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### **Abstract. The Diversity of Enterprise**

This chapter overviews the diverse economies framing of the enterprise, a framing that is founded on two distinguishing features. First there is the understanding of class as a process of producing, appropriating and distributing surplus labour; and second there is the use of a 'weak theory' perspective. What results is the recognition of enterprise diversity such that the economic landscape is populated with a range of non-capitalist, capitalist and more-than-capitalist enterprises. In this diversity there are enterprises that are producing, appropriating and distributing surplus labour in ways that take into the wellbeing of people and the planet. These ethical commitments can be widened and deepened through political action that targets class dynamics within the enterprise and the broader factors that provide the conditions of existence for enterprise operations. The diverse economies framing thus helps to position enterprises as having a crucial role in building a more equitable and environmentally sustainable future.

### **Introduction**

In the wake of the 2008 global financial crisis and concerns about the deepening climate crisis, there is growing recognition that many business practices have to change. Milton Friedman's infamous proclamation that "[t]he social responsibility of business is to increase its profits" (1970: 1) is under question today. We could say that business-as-usual is 'on notice'. The questioning of the role of business is reflected in public discussions, in media reporting, and within the University sector in the introduction of courses on topics such as business ethics, social enterprise, social entrepreneurship and 'green capitalism'.

At the same time, however, there is scepticism about whether businesses are able to make deep and genuine changes that can match the challenges of addressing economic inequality and halting the warming of the planet. There are concerns that these issues are simply a new opportunity for businesses to increase their profits by expanding their operations into emerging markets such as those in Africa, and to make only the smallest adjustments to their environmental practices (enough to be able to 'greenwash' their activities).

The questions that are being asked about the societal role of business as well as the concerns raised about the capacity of business to contribute to a more equitable and environmentally sustainable future are well-suited to investigations based on the diverse

economies framing of enterprise.<sup>1</sup> This chapter serves as an introduction to this framing, with a focus on three important features. It starts with a discussion of the understanding of class that is the basis of the diverse economies framing. As outlined in the introduction to this volume, this understanding is of class not as a social grouping but as a way of producing, appropriating and distributing surplus labour. The second section discusses how this understanding has been used by diverse economies scholars to study various types of enterprises and the distinctive edge that results when this understanding is combined with what is known as a ‘weak theory’ approach. The third section turns to enterprise dynamics and the drivers of enterprise change, and discusses class dynamics within the enterprise as well as wider factors that provide the conditions of existence for the enterprise.

### **Class as a Process**

The diverse economies framing of the enterprise is based on Resnick and Wolff’s (1987) reading of the three volumes of Marx’s *Capital: A Critique of Political Economy*, and the understanding that class is a *process* of producing, appropriating and distributing surplus labour. Surplus labour is what workers produce above and beyond what they need to survive. In the context of waged labour, wages are meant to cover the workers’ survival needs (but there can be vast differences in wages between different countries and within different sectors in the same country). In their working day, workers produce goods and services that are equivalent in value to their daily wage, but they also produce more than the value of their wage. This ‘extra’ production is their surplus labour (or surplus value once the value of the service or product is realised in the market). In a non-wage setting, the survival ‘payment’ may be an allowance of food and the provision of some form of shelter. Surplus labour then refers to the ‘extra’ goods or services that workers produce above this survival payment.

The appropriation of surplus labour refers to the ‘taking’ of the extra that workers produce, and distribution refers to the various ways that the extra is dispersed. In this Marxian class analysis, it is important to ask *who* takes the surplus labour that workers produce and *to whom* the surplus labour is distributed. In the most familiar enterprise type, the capitalist firm, surplus labour is appropriated by the capitalist owners. The owners may be the individuals who own and run a private capitalist firm or the shareholders who own a corporation that is publicly listed on the stock exchange and run, on their behalf, by a Board of Directors. The taking of surplus labour by nonproducers is recognised as a form of theft and named exploitation. The new ‘owner’ of surplus labour has the power to make decisions about how the appropriated surplus labour is distributed. In a large capitalist enterprise some will be distributed to help maintain and expand operations. For example, some may be distributed to managers to oversee the workers; some to the advertising and

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<sup>1</sup> In this chapter, the terms enterprise, business and firm are used interchangeably.

social media department to increase the visibility of the firm and thereby increase sales; and some to accountants to streamline the financial operations and even minimise taxation payments. Some of the appropriated surplus labour will be distributed more widely. For example, some may be distributed as profit to individual owners or as dividends to shareholders; some as taxation to governments and thereby the wider public; some as membership payments to business associations that lobby governments on behalf of business; and some as donations to sporting groups, arts projects, charities and the like.

