

S Y M P O S I U M

ALTERNATIVE ECONOMIC FUTURES: A RESEARCH AGENDA FOR PROGRESSIVE MANAGEMENT SCHOLARSHIP

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The papers in this Symposium reflect a growing body of work within and around the Academy of Management among scholars and activists who share a double conviction that (a) the socioeconomic structures that dominate the world today can and should be replaced by ones that better support human flourishing, and (b) the contours of more appropriate structures are already emerging. Members of this loose community of scholars and activists have different views of the root causes of the current structures' inadequacy, and different views on what kinds of alternatives are the most promising, but we share a sense of urgency in questioning the prevailing political-economic (dis-)order. This introduction offers some thoughts on an agenda of research that might guide the work of this emerging community of progressive management scholarship.

The Academy of Management's vision statement says that we aim "to inspire and enable a better world through our scholarship and teaching about management and organizations."¹ The recent economic and financial crises, austerity, and unemployment, and the emergence of many economic, social, and environmental protest movements around the world, however, have sparked some big questions about this vision: What kind of economic system would this better world be built on? Would it be a capitalist one? If so, what kind of capitalism? If not, what are the alternatives?

Although management scholars do not usually ask such big questions, it is not surprising that in the current crisis context, a new spirit of scholarship is emerging, a spirit that is energized by a passion for progressive change. I attempted to make space for the spirit animating this work in 2013 when, as program chair for the Academy of Management's annual conference in Orlando, Florida, I drafted the All-Academy Theme statement under the title "Capitalism in Question." That program gave rise to an ongoing series of Alternative Economic Futures professional development workshops at subsequent Academy meetings and a discussion listserv (alternatives@aomlists.pace.edu). In my capacity as program chair, I framed that 2013 Theme statement so as to invite papers from both

defenders of the status quo and proponents of various kinds of change. Here, in a personal rather than official capacity, and by way of introduction to the four papers in this Symposium, I offer an edited version of that statement in which I sketch the management research landscape facing those advocating progressive change.

THE THREE DEFINING FEATURES OF CAPITALISM

I chart this research agenda in terms of three features that together differentiate capitalism from previous economic systems in history: (a) market competition among profit-driven firms, (b) wage employment within these firms, and (c) limited government over them. Each of these features is associated with important benefits but also with important economic, social, and environmental costs.

Partly in response to these costs, some countries have evolved variants of capitalism that differ from the canonical free-market form, and some people argue that these departures from that canonical form should be pushed further—broadening the objectives of the firm to encompass social and environmental goals, deepening the participation of employees in management decision making, and strengthening government's regulatory role.

More radical critics of capitalism argue that while such reforms would be welcome, they are destined to

¹ See <http://aom.org/about/>.

fail. They will fail either backward—to barbarism, in the form of increasing inequality, environmental degradation, and unbridled corporate power—or forward—to socialism. They therefore urge a socialist transformation, one that would replace competition with collaboration, wage employment with cooperative and socialized ownership, and limited government with comprehensive economic planning. These radical critics point out that within capitalism we have seen the emergence of many opposition movements aimed at radical transformation. They also point out that there are inherent tendencies of capitalism that progressively increase the likelihood that such socialist transformation efforts will ultimately succeed.

Addressing in turn each of capitalism's three defining features, the following notes identify some of capitalism's distinctive strengths, weaknesses, and developmental tendencies, and suggest (in italics) some research questions progressive management scholars might pursue. In some cases, these questions have already generated valuable research, including some published in this journal. In other cases, existing research could be mobilized to provide new insights, and in yet other cases, research has barely begun.

Market Competition

Capitalism is based on private ownership of society's main productive resources. These resources are mobilized by firms for the production of goods for sale on markets guided by price signals rather than for direct consumption by the producers or in fulfillment of any economy-wide plan. Firms are in competition with one another in markets for both products and inputs (finance, material inputs, labor). This competition turns profitability and growth into survival imperatives for each firm. Some questions for progressive management research that flow from this feature of capitalism include:

- *How do product, pricing, and investment choices differ when firms are not constituted as vehicles of private wealth accumulation but are owned by their workers, by local communities, or by governments? How do such noncapitalist firms form their goals and adapt to new challenges?*
- *In a capitalist system, wealth appears in the form of commodities, and value is measured in monetary units. How does this context shape our understanding of ourselves as individuals and our relations with one another and with the natural*

environment? What factors encourage people to wake up from this taken-for-grantedness?

- *Entrepreneurship has long been seen as a critical process in market competition. Given the weight of larger firms in our economy, what explains the popularity of this theme? How is entrepreneurship being used as a social-Darwinist ideology encouraging victims of capitalism to blame themselves for their plight?*

The system of market competition has brought great benefits. Historically, it has stimulated innovation, pushing firms to identify new, unsatisfied needs and to develop better ways of satisfying these needs. The cumulative result is that over the last century or more, average individual material well-being has improved markedly, even if the variance is distressing. For the first time in history, there is the potential to achieve material comfort for all. This leads to numerous research questions.

