

Gar Alperovitz, **America Beyond Capitalism: Reclaiming Our Wealth, Our Liberty, and Our Democracy** (John Wiley & Sons, 2004) ISBN 0-471-66730-7. \$24.95 (hardback), 336 pages.

"They called it 'Black Monday' - the day in 1977 when five thousand workers at the Youngstown Sheet and Tube plant in Ohio were told the mill was going to close" is the way Gar Alperovitz's America beyond Capitalism starts. Alperovitz, now a professor of Political Economy at the University of Maryland, worked for Youngstown's Ecumenical Coalition in trying to save the mills through worker and community ownership.

He writes, I think correctly, that the ultimately unsuccessful struggle to save the Youngstown mills "continued—and in many parts of Ohio (and elsewhere throughout the United States), worker-owned firms inspired by that initial fight are now commonplace." It certainly is the reason why the Ohio Employee Ownership Center exists.

America beyond Capitalism is anything but an academic tome. This easily accessible, carefully documented book goes directly to the classic themes of American political thought—the relationship between equality, liberty and democracy—in a way that every American can understand. Alperovitz, like Thomas Jefferson and Alexis de Tocqueville in the early years of our Republic, argues that relative economic equality is key to sustaining both liberty and democracy. He sees broadening ownership as crucial and employee ownership as a major component of that effort.

Equality, liberty, and democracy aren't being sustained by our current political and economic system, says Alperovitz. He assigns the fault fundamentally to our economic system, which increasingly concentrates wealth and income. This concentration of economic power, in turn, corrupts our political system, undercutting both liberty and democracy. The corruption of the political system to favor the wealthy and large corporations further undermines equality and liberty.

Alperovitz devotes a third of the book to his argument on how to increase economic equality, which he sees as key to his vision of America as a "pluralist commonwealth." His comments on the importance of employee ownership will get approving nods from the readers of *Owners at Work*.

For Alperovitz however, employee ownership is only one of many ways in which ownership is being broadened—and becoming more locally anchored. He cites additionally community land trusts, municipal ownership, individual development accounts, public and social venture capital funds, and peculiar state systems like the Alaska permanent fund, which distributes that state's oil royalties to its citizens as their patrimony. He looks at thousands of non-profits that have developed businesses to stabilize their communities' economic base. He notes that today there are 4,000 Community Development Corporations (CDCs)—virtually all set up since 1960 as a lasting result of Johnson's War on Poverty. The most innovative of these—and Alperovitz cites the Bedford-Stuyvesant Restoration Corporation in New York, the New Community Corporation in Newark, NJ, and Kentucky Highlands—have each created thousands of jobs each through successful local investments in high unemployment areas.

Alperovitz goes on to look at state initiatives to channel capital into local investments. Some are old institutions, like the state-owned Bank of North Dakota, set up in 1919, and the Wisconsin State Life Insurance Fund, operating since 1911. Others are new, like the initiatives by state pension funds, such as CalPERS, the California Public Employee Retirement Fund, and the Retirement Systems of Alabama to blaze new paths in pension fund investment to stabilize and grow state and local economies. He points to high-tech state venture capital funds, such as Maryland's Enterprise Investment Fund. All of these should be instructive for Ohio policy makers.

Perhaps the greatest virtue of this book for employee ownership advocates is that it forces us to place our work in a broader perspective. Alperovitz says that all of this local activity to broaden ownership has happened beneath our radar because "Specialists in narrowly defined sectors... often do not know of experiences in other areas." Guilty as charged!

This volume is as interesting and as challenging in the areas of liberty and democracy as it is in the area of economic equality and wealth ownership. OAW readers will find it worth your time. Take it on vacation with you!

America beyond Capitalism joins two other recent books—Bill Greider's *Soul of Capitalism* (2003) and Thomas Friedman's *The World Is Flat* (2005) - in suggesting a more significant role of employee ownership in America's economic future. None of these books comes out of the employee ownership community. All three are written by outstanding political and economic commentators—by some of the brightest, most thoughtful and best informed people writing about the American scene today.

By chance, I read this book while visiting the cooperative sector in Emilia Romagna, the region in Northern Italy around Bologna that has the world's greatest concentration of worker cooperatives. Together co-ops – workers, consumer, housing, agricultural, and financial – generate 30% of the regional GDP. They are coupled with a vibrant small business sector creating a locally owned and controlled economy. This is Alperovitz's "pluralist Commonwealth." And, as David Erdal's study ("Is Employee Ownership Better for Your Health?" OAW, winter 2001/02) of Emilia Romagna suggests, higher degrees of employee ownership increase civic participation, voter turnout, and even blood donation and life expectancy.

Ownership does matter – local ownership and employee ownership alike.—John Logue
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