In this Marxian class analysis, other enterprises in which nonproducers appropriate and distribute the surplus labour produced by workers are feudal enterprises and slave enterprises. In a feudal enterprise, the workers produce what they need for their own survival (say by growing enough food to feed themselves) but the feudal 'lord' that they are obligated to takes and distributes the extra they produce. In a slave enterprise, the workers are unfree. They produce much more than the costs of food and lodging that their owner provides them and this 'extra' is taken and distributed by their owner.

There are also enterprises in which the workers who produce the surplus labour also appropriate and distribute this surplus. This occurs in worker-owned cooperatives, a type of enterprise which is owned by workers and in which the workers, via a communal class process, cooperate to make decisions about how to distribute the surplus they have produced. Another example is what is known as independent enterprises, businesses in which a self-employed person produces and then owns the surplus labour that she or he produces.

This diversity of enterprises can be found across the globe today, and include, for example, a capitalist mining company that is listed on the Canadian stock exchange but operates globally (Garibay et al. 2011); tenant farmers in India who are in feudal-like relationships with land owners and manage up to one-fifth of India's land holdings (and up to half in some states) (Chandran, 2016); the 9,000 or so Illicit Massage Businesses operating in the US that use force, fraud, and coercion to enslave women as sex workers (Polaris, 2018); the worker cooperatives that were established in the early 2000s in Argentina in the wake of a devastating economic crisis (see the chapter in this volume by Heras and Vieta); and self-employed farmers in Kenya that help to make up the almost 500 million small farm households worldwide (Rapsomanikis, 2015). These enterprise types also co-exist within individual countries. Even in so-called advanced economies such as the US the full range of enterprise types are present.

One implication of recognising enterprise diversity is that it moves away from a stage-based conception of development in which one mode of production is replaced by another, say

feudalism is replaced by capitalism. The recognition of co-existing enterprise diversity helps to challenge “capitalocentrism” (Gibson-Graham, 1996, 6). As discussed in the introduction, this is the idea that not only is the economy capitalist but that any non-capitalist economic activity is subordinate to capitalism. By identifying the diversity of enterprises—and the ubiquity of this diversity across and within countries—the economic landscape is ‘opened up’ for inquiry into the various ways that new wealth is generated and distributed.

### **Enterprise Diversity for People and Planet**

Building on the Marxian analysis of class as a process of producing, appropriating and distributing surplus labour, diverse economies scholars have further investigated this aspect of how enterprises operate but with a distinctive ‘weak theory’ lens. Weak theory is a way of knowing that starts by assuming as little as possible about the topic at hand, and proceeding with an open and inquisitive stance (Gibson-Graham, 2006). By contrast, strong theory starts from a position that presumes to already know what forces are powerfully operating and dictating outcomes.

Many empirical studies of the enterprise use strong theory, and especially a strong theory of capitalism. This capitalocentric framing starts by already knowing that ‘capitalism’ is the dominant economic system, and that much that goes on in the world is determined by capitalism’s never-ending quest for expansion. This strong theory approach is evident in the way that scholars have studied the historical development of different types of capitalist enterprises. These studies emphasise how the driving forces of profit maximisation and competition result in periods of crisis and restructuring that drive innovation (for example through the development of new labour processes, different forms of competition and new company structures). What results is the story of a shift from competitive to monopoly to global capitalism and the associated evolution from competitive to monopoly to global capitalist firms, each associated with a particular set of capital-labour, capital-capital and capital-state economic relations, as discussed by Gibson-Graham (1988).<sup>2</sup> Although these

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<sup>2</sup> As a brief overview, competitive capitalist enterprises are associated with the so-called early period of capitalism, centred on family-based firms rooted in local communities, often incorporating craft skills and paternalistic labour relations. Monopoly capitalist enterprises are associated with the period of monopoly capitalism which is said to start at the end of the nineteenth century and reach maturity after World War II (Sweezy, 1987). During this period, production became concentrated in the hands of fewer and fewer but increasingly larger and larger oligopolistic firms, such as US Steel and Standard Oil. Ownership was by shareholders (rather than family members) and the running of the firms was in the hands of managers and other white collar staff, while blue collar production workers became increasingly unionised (Edwards, 1975). Global capitalist enterprises are associated with the development of a so-called global capitalist economy in which production has shifted from what were once seen as core countries (such as the US) to peripheral countries (such as Mexico and other parts of Latin America, and Bangladesh and other parts of Asia). Global capitalist enterprises are portrayed as highly mobile and able to operate across the globe by shifting or outsourcing production to places where non-unionised work forces can be easily exploited and environmental standards are minimal (Dicken, 1986). Global capitalist enterprises include transnational corporations (TNCs)

empirical studies document the development of enterprise diversity, the focus is on how diversity operates *within* what is portrayed as a capitalist system, thereby strengthening and maintaining capitalist class processes (Gibson-Graham, 1988).