- *How does this increasing but uneven material prosperity relate to human well-being and flourishing?*
- *How does market competition affect the fabric of trust, community, and social capital within and between different social groups?*
- *While in principle, profit and money know no race or gender, in practice, market processes seem often to buttress rather than undermine these other forms of domination. Where and why do we see these various outcomes?*
- *Capitalist development has engendered information technologies with massive network effects. These impart a winner-take-all quality to competitive dynamics, and such dynamics may in turn undermine the effectiveness of market competition as a stimulus to further growth. What regulatory regimes can suppress monopoly without suppressing innovation? Or should such technologies be socialized as public utilities?*
- *Some of these same technologies have enabled a proliferation of open-source projects outside the market economy. Can these be generalized to form the basis of a new cooperative commonwealth of peer production?*

Alongside its benefits, a system based on market competition comes with several important costs. Under competitive pressure, firms have little intrinsic interest in taking responsibility for the destructive consequences of their activity for the natural or social environment. Because production is for profit, important social needs are left unmet due

to the inability of potential beneficiaries to pay (e.g., medicines for poor people). Conversely, society wastes considerable resources on activities that are privately profitable but socially or ecologically destructive or undesirable (e.g., cigarettes). Moreover, the market process is not very stable; it generates boom-and-bust cycles and periodic breakdowns.

- *Research continues on the relative performance of firms that broaden their “objective function” to include social and environmental dimensions. Under what conditions does this broadening improve financial performance, and when does it detract from it? What externalities remain unaddressed or merely greenwashed by a focus on win-win opportunities?*
- *What changes in enterprise ownership and governance could encourage firms to internalize social and environmental externalities? What kinds of institutional supports are needed to foster effective dialogue among all the affected stakeholders? There are micro issues here, too: What kinds of skills do people need to engage effectively in such governance deliberations?*
- *Capitalist corporations’ disregard for social and environmental externalities sometimes provokes protest. Firms often respond by announcing corporate social responsibility (CSR) goals. What strategies can social and environmental movements use to ensure that these CSR initiatives lead to real progress rather than forestall it?*

An economy based on market competition engenders some distinctive developmental dynamics. Three stand out. First, competition often leads to concentration, as large firms achieve economies of scale and scope and accumulate market and political power. Second, competition paradoxically stimulates efforts among firms to cooperate in the race to develop new products and processes. Such cooperation gives rise to alliances, partnerships, industrial districts, and standard-setting bodies. Third, competition drives firms to expand regionally and internationally. This globalizes both the benefits and the costs of capitalism, and in the process, it pits nations against each other in economic rivalry, which is sometimes productive and sometimes not.

- *Our field has paid scant attention in recent years to the planning techniques used by larger firms. What do these corporate planning techniques teach us about the feasibility of economic planning on a larger scale? How could they be adapted to support a more democratic economic system?*

- *How can socially beneficial interfirm cooperative efforts be nurtured and protected from the centripetal effects of competition? What governance mechanisms can these collaborations develop to ensure the benefits of cooperation without simultaneously inviting oligopolistic collusion? How can the governance of these interfirm collaborations be opened up to community and worker participation?*
- *How has globalization changed the everyday experience of people at work? Under what systemic conditions can globalization broaden social identities rather than provoke a defensive retreat to xenophobic local ones?*

Wage Employment

A second historically novel feature of the capitalist system is the predominance of wage labor. The proportion of the workforce that is self-employed declined dramatically as Western capitalism developed out of feudalism, eventually stabilizing at a very low level that reflects modern industry’s dependence on expensive equipment and larger firms’ relative efficiency and market power. The bulk of the working population around the world is now paid a wage or salary in exchange for accepting the authority of the employer to direct their work. Because productive resources are privately owned and workers are merely waged employees, enterprise profits accrue to these owners, as do the right to decide the proportion of these profits that is reinvested versus distributed as compensation and the right to decide on the targets of that reinvestment.

