

# Does "no demands" == a seat at the table?

Richard Ferrante, June 2012

(pdf of <http://www.deictic.net/2012/06/30/does-no-demands-equal-a-seat-at-the-table> )

*Is it any surprise that policy has paid most attention to the issues that just happen to be the things those with the most political power care the most about? What was I thinking?*

From: The need for countervailing power by Mark Thoma<sup>1</sup>

Judith Butler's discussion (*So What Are the Demands?* appearing in tidal communique #2<sup>2</sup>) on the rationale underlying Occupy's "no demands" approach foregrounds the trap involved with tying oneself to specific issues: it restricts your scope to things that can be clearly articulated right now, closing off the potential to evolve your position as the situation changes.

The question this raises for me is: *Is there away to specifically articulate positions in a way that would allow for adaptability, perhaps by empowering an impact upon decision making process itself?*

Considering this, I'm drawn back to some of the writing about worker involvement and workplace design that was prevalent back in the 1970s and early 1980s. One of the ideas was that a corporation had three sets of stakeholders

1. The shareholders.
2. The customers
3. The workers.

All of which had a roughly equal interest in the Corporation's activities. the point of this model was all stakeholders participate in the decisions that effect their future. The most popular examples included Volvo, Lincoln Welding Equipment, and German co-determinism.

Worker involvement fell out of style in the 1980s when shareholder rights became supreme (exemplified by the efforts of T Boone Pickens<sup>3</sup> amongst others): Executive compensation was tied to shareholder returns via large stock options designed to align executive behavior with stock price, all other considerations became secondary.

Of course, his was also the era of Reagan and Thatcher, who strongly reduced "workers rights" by breaking the air traffic controllers strike<sup>4</sup> in the US and the miners strike<sup>5</sup> in the UK. These actions, coupled with leveraged buyouts, debt-based acquisitions, and privatizations brought privatized entrepreneurship and the interests of the owners to the forefront of the discussion, relegating all else to a distant memory.

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<sup>1</sup> <http://economistsview.typepad.com/economistsview/2012/05/the-need-for-countervailing-power.html>

<sup>2</sup> <https://docs.google.com/file/d/0B8k8g5Bb3BxdNXB3dkgweEhUTnFiTnVOTVFyZUJxQQ/edit>

<sup>3</sup> [http://en.wikipedia.org/wiki/T.\\_Boone\\_Pickens#Career](http://en.wikipedia.org/wiki/T._Boone_Pickens#Career)

<sup>4</sup> <http://www.nytimes.com/2011/08/03/opinion/reagan-vs-patco-the-strike-that-busted-unions.html>

<sup>5</sup> [http://en.wikipedia.org/wiki/UK\\_miners'\\_strike\\_\(1984-1985\)](http://en.wikipedia.org/wiki/UK_miners'_strike_(1984-1985))

Other factors contributing to these changes include: higher fuel prices, an economy stuck in stagflation<sup>6</sup> and the increased flexibility induced by globalization, floating currencies etc.. All of which were pushing the same narrative: prioritizing workers interests led to stagnation, consumers protections led to inflexibility and the unleashing of entrepreneurial capitalists would benefit us all.

Aesthetically, workers reinforced this narrative when they reacted to structural/environmental changes by working to preserve their current situation at all costs, rather than trying to find a long-term path forward. Given the changes that were underway, the “old system” was being shown to be too ossified to survive.

What we ended up with in its place is system that doesn't have three stakeholders, and arguably doesn't have any of the three stakeholders previously identified. As we left the 70s behind (which took most of the 80s), workers had been denigrated, the consumers were viewed as the receptacles for a pump and dump strategy of the latest products, and stock holders were typically less interested in the company per se, instead becoming short term traders exploiting momentary pricing trends, who cared naught about the long-term health of the company<sup>7</sup>.

One good example of this was the removal of “excess assets” from “overfunded pensions” experienced during the stock market boom of the 1990s. I can't help but wonder if the whole phenomenon would have occurred if workers had a seat at the table<sup>8</sup> -- even though, at the time, everyone thought that the stock market would be going up, up, up forever. The reason it might have worked in any case was that transferring money out of pension funds is one-sided risk: all benefits to the current shareholders and upper management, all risks to the employees and other long-term stakeholders

My somewhat cynical view is that people outside of the privileged circle are currently viewed primarily as money pumps for people inside the circle. Aligned executive behavior promoted inflation of stock prices, allowing sale of the increasingly valuable stock options and removal of the money from that particular game, with consumers and longer-term shareholders providing the funds.

In a recent turn of events, the auto bailout has given us a situation in which some unions (distinctly and truly a subset of all the workers) have a seat at the table. Interviews with the UAW representatives were notable in that they claimed to represent those with the longest term perspective on the company. Shareholders have become very transient, upper management generally put in relatively limited stints, which left the “workers” (including, arguably, “middle management”) as the only ones committed to long term employment with the company.