Rather than this strong theory narrative of the unfolding stages of capitalism and the development of matching capitalist enterprise types, diverse economies scholars are interested in the coexistence of multiple enterprise types. A weak theory lens is applied with the specific intention of seeking out hitherto unrecognised economic possibilities, especially those obscured by a capitalocentric framing. The concern is to understand how goods and services can be produced in ways that centre on the wellbeing of those who are ‘giving’ or expending their surplus labour as well as the ways that the ‘fruits of their labour’ can be distributed to generate broader social and environmental wellbeing.<sup>3</sup>

Worker cooperatives are of interest because of how the production, appropriation and distribution of surplus labour in this type of enterprise is premised on the wellbeing of people (and increasingly the wellbeing of the planet). As discussed by Safri in this volume, worker cooperatives are founded on a series of ethical commitments (including democratic governance and the ownership of surplus by worker-owners) that means there is negotiation over fundamental aspects of the enterprise (such as how wages, profits, and decision-making and control are allocated). Diverse economies scholars have researched how these commitments and the associated negotiations ‘play out’ in a variety of cooperatives. For example, Cornwell’s (2012) three-year ethnographic study is of Collective Copies a printing service, formed in 1982, comprised of thirteen worker-owners that operates in three locations in the Pioneer Valley of Western Massachusetts (in the US). Cornwell documents how Collective Copies uses consensus-based decision-making to negotiate, on an ongoing basis, concerns such as wage levels and benefits (including health and long-term disability insurance), and whether or not to expand operations. Two important points emerge from Cornwell’s research. First, there is a demonstration of how ethical commitments to the wellbeing of others shape decisions. For example, the decision to open two new locations was not motivated by a desire to increase profits, but rather to be able to “invite more workers into the circle of worker ownership” (726). Indeed, for the worker-owners the expansion of Collective Copies came at cost, including the time and stress of formulating the proposals and projections, the extra labour of renovations and

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such as Apple, Dow Chemical Company, Nestlé, Royal Dutch Shell and Toyota which operate across all sectors of the economy.

<sup>3</sup> As highlighted in the introduction to this volume, this is not to deny the extent of undesirable diversity such as slavery. Studies such as that by Polaris (2018) into the ways that Illicit Massage Businesses in the US use force, fraud, and coercion to enslave women as sex workers are crucial for developing strategies to help stamp out this unwanted economic diversity. The diverse economy framework can be used to inform studies such as these that work “*against* certain practices” (18, original emphasis); however, the focus in diverse economies scholarship so far has tended to be “dedicated to working *for* others” (*ibid*). This section reflects this focus.

hiring and training new workers, reductions in profit during the start-up of the new locations and ongoing profit-sharing with the new worker-owners. Second, there is a demonstration of how this consideration of the wellbeing of others involves developing and strengthening democratic and cooperative subjectivity as worker-owners learn to express their views as well as listen to and take into account the views of others with whom they may disagree. With heightened concerns about planetary health, the foundational commitment to the wellbeing of others is being expanded to include a commitment to the wellbeing of non-human others. At Collective Copies, for example, there is a commitment to using 100 percent recycled paper, a commitment which increases the costs of production but is nevertheless a priority for the worker-owners.

Scholars working from the strong theory perspective of capitalocentrism, tend to judge cooperatives in relation to capitalism as either lacking capitalism's cunning capacity to adapt or as being captured and sucked into capitalism's orbit. The 'degeneration thesis' is typical of a strong theory perspective with its claim that over time "cooperatives fail ... either due to internal pressures or because of external market forces that compel cooperatives to resort to a capitalist form where some workers lose the democratic rights which originally applied to all" (Errasti, 2015: 495). By contrast a weak theory approach refuses to assume such supposedly self-evident truths and instead seeks to read 'against the grain'<sup>4</sup> and be open to other interpretations. This is particularly evident in how diverse economies scholars (such as Gibson-Graham, 2003) have studied the Mondragon Corporation (hereafter Mondragon), a group of over 250 companies (and other bodies) headquartered in the Basque region of Spain, and with operations in other parts of Spain and in other parts of the world. Mondragon is based on a participatory cooperative approach, captured in the logo *Mondragon Humanity at Work*. The first Mondragon cooperative, Fagor, started in 1956 manufacturing small lamps and heating devices; although, as noted by Azkarraga Etxagibel et al. (2012), this was preceded by 15 years of discussion, planning and education to develop the cooperative approach and ethos. By 2017 Mondragon had over 81,000 workers across four sectors: finance (banking, social welfare and insurance); industry (including automotive, machine tools, appliances and electronics); retail; and knowledge (including research centres, a university and technical schools) (Mondragon Corporation, 2019). As Mondragon has grown the original cooperative companies have been added to with capitalist companies, especially since the 1990s as Mondragon has expanded overseas in order to remain viable and respond to the pressures of globalisation (Azkarraga Etxagibel et al. 2012). As at 2017, there were 98 cooperatives and 168 other companies, including capitalist ones (Mondragon Corporation, 2019). The 98 cooperatives employ around 40% the total workforce. In other words, around 40% of the workforce are worker-owners (or *socios*, in Mondragon's terms). Errasti (2015: 479) describes Mondragon as now comprising a hybrid

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<sup>4</sup> As described by Gibson-Graham in this volume (see chapter 52).

