ultimately, Adler is optimistic in his concluding chapter 7 that the opportunity for radical change in the form of democratic socialism is afoot, that our motivation for change has never been higher, and that our capabilities for change have never been stronger.

Admittedly, the majority of our research in business ethics and organizations and management offers at best theoretical and empirical tweaks to the status quo, translated practically into minor and temporary repairs to the crises posed by neoliberal capitalism. Meanwhile, our professional organizations and journals have been pleading that we business scholars tackle the big problems of our day. Perhaps despite his identity as both a chaired professor of business policy at the University of Southern California and a strong advocate of democratic socialism, Adler was the president of the Academy of Management in 2013–14 and program chair of the Academy’s annual meeting in 2013 (provocatively themed “Capitalism in Question”). The breadth and depth of Adler’s scholarship have earned him mainstream respect across the broad field of organizations and management, and yet arguably, his greatest influence has been to elevate scholarship and practice in the lesser known but increasingly important area of critical management studies. *The 99% Economy* not only further elevates this body of work but grants his detailed analysis and concrete democratic socialist solutions a much wider audience at precisely the time when they are needed.

## REFERENCES

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