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## Reconfiguring Economic Democracy: Generating New Forms of Collective Agency, Individual Economic Freedom and Public Participation

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### Abstract

We seek to advance debate and thinking about economic democracy. While recognising the importance of existing approaches focused upon collective bargaining and workplace organisation, we articulate a perspective that emphasises the importance of individual economic rights, capabilities and freedoms at a time when established norms and protections at work are in retreat in many parts of the world. We outline a framework where both individual rights to self-government of one's own labour, as well as the right of all citizens to participate in economic decision-making are emphasised. The framework identifies a set of underlying principles, prerequisites, critical spheres for intervention, progressive institutional arrangements, and policies in pursuit of an expanded agenda around economic democracy. In this way, economic democracy potentially empowers individuals and creates the basis for generating new and sustainable alliances that challenge elite dominance in contemporary capitalism.

Keywords: capabilities, decision-making, economic democracy, individual economic rights, participation

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## Introduction

Growing inequalities in income and wealth in the advanced capitalist economies over the past forty years or so have been accompanied by deteriorating real wages and conditions for many of those in work (Picketty 2014, OECD, 2014; Sayer, 2016). This is allied to increasing precariousness and marginalisation for many segments of the population from regular, decent, paid employment (Standing 2011). A recent OECD report (2015) noted that half of all jobs created since 1995 have been in non-standard temporary, part-time and self-employment with only one quarter of the global workforce now on a permanent contract (OECD, 2015). These conditions are leading among other things to a crisis in the legitimacy of the political system (Streeck 2014) and perhaps liberal democracy itself, which seems to promote the interests of a small elite over those of the majority (Galbraith 2008).

Additionally, there are signs that contemporary capitalism is undergoing potentially transformational evolutionary change through the unfolding impact of digital technology, the legacy of the 2008 financial crisis, and, climate change (see for example, Elder-Vass, 2016; Galbraith, 2014; Hodgson, 2015). While it is important to avoid apocalyptic visions, the consequences of automation for job loss in manufacturing and services activities have already been considerable (OECD 2015) while the shift to a low carbon economy, without significant public intervention, may similarly lead to massive reduction in jobs without significant replacements in new activities. Taken together these trends suggest a transformation in traditional forms of work and the social relations underpinning them, and potentially fragmentation in the structure of the world polity (Beckfield, 2010).

Given these unpropitious circumstances, our aim in this paper is to contribute to the debate about how economic institutions might be transformed in a more democratic and egalitarian direction (see for example, Pendleton *et al* 1996, Block, 2014; Malleson, 2013; Wright, 2010, Knudsen *et al*, 2011), believing that a strong economic democracy is essential for human flourishing. Our underlying problematic is with the need to move beyond the inherent problems associated with capitalist practices and relations towards a more democratic economy that has social and ecological justice, human needs and aspirations, at its heart. We believe that recent global trends are undermining the capabilities of many to lead a fulfilling and meaningful life. To contribute to this project, in this paper we offer a reconfiguration of the concept of economic democracy articulating a more progressive alternative vision of work and employment in particular, and economic activity more generally.