“coopitalist” enterprise, a shift that is characterised as diluting the cooperative and weakening the foundational commitments (see also the chapter in this volume by Safri). Others, however, highlight that within Mondragon there has been a robust discussion about participation not just of workers in the off-shore capitalist companies but of worker-owners in the original cooperative companies (e.g. Azkarraga Etxagibel et al., 2012). For these researchers, participation “involves a complex of economic and social factors” (Azkarraga Etxagibel et al., 2012: 98), and discussion and exploration of how best to enact participation was core to the Mondragon’s establishment and continues to be an important and ongoing point of reflection and experimentation as Mondragon responds to economic and social changes. Instead of a single strong theory storyline of inevitable degeneration, weak theory seeks out multiple storylines through nuanced accounts (such as the nuance of recognising that in Mondragon participation has long been a vital topic of discussion and negotiation, and will continue to be so). This weak theory approach to the empirical study of enterprises seeks to widen economic possibilities, and even to invite researchers to consider how their research might contribute to strengthening (and weakening) the economic diversity that might be commandeered for the wellbeing of people and the planet (for more on this performative aspect of research see the section in this volume on Methodologies for Diverse Economies Research).

Alongside the study of the long-standing cooperative enterprise form, diverse economies scholars have researched newer types of enterprises that are also prioritising social and environmental wellbeing. Social enterprises are of interest because they have been established to serve an explicit social mission. Many social enterprises focus on employing groups who face barriers in finding paid work (such as early school leavers, the long-term unemployed, refugees, ex-prisoners). Since the late 1990s, social enterprises have become a more established feature of the enterprise landscape with governments attracted to the potential for social enterprises to provide employment opportunities for various groups. Sometimes the social mission is combined with an environmental mission (for example, an environmental mission to manufacture products from recycled plastics). Social enterprises can be likened to capitalist enterprises in that they are not owned by the workers (for example, social enterprises may be owned by a social entrepreneur or social entrepreneurial organisation, such as a large charity or NGO), and this owner appropriates and distributes the surplus labour that is produced by the workers. There can also be similarities in how the business operates with social enterprises looking for commercial opportunities to enter into new markets or expand their existing markets. But social enterprises are characterised by their strong social mission, and this means that there is a priority on providing quality conditions for workers as they produce surplus labour, and distributing surplus labour (or surplus value) to help secure and advance the social mission

of the enterprise. Thus Gibson-Graham and Dombroski in the introduction to this volume identify social enterprises as a form of 'more-than-capitalist' firm.

Diverse economies researchers are also interested in the potential of community enterprises. Sometimes the terms social and community enterprise are used interchangeably and there are similarities between these two types. However, community enterprises are usually associated with locally-based grassroots activism and tend to have a more radical agenda that challenges familiar ways of doing business (Cameron, 2009; Cameron and Hendriks, 2014; Pearce, 2009). For example, while social enterprises generally focus on providing opportunities for paid work (and some even adopt the descriptor, Work Integration Social Enterprises or WISEs), community enterprises often incorporate a range of labour practices (including paid, paid in-kind or unpaid work).<sup>5</sup> In community enterprises the producers of surplus labour also tend to be the appropriators and distributors of surplus labour (or surplus value). Cameron (2015) discusses the example of a community enterprise which takes the legal form of a corporation but with the special condition that the only shareholders can be workers (so this makes it similar to a worker-owner cooperative) (see also Cameron 2010). Other community enterprises take the legal form of an incorporated association, and this means that members are the owners and the workers.

Associated with the weak theory approach, diverse economies scholars are also open to the possibility that other types of enterprises, even capitalist ones, might contribute to social and environmental wellbeing. Certified B Corporations (or B Corps as they are known) are an example of capitalist enterprises in which ethical commitments are present (and are thus an example of a 'more-than-capitalist' firm, as identified by Gibson-Graham and Dombroski in the introduction to this volume). To be certified, an enterprise has to score a minimum of 80 out of a possible 200 points on an assessment across four main categories of: 1) workers (with questions related to topics such as wages; opportunity for training and further education; and occupational health and safety); 2) community (with questions related to topics such as opportunities for employees to contribute paid or unpaid time-off for community service; and percentage of managers from underrepresented populations, such as women, minority/previously excluded groups, people with disabilities and people living in low-income communities); 3) environment (with questions related to topics such as use of renewable energy; waste monitoring and reduction strategies; and sharing of environmental audits or review); and 4) governance (with questions related to topics such as legal mechanisms to ensure the social and environmental mission will be maintained over time; and sharing of financial information with employees).