- *How do management processes (strategizing, human resource management, leadership, decision making, etc.) differ when enterprises are not based on wage labor but instead are organized as cooperatives? What new capacities are unleashed in that context? What new challenges are posed?*
- *Looking beyond the predominance of wage labor and bureaucratic structure, there is a wide range of organizational forms, including cooperatives, partnerships, and unpaid collaborations. How can the existing scholarship on these alternative forms be expanded and enriched to better assess their emancipatory potential?*

This wage-employment system has brought important benefits. The employer’s authority over labor and other resources makes the firm an island of conscious planning—a primitive form of socialist planning!—in a sea of anarchic market competition. Indeed, modern large firms develop impressively

complex divisions of labor and systems for orchestrating the integration of these differentiated tasks. The resulting efficiency and innovation have been astounding. Moreover, wage employment gives employees a freedom of movement that was not available prior to capitalism's emergence. The greater freedom to choose one's employer represents real progress, even if people are rarely able to work for themselves. In many countries where capitalism is less thoroughly diffused, large numbers of young people migrate to wage employment in the cities to escape what they feel to be the narrow horizons of the pre-capitalist social structures that dominate in their rural villages.

- *In capitalist societies that celebrate individual liberty, how does the institutional logic of the wage relation based on obedience to the employer's authority become taken for granted? We have a considerable body of research on how this managerial authority is legitimated, but how can this legitimacy be effectively challenged?*
- *How do traditional structures of gender and ethnic domination mutate as workers migrate from rural peasant production to urban capitalist employment conditions?*

Alongside its benefits, the wage-employment system has significant costs. Two command attention. First, within firms, employees often experience the fundamental asymmetry of power between employer and employee as an injustice. Second, capitalist development does not guarantee an equitable distribution of the fruits of growth: Given an unequal initial distribution of resources, competition often aggravates that inequality over time. Indeed, employers are inclined to push wages lower, driven by both competitive pressure and self-interest. Labor market competition for some categories of skilled labor can counteract that pressure and drive some occupations' wages higher. However, at any given time only a minority will have the skills or collective organization that afford them this market power. At the other end of the spectrum, a nonnegligible proportion of the working-age population is unable to find any employment at all. As a result, significant pockets (and sometimes large masses) of unemployment, underemployment, and low-wage work are persistent features of capitalism.

- *How do wage-based capitalist enterprises encourage employees to engage in collaborative problem solving notwithstanding the fundamental power asymmetry and exploitation embedded in the firm's authority structure? How can this*

engagement be translated into real power for employees?

- *How do employees assert their interests and act on their rights within the employment relation? Unions are one form of voice. What new forms of employee voice are emerging in nonunion firms? In networked firms?*
- *Much of our micro research focuses on employees, but what of the lives of the temps, part-timers, independent contractors, unpaid interns, unemployed, and people who work in the informal economy? What are the consequences for self-efficacy and other psychological attributes? How does poverty or income insecurity change decision making, cognition, and attributions? Are such statuses experienced differently by women and minorities? If so, how?*

Limited Government

In a free-market capitalist system, government does not direct the allocation of productive resources to ensure that society's needs are met, but instead leaves that task to the market and its private-sector firms. Government's role is in principle limited to enforcing private property rights and national defense, to ensuring the availability of the public goods that the private sector requires but cannot profitably produce itself, and to ameliorating negative externalities when they become too dangerous to the system's survival.

- *In capitalist systems, establishing and policing private property is a continuing challenge. This challenge has moved to center stage today in struggles over intellectual property. How are the frontiers evolving between knowledge as commons and as commodity? How is this affecting the work of creative professionals and of academics such as ourselves? How is it affecting indigenous communities' control over their traditional knowledge?*
- *Over recent decades, many governments have privatized some of their functions, in some cases even core functions such as infrastructure, military operations, and prisons. This was often justified by claims that the private sector is typically more efficient, and that good outcomes can be assured by the appropriate contract design. What have we learned about the accuracy of these claims?*

The narrow scope of government has important benefits. It ensures a larger scope for individual and local autonomy. A vast sector of daily social

intercourse proceeds on a voluntary basis rather than being mediated by government or communal institutions. While capitalism does not automatically engender electoral democracy—indeed, capitalism’s periodic economic crises tend to revive authoritarian political solutions—individual autonomy in the economic sphere encourages an independence of thought and an expectation of voice.

- *In capitalist systems, the institutional logic of competition and wage employment expands beyond firms to penetrate government and not-for-profit organizations. What have we learned about how that penetration proceeds and about its costs and benefits? How has the introduction of market forces into traditionally not-for-profit sectors such as health care and education changed practice? How can the spirit of public service be sustained and augmented against such pressures?*

Limited government also has disadvantages. Capitalist economies give the owners of capital wealth and power, and these owners often use those levers to ensure that government protects their advantages. As a result, even though many argue that prosperous capitalism would require continuous government regulation and intermittent government intervention, capitalism’s structure and spontaneous evolution tend to limit governments’ ability to fulfill those roles. The net effect is that the costs of the capitalist system—its externalities, instabilities, and inequities—are only partially mitigated by government. The ability of governments to regulate and intervene is further limited by globalization, which creates firms and markets whose scale dwarfs that of many governments. Given the inner tendencies of capitalist development, government nevertheless tends to assume an ever-larger role in the economic sphere. The neo-liberal programs aimed at rolling back the welfare state have in fact had very limited success, even as other areas of government economic activity have grown.