I'm not sanguine about how this will play out over the long term. The United Airlines “worker participation” plan doesn't seem to have had the long-term effect that was expected (The ESOP

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<sup>6</sup> Although stagflation may not be as significant as it seemed at the time., c.f. [http://research.stlouisfed.org/fred2/graph/?graph\\_id=76399&category\\_id=0](http://research.stlouisfed.org/fred2/graph/?graph_id=76399&category_id=0) and <http://krugman.blogs.nytimes.com/2012/05/23/was-greed-good>

<sup>7</sup> high-frequency trading [http://en.wikipedia.org/wiki/High-frequency\\_trading](http://en.wikipedia.org/wiki/High-frequency_trading) is just the limiting case

<sup>8</sup> <http://cyber.law.harvard.edu/rfi/press/surplus.htm> and Ellen Schultz's Retirement Heist <http://www.retirementheist.com/>

operated between 1994 and 2002<sup>9</sup>. It was a partial ESOP, in that all employees weren't involved. In general, most employee empowerment/ownership plans aren't comprehensive in that they exclude "non-executive" management workers who aren't really that dissimilar from most workers.<sup>10</sup>) It wouldn't be particularly surprising if, in a few years, the worker (union) seats on the board are eliminated by some change in ownership structure, since, unlike Germany, such participation isn't written into law.<sup>11</sup>

So far, I've only addressed the corporate model. Corporations are relatively clearly delineated and don't represent the core of the Occupy's concerns. In spheres in which constituencies are more fluid, achieving effective participation is even more problematic.

Again, I agree with Butler's basic point that specific demands are inherently constraining and self-limiting, potentially barring achievement of the desired outcome. The question remains: how do you achieve the desired effect, in the practice, over time, and, *what is the desired effect*. If the ideal is exemplified by the structure of the *occupations* (for the sake of argument let's call this complete participatory consent), it is difficult to understand how this would work on complex issues.

This is not to denigrate any given individual's intellectual horsepower. It is only a reflection of how much time it takes to understand just one of the relatively complex problems with which urban societies are presented. Such problems are characterized by situations in which experts disagree but decisions must be made. I would say that *a priori* the question then becomes not so much one of having a seat at the table when the decisions her being made, but rather a seat at the table when the criteria for the acceptability of these decisions is established.

This (unfortunately) feels like is potentially represents a Rawlsian "veil of ignorance" situation: we sit at the table setting the rules without realizing who will benefit -- even though of course, in practice, we know who will benefit. This might be the point though, a seat at the table represents partisan clamoring for *interest group* concerns as part of the scoring of any decision.

It's an interesting thought: the Congressional Budget Office scores legislation based upon its economic impact<sup>12</sup> but there isn't a similar mechanism for other scoring criteria, e.g., the number of people without health care, the number of unemployed, the number of underemployed pick your criteria.

The scores would not need to roll up into a final single number -- in fact, anything like that would preclude (or more accurately, subsume) debate.

The simple act of presenting the results of such an analysis would at to the minimum allow each of these criteria to be an active part of the dialogue around any particular proposal. Admittedly this is an idyllic scenario. Even now, something as "simple" as financial analyses are subject to partisan scoring schemes which reduce the validity. I severely doubt more complex criteria would be any less

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9 [http://en.wikipedia.org/wiki/United\\_Airlines](http://en.wikipedia.org/wiki/United_Airlines), per <http://www.nceo.org/main/column.php/id/315>

10 This site <http://www.eurofound.europa.eu/eiro/1998/09/study/tn9809201s.htm> delineates the various employee representation schemes in Europe.

11 <http://en.wikipedia.org/wiki/Co-determination>

12 <http://www.cbo.gov/about/our-processes>

subject to manipulation. However, in my mind, the real point of a “non-demand driven occupy movement” is to put criteria on the table. The issue right now is that these criteria are nowhere to be found as part of the dialogue.

The striking thing that has occurred in American politics since *occupy* is that income inequality is least on the table. Perhaps *close to the table* is better way of phrasing it: income inequality is mentioned but is an actual criterion for action it’s still missing. To be effective at this kind of thing, multiple immediate instances that are unacceptable need to be pointed at. This is decidedly distinct from having a particular demands about the behavior. *Pointing at* doesn’t reduce you to criteria/demands. *Pointing at* distinguishes instances whose net balance is negative, leaving the exact criteria implicit.

This feels viable, take foreclosures as an example, consider two options:

Option 1: **Define the terms:** You can painfully, slowly, arduously develop specific criteria on unacceptable foreclosure practices. Realistically, the bulleted list of unacceptable practices would probably take reasonably skilled lawyer less than an hour to circumvent. A list of criteria, is your much like a list of demands, it couldn’t keep up with the activity, sort of like what Wittgenstein’s example of trying to define a game. The problem is that the list represents the unacceptable practices that exist at that particular time. In contrast, the goal of the unacceptable practices is not to be unacceptable per se, but to make money. Money in a quantity and in the manner that could be termed illegitimate profit “illegitimate profit”. However, “illegitimate profit” isn’t the same as “great profit” or the opposite of “small profit”, it simply profit that is the result of unfair or “unethical” activities.

Option 2: **deictic pointing:** Point at the unacceptable activities; point at the particular portions of the practices that are unacceptable. Deictically pointing out unacceptable activity simply highlights the cluster of components of that activity that are unacceptable. Deictic pointing raises the issue: how do we fix **this, now** reserving the right to say later how do we fix **that** (other thing), **then** (at a future time),

Again, an idyllic (technocratic) viewpoint. We supposedly have many systems resembling this already in place: consumer protection agencies, watchdogs, advocates. In practice however, agencies get defunded, regulatory watchdogs are captured, and advocates are ignored. Certainly any attempt for a comprehensive long-term scheme that to be “guaranteed to remain in place and succeed” is *a priori* doomed to fail. All we can do is posit something with some chance of success and then go with either continual or sporadic monitoring, provides a net benefit.

The way forward then this is to point, *pointing* at the inequities; *pointing* at the lack of consideration, *pointing* at the real criteria that are being used to make decisions rather than the proclaimed criteria, *pointing*....