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<sup>5</sup> There are parallels here between this idea of community enterprises and the eco-social enterprises discussed by Johanisova et al., in this volume. See also the discussion by Hicks in this volume of community enterprises in the community energy sector.



In earlier work, diverse economies scholars designated such firms as ‘alternative’ capitalist. However, there are limitations to this categorisation (Healy 2009). Naming something as alternative presumes that there is a dominant mainstream and risks strengthening this mainstream. In this case, the designation of enterprises as alternative capitalist works against anti-capitalocentric thinking by reinforcing the idea that capitalist enterprises are the mainstream and dominant enterprise form. As well, diverse economies scholars have shown how even the seemingly most archetypal capitalist firms may not operate in ways that conform to the image. For example, O’Neill and Gibson-Graham (1999) investigated the operations in the steel division of BHP, which was at that time an Australian-based multinational capitalist enterprise. They found that contrary to the image of a rational capitalist enterprise that operated according to a logical and profit-seeking dynamic, the enterprise was characterised by multiple and competing logics, desires and ambitions. This weak theory approach to even the most ostensibly capitalist of firms is important as it opens up multiple points for political intervention (as will be discussed in the following section).<sup>6</sup>

This brings us more deeply into the politics of the enterprise that diverse economies scholars are interested in. Here there is support for enterprises in which a commitment to workers’ wellbeing shapes how surplus is being produced; and a commitment to social and environmental wellbeing shapes how surplus is distributed. When these commitments are present (in whatever type of enterprise) we start to see the contours of a community economy—that is an economy in which an ethical commitment to the well-being of other humans, other species, and the environment shapes economic practices (see Gibson-Graham et al., 2013). The diverse economies framing of the enterprise starts with the recognition of enterprise diversity, but uses a weak theory approach to inquire into the practices of the enterprise in order to more fully understand how surplus labour is being produced, appropriated and distributed, and the role that ethical commitments play. This sheds light on the variety of ways that enterprises might be already contributing to and forging community economies—and the variety of ways that enterprises might be ‘nudged’ in this direction. The next part of the chapter takes up this issue of enterprise dynamics and drivers of enterprise change.

### **Enterprise Dynamics**

The Marxian class analysis that underpins the diverse economies framing of the enterprise focuses attention on two aspects of the enterprise where change can occur—and where political efforts might be targeted. The first relates to the class dynamics within the enterprise and the second relates to the wider conditions of existence for the enterprise.

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<sup>6</sup> This study is also an example of a ‘queering’ strategy, that involves showing how things that are dominant and presumed to be coherent and stable are characterised by multiple features and held together by only the most tenuous of alignments (for more on this the chapter on Reading for Difference by Gibson).

### *Class Dynamics within the Enterprise*

Within the class dynamics of the enterprise there are two crucial moments which have been the basis for political action. The first is the appropriative moment, when the surplus labour produced by workers is taken (either by nonproducers of surplus labour, such as capitalists, or by the producers of surplus labour themselves such as the worker-owners in a cooperative).

As identified above, in the Marxian class analysis laid out by Resnick and Wolff (1987), exploitation occurs when surplus labour is appropriated by nonproducers; this 'theft' of what workers produce has been a focus for class political struggle. Since the formation of capitalist firms during the industrial revolution, workers have resisted high rates of exploitation by arguing their wages are insufficient to their reproduction or survival, and that the line between necessary and surplus must be moved to accommodate workers' needs. Here it is important to note that the Marxian analysis of Resnick and Wolff (1987) is an accounting tool which is open to interpretation, depending on how the distinction between necessary and surplus labour is drawn. For example, necessary labour could be defined as a nationally-recognised minimum wage (in countries that offer such standards for workers), or as the average national wage or as the average wage for particular occupations or jobs. Depending on where this line is drawn, wages above the minimum or above the average can be seen as a share of surplus (and therefore as an inessential even dispensable bonus to workers). Gibson-Graham et al. (2013) describe this relationship between necessary and surplus labour as the "survival-surplus nexus" (53), drawing on their reframing of necessary labour as "surviving well" (xiii). They identify that how the boundary between survival and surplus is defined has crucial political implications, captured in their question, "[w]hose survival sets the line over which something can be seen as 'extra' or surplus?" (54).