- *The growing role of government in the economy leads firms to devote greater strategic attention to rent-seeking lobbying and other forms of engagement in the political arena. What are the overt and covert pathways used by business to influence government today? Beyond direct influence, how are government policy choices constrained by fear of the reaction from national and international markets? Beyond such direct and indirect influence, how is government in our class-divided societies tied organically to the dominant class? In such a context, how can progressive forces in*

society augment their impact on government policy without being coopted?

- *What organizational forms emerge in transnational quasi-government agencies such as the United Nations, the International Monetary Fund, and the World Trade Organization? How do business interests make themselves felt in these agencies? What strategies can activists pursue to democratize them?*

One way that capitalism has overcome this internal limit is, paradoxically, through mass insurgency: Social turmoil and the threat of revolution were key factors driving the creation of new national variants of capitalism via the New Deal in the United States and social democracy in Europe. But the recent decades have revealed these variants to be woefully ill-equipped to deal with the increasingly global nature of the economic, environmental, and social problems and crises we face. Progressive change today needs to be more radical and simultaneously more global and more local.

- *What kinds of electoral and extra-electoral movements can give effective voice to popular opposition to socially and environmentally retrograde business and government policies? What organizational challenges confront these movements? How do they attempt to overcome them? What experiences encourage people to join these movements? Which discourage them? In an increasingly globalized economy and polity, how can these movements globalize in turn?*

THE SYMPOSIUM PAPERS

At a time when so many are suffering from the failures and injustices of the prevailing political-economic order, scholars in our field are summoned to help find a way forward and to help us imagine an alternative economic future. The contributions to this Symposium illustrate some of the more inspiring work being done within this emerging community of progressive management and organization scholars.

In his article “Can an Economy Survive Without Corporations? Technology and Robust Organizational Alternatives,” Jerry Davis reflects on the pathways being opened up by the advanced technologies bequeathed by capitalist development. By dramatically lowering transaction costs, new computer and communications technologies undermine the centrality of large corporations in our economy and thereby threaten the primary source of long-term

employment and related employment benefits. This takes us to a fork in the road. On one side, in the shape of Uber for example, these technologies lead to a dystopia in which we are all reduced to contingent employees, permanently on call, perhaps bidding for jobs and perhaps even bidding against more desperate peers in poorer countries—allowing those who monopolize the underlying technology platform to reap the profits. On the other side, these same technological capabilities, by dramatically lowering economies of scale, lead to the possibility of a viable communal economy composed on flexible networks of cooperative enterprises. The path ahead will be determined not by technology but by the regulatory schema that will govern how it is used.

In his article “Community Wealth Building Forms: What They Are and How to Use Them at the Local Level,” Steve Dubb surveys a range of new organizational forms that socialize enterprise ownership at the urban community level—employee stock ownership plan (ESOP)–owned companies, cooperatives, community development corporations, community development financial institutions, municipally owned enterprises, social enterprises, B corporations, and others. Beyond this diversity at the enterprise level, Dubb discusses a range of city-level experiments in the United States that link these new organizations with the power of local government to enact more comprehensive strategies for shared prosperity, in the process demonstrating the potential for democratic economic planning.

In his paper “Constructing Chains of Enablers for Alternative Economic Futures: Denmark as an Example,” Peer Hull Kristensen zooms out to the national level to explore the importance of progressive government policies in Denmark in assuring citizens a decent life in a globalized economy. He documents the positive impact on enterprise innovation and efficiency of expansive government policies on both the supply and demand sides. On the supply side, enterprises are more flexible when government offers workers generous support in areas such as worker training, child and elder care, and housing. On the demand side, industry is more innovative when

government subsidizes the demand for promising new products and services in areas such as environmental protection; alternative energy and energy saving; health, child, and elder care; and city planning.

Finally, Anna Grandori’s paper “Knowledge-Intensive Work and the (Re)Emergence of Democratic Governance” zooms back in to the enterprise level. The tendency of capitalist development seems to be toward increasingly knowledge-intensive production. Using the standard tools of organization-economics reasoning, Grandori shows that in more knowledge-intensive firms, none of three main models of governance—markets, hierarchies, and clans—should be expected to perform as well as a democratically structured partnership. She shows empirically that such models are in fact emerging in high-tech sectors.

We hope that this Symposium will further stimulate progressive management scholarship. These papers show us that our efforts to imagine a better world are not merely daydreams. They can be informed by the dictum of the cyberpunk novelist William Gibson: “The future is already here—it is just not evenly distributed” (Gibson, 1999).

REFERENCE

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