A different and less familiar form of class politics that is also centred on exploitation has been to change the form of the enterprise from a capitalist to a cooperative form in which exploitation in the Marxian sense is eradicated. Nevertheless, there is still an internal politics about the appropriative moment with the worker-owners now having to collectively make decisions about the survival-surplus nexus in the form of their wages and wage premiums (as discussed by Safri in this volume and Cameron, 2015). The politics associated with the transition to a cooperative can take the form of a gradual change through worker buyouts that use mechanisms such as Employee Stock Ownership Plans (or ESOPs as they are generally known). However, the politics can involve more dramatic struggles as in the

case of the Argentinian worker cooperatives formed through expropriation, and discussed in this volume by Heras and Vieta.<sup>7</sup>

The second moment that is important for a class politics of the enterprise is the distributive moment when decisions are made about the flows of appropriated surplus. As outlined above with the example of a capitalist enterprise, some surplus will be distributed to maintain and expand operations (for example, by paying managers and advisers), and some surplus will be distributed more broadly (for example, by flowing as profit to individual owners or as dividends to shareholders). All enterprises, capitalist or otherwise, have to make decisions about the distribution of surplus. Diverse economies scholars are interested in a class politics of the enterprise that is focused on this distributive moment for as Gibson-Graham and O'Neill (2001: 69) point out the surplus that is momentarily held by enterprises is a form of "social wealth" that "is a massive and potent force" with potential to spread out "to nourish an array of economic and noneconomic activities and institutions".<sup>8</sup>

When it comes to capitalist firms one way that this can occur is through a shift from prioritising the interests of *shareholders* to considering the interests of a much broader group of *stakeholders* that might include shareholders but also customers and clients, suppliers and even competitors, taxpayers and other community members,<sup>9</sup> and future generations and the environment. This form of distributional politics is evident in the example of Interface Carpets. As discussed by Gibson-Graham et al. (2019), Interface is a publicly-listed capitalist enterprise based in the US, with manufacturing facilities across the globe. It is the world's largest manufacturer of modular carpet tiles and one of its priorities is environmentally sustainable manufacturing. Interface has acted on this priority by distributing surplus to invest in technologies to reduce its environmental impact. This has been Interface's journey ever since 1994 when the founder and Chair of the Board of Directors, Ray Anderson, initiated a radical transformation of the company. Until this point Interface had been a "profit-only business with little consideration of [its] effect on the planet beyond that required for legal and regulatory compliance" (Nelson, 2009: 22). However, in 1994 Ray Anderson had what has been described as his sustainability epiphany prompted by reading Paul Hawken's (1993) *The Ecology of Commerce*. Anderson committed himself and the enterprise to completely revolutionise the production process. Interface

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<sup>7</sup> Another example of a dramatic shift from a capitalist to a cooperative enterprise was the formation of the Solidarity Group Cooperative which formed after a factory closure in Thailand (see Gibson-Graham et al, 2013: 76-77).

<sup>8</sup> In contrast, established worker-based political struggles have tended to focus on the survival-surplus nexus and associated concerns such as the health and safety conditions under which workers produce necessary and surplus labour.

<sup>9</sup> Community members can include First Peoples, and there are now First Peoples' movements seeking to secure a distribution of surplus, in the form of compensation and royalty payments from mining corporations operating on their lands (Gibson-Graham and O'Neill, 2001; Gibson-Graham, 2006).

distributed surplus to redesign the production process to shift from a linear take—make—waste approach to a circular economy approach. In 2006, the company formalized Anderson’s vision into a plan called Mission Zero® aiming to “eliminate any negative impact Interface has on the environment by 2020” (Nelson, 2009: 24). Currently, the company is on track to achieve this aim. For example, its carpets are manufactured from a combination of bio-based materials, recycled materials that have nothing to do with carpet, or from carpet material that has been recycled or reused. Interface has now moved onto a second agenda, Climate Take Back™ in which it is taking a leadership role to provoke governments and other enterprises to embark on the serious steps needed to address climate change.<sup>10</sup>

Through Mission Zero® this capitalist enterprise recognised the environment as a stakeholder, but in the early days of Mission Zero®, Ray Anderson did not inform another stakeholder—the shareholders—that changes that were afoot. In a sense he was putting the interest of the environment to not be harmed by humans over the interest of shareholders to know about how flows of some surplus were being used. Once the company could demonstrate that prioritising the environment was financially viable, it enacted a form of ‘shareholder activism’ to educate shareholders to accept Interface’s environmental mission. This is in contrast with most forms of shareholder activism in which shareholders themselves put pressure on the firm to consider a broader group of stakeholders, including the environment. Hamilton (2013) provides fascinating insights into the strategic role that shareholder activists can play in focusing the attention of corporations on their environmental and social impacts.

The interest in shareholder activism is aligned with recent work by legal scholars who critique what is known as the “shareholder primacy model” or the idea that “corporate managers are agents of shareholders and should act exclusively in their financial interests” (Deakin, 2012: 339, see also Healy 2018). These scholars argue that this model has no legal basis in corporate law but is ‘merely’ a norm that has become entrenched—with detrimental consequences. For example, Stout (2012) highlights how the almost exclusive focus on maximising shareholders’ wealth led to BP’s *Deepwater Horizon* disaster in the Gulf of Mexico. To save time and money (at least in the short-term), standard safety procedures were ignored. While drilling at the Macondo oil well in 2010 the massive rig exploded and sank, killing 12 workers. The oil that spewed from the uncapped well over the next six months impacted a wide group of stakeholders: fishing and tourism operators who struggled to make a living; BP’s competitors who could not operate because of a moratorium on oil drilling; and ecosystems in the Gulf which were damaged and destroyed (and the full extent of the damage is still not known). Of course, stakeholders ‘closer to

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<sup>10</sup> For more on Interface’s activities, including its economic and social justice activities, see Gibson-Graham et al. (2019).

home', in the form of BP's shareholders were also negatively impacted, with BP's stock market value plummeting almost US\$100 billion. Stout (2012) uses the example of BP to demonstrate how shareholder primacy is an ideology that has been embraced with "near-religious fervor" (2). As a result, the boards of public corporations have lost sight of their capacity to run corporations with other goals in mind, including "creating quality products, protecting employees, and serving the public interest" (*ibid*). The discretion to address these goals is legal under corporate law, so long as boards do not "enrich themselves" (*ibid*).<sup>11</sup> Again, Interface Carpets stands as an example of a public corporation in which such discretion was exercised.

The research by legal scholars on shareholder primacy focuses on public corporations (i.e. capitalist enterprises that have shares that are traded on the stock exchange and can be bought by members of the general public). However, discussions about the interests of shareholders versus stakeholders are also pertinent to private corporations (i.e. capitalist enterprises that have shares that are owned privately by a small number of individuals such as family members).<sup>12</sup> Private corporations can operate like BP and prioritise the interests of the owners (such as the family members who own the firm) over the interests of a broader set of stakeholders. But they can also operate like Interface Carpets and prioritise the interests of other stakeholders.

Parallel discussions also take place in other types of enterprises. For example, in cooperatives, worker-owners have to consider their own claims on the surplus generated (say in the form of an annual bonus or dividend) and the claims of a wider group of 'others'. Most cooperatives follow the principle of committing a portion of their surplus to a fund to support existing and new cooperatives, thereby recognising the rights of current and future cooperatives and 'cooperators'. Most also donate a portion of their surplus to community and other groups. Cornwell (2012) describes how Collective Copies invests five percent of its surplus in a fund that supports the development of cooperatives in the region, and a further ten percent in donations (and the recipients vary depending on the interests of worker-owners and have included animal shelters, soccer teams, penguin rescue and the Argentina Autonomist movement).

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<sup>11</sup> Stout (2012) reminds readers that shareholder primacy (or as she says it would be more accurately described, "shareholder absolutism" or "shareholder dictatorship" [3]) has taken hold only relatively recently: "Fifty years ago, if you had asked the directors or CEO of a large public company what the company's purpose was, you might have been told the corporation had many purposes: to provide equity investors with solid returns, but also to build great products, to provide decent livelihoods for employees, and to contribute to the community and the nation. Today, you are likely to be told the company has but one purpose, to maximize its shareholders' wealth" (2).

<sup>12</sup> Here is it worth noting the size of some private corporations. The largest private corporation based in the US is the family-owned firm Cargill, which operates across the globe and has an annual revenue of over \$100 billion. The second largest is Koch Industries, owned by two brothers.

*The wider conditions of existence for the enterprise*

In their Marxian account, Resnick and Wolff (1987) identify overdetermination as a key theoretical and political intervention. Overdetermination is the idea that entities and processes are constituted by multiple conditions of existence and that no one condition of existence necessarily has more determining power than any other. In the period since the 1987 publication of Resnick and Wolff's *Knowledge and Class*, the concept of assemblage has come to the fore. Both overdetermination and assemblage are based on a relational ontology which, as Sarmiento describes in this volume (272), holds "that phenomena do not exist as discrete subjects or objects defined by intrinsic, essential qualities, but rather emerge and develop in and through relationships between a wide array of actors and agencies, human and more-than-human". This relational approach to the enterprise helps to break down the idea of an enterprise as a single bounded unit. Instead the enterprise can be understood as an assemblage comprised of a multitude of conditions of existence and therefore having multiple points where change occurs. Diverse economies scholars are interested in how these multiple points can be leveraged to help build the types of community economies discussed above.

Jerne (2018) provides an excellent example of this in her research on mafia enterprises and anti-mafia activism in Campania (Italy) (see also the chapter in this volume by Jerne). She highlights how mafia enterprises can be understood as constituted by multiple conditions of existence including corrupt public officials, waste legislation and abandoned agricultural assets. This combination of conditions has enabled mafia enterprises to operate in the waste and construction sectors—with devastating environmental and social consequences for the Campania region. Anti-mafia activists, concerned about these toxic consequences, have concentrated their efforts not by directly confronting mafia enterprises but by targeting some of their conditions of existence and forging "alternative associational bonds" (283). This has involved using confiscated mafia assets (confiscated thanks to the executive and judicial powers who do tackle mafia enterprise directly) for the development of other, mostly cooperative, enterprises that seek to provide a viable livelihood option for those who were previously caught up in "chains of dependency" (284) with mafia enterprises.

Associational bonds are relevant not just at the local or regional level but more broadly. In the manufacturing sector, it is possible to map out 'chains of dependency' that exist globally, and that provide the conditions of existence for certain kinds of practices. For example, until recently China played a crucial role in absorbing nearly half of the world's recyclable waste (Katz, 2019). This relationship essentially enabled manufacturers to produce huge volumes of plastic (and other recyclable materials). With the enactment in January 2018 of China's 'National Sword' policy (which banned the importing of most of these materials) countries are now having to confront what to do with the literal mountains

of recycled waste that they produce. This challenge involves changing the conditions of existence that previously enabled the overproduction of plastics (and other recyclable materials). In the words of Shove (2010, 1278), what is needed is “the radical *unmaking* of *unsustainability*” (added emphasis), a shift which necessarily includes changing how many enterprises operate. The idea that there are multiple conditions of existence for how enterprises operate and therefore multiple points for change means that the unmaking of unsustainability is a multi-focused task.

One point of intervention is legislative. For example, the introduction of legislation to ban single-use plastics (as is currently occurring in countries across the globe) brings the environment to the fore as a stakeholder in how enterprises operate, and requires that enterprises respond by changing what they produce, and how they produce and package their products. But there are multiple points of intervention that are only limited by our imaginations. A novel point of intervention to change how enterprises operate is occurring in Australia in the effort to manage the approximately 1 million ‘waste’ mattresses that are thrown out each year. This is a voluntary industry-led initiative that is using the power of cooperation between enterprises (that usually compete in the marketplace) to help make the sustainable management of waste mattresses more prevalent (and to ‘crowd out’ unsustainable practices such as the illegal storing or dumping of waste mattresses). The Soft Landing Mattress Product Stewardship Scheme involves a range of different types of enterprises but two are pivotal to scheme. The social enterprise, Soft Landing, plays a crucial role overseeing the scheme and managing the recycling of the mattresses.<sup>13</sup> The private and family-owned capitalist firm, A.H. Beard, plays a crucial role in bringing competing suppliers, manufacturers and retailers ‘to the table’ to cooperate with each other. This ensures that the enterprises along the entire supply chain (from suppliers of mattress inputs to mattress manufacturers to mattress retailers) are helping to make the sustainable management of waste mattresses more feasible. For instance, suppliers are exploring ways of manufacturing the mattress inputs so they can be more easily recycled at end-of-life; the manufacturers are exploring ways of manufacturing the mattress so they can be more easily recycled; the retailers are devising ways that recycling an old mattress can become part of the process of purchasing a new mattress; and Soft Landing is working with materials scientists to ensure that the entire mattress can be recycled.<sup>14</sup> Together, all these elements will make the recycling of waste mattresses ‘the norm’ and make unsustainable practices a twentieth century aberration.

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<sup>13</sup> For more on Soft Landing and the scheme see Gibson-Graham et al., 2019.

<sup>14</sup> Currently, seventy-five percent of the mattress is recycled (<https://www.recyclagemattress.com.au/the-recycling-process/>).

## Conclusion

This chapter started with discussion of the Marxian analysis of class as a process of producing, appropriating and distributing surplus labour. This analysis provides a basis for how diverse economies scholars study different types of enterprises. As discussed in the second section, the Marxian analysis is combined with a distinctive weak theory approach, which investigates enterprises by seeking out multiple aspects of their operation and not presuming that how they operate is fully captured by existing theories (such as the 'degeneration thesis' which predicts that that over time cooperatives will fail). The third section then focuses on enterprise dynamics and the drivers of enterprise change. It starts with the class dynamics of the enterprise showing how the appropriative and distributive moments of the class process can make a crucial contribution to the achievement of social, economic and environmental justice. This section also considers the broader conditions of existence for the enterprise and how the multiple conditions of existence can provide multiple opportunities for change and intervention.

This diverse economies framing of the enterprise has much to offer the questions asked at the outset about the societal role of business as well as the capacity of business to contribute to more equitable and environmentally sustainable futures. This involves a new kind of micro-economics and micro-politics based on a weak theory framing of enterprises that refuses to presume in advance what forces are at work and what outcomes are being generated. Diverse economies scholarship proceeds with an open mind and with the tool of Marxian class analysis to interrogate what is 'at play' in individual enterprises, and what potential there is to 'nudge' enterprises towards a more socially and environmentally just world via strategies targeting either the class process within the firm or the wider conditions of existence. What diverse economies scholarship shows is that enterprises have the potential to play a pivotal role in building better futures based on an ethical commitment to the well-being of other humans, other species, and the environment.

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