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5 In our view, economic democracy can foster deeper forms of democracy through the  
6 empowerment of the individual in economic decision-making, and generating new  
7 alliances for social change across class, gender and race. In doing so, economic  
8 democracy may be a necessary but insufficient means of enhancing individual  
9 economic security, dignity, and autonomy, and therefore challenging the exclusionary  
10 basis of elite power, especially in Anglo-American forms contemporary capitalism.  
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16 Our argument is that existing conceptions of economic democracy, premised primarily  
17 on collective action in the realm of paid employment, need expanding to develop a  
18 fuller and deeper sense of democracy in the economy as a whole. To prefigure what  
19 follows, we think that collective employee representation and empowerment remain  
20 central to any meaningful conception of economic democracy and challenging the  
21 growing inequality and the accumulation of resources by elites in the contemporary  
22 economy (Galbraith, 2014; Solimano, 2014). However, given increased labour market  
23 precarity, automation and the ongoing marginalisation of trade unions as collective  
24 actors, we advocate an expanded framework for economic democracy in relation to  
25 both work and the broader economy. This is founded upon the basic idea that  
26 economic democracy is consonant with individual rights to participate in economic life,  
27 incorporating both the rights to self-governance of one's own labour (Dahl 1985), within  
28 and beyond the realm of paid employment, together with the overarching right to  
29 participate in decision-making processes in the broader economy. Such rights also  
30 imply the capabilities and resources to exercise those rights (Nussbaum 2011, Sen  
31 2009). This will additionally require a widening of the terms of economic democracy,  
32 incorporating measures to increase transparency, openness and public participation  
33 in the economy. Securing this expanded notion of economic democracy will still require  
34 collective action and mobilisation by trade unions in tandem with other social  
35 movements and political actors – an issue that we reflect on throughout the paper in  
36 the course of developing our argument – but this will need to expand the terrain of  
37 struggle in and beyond the workplace.<sup>1</sup>  
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52 The remainder of the paper is divided into four parts. The next section sets out the  
53 limits of existing approaches framed around the workplace and industrial democracy,  
54 while also acknowledging the continuing importance of these perspectives. We then  
55 draw on other traditions – notably the individual self-governance of labour (Dahl 1985),  
56 the capabilities approach (Sen 2009, Nussbaum 2011) and feminist social  
57 reproduction perspectives (Folbre et al 2013, Federici 2013) to argue for an expanded  
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3 sense of economic democracy. Part four discusses our reconfiguration of economic  
4 democracy, recognising a series of levels for its implementation, which includes  
5 essential prerequisites, critical spheres and specific institutional arrangements. We  
6 then conclude by reiterating our key principles for our conception of economic  
7 democracy and further reflect upon how this might be politically generative in building  
8 the kinds of alliances and social forces capable of delivering the more democratic  
9 economy depicted here.  
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### 14 15 16 **Economic democracy as asserting collective rights in the workplace**

17 To date, there here have been two dominant overlapping discourses around economic  
18 democracy. They are linked primarily to the workplace and extending employee  
19 collective rights and ownership. The first is an emphasis upon decentralised  
20 cooperative and employee ownership, which has many variants in both the  
21 revolutionary anarchist and more libertarian socialist traditions, as well as in more  
22 reform-based cooperative movements (for example, Jossa, 2018; Schweickart, 1992).  
23 The second is around a struggle for control of the labour process, which also has both  
24 its revolutionary and reformist traditions. The first, avowedly Marxist, committed to the  
25 abolition of capitalist property relations and establishing a socialist economy of  
26 collective ownership of the means of production on behalf of the workers, contrasts  
27 with the second, which seeks the gradual extension of worker rights – the most radical  
28 form being the Swedish Meidner plan elaborated in the 1970s and partially enacted in  
29 the 1980s (Meidner 1993).  
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40 For our purposes, what was critical about both these collective traditions, manifested  
41 in the emergence of cooperative and labour movements, was the gradual eradication  
42 of the individual as a subject for conceptualising social justice, egalitarianism, and  
43 empowerment. Partly because of the focus, *rightly in our view*, on the significance of  
44 private property and ownership as sources of exploitation and alienation under  
45 capitalist societies, the importance of individual rights, and its two underpinning pillars  
46 of liberty and freedom – the central focus of eighteenth century enlightenment, and  
47 indeed an underestimated aspect of Marx's work (see Megill 2002) - tended to be  
48 neglected. This was to have profound implications for the construction of alternatives  
49 to capitalism in the twentieth century. Most evidently, state socialism's neglect of  
50 individual economic, social and political rights created a collectivism which very quickly  
51 turned into a dictatorship not of the proletariat but of state elites leading to new forms  
52 of bureaucracy, exploitation and alienation rather than economic democracy. The  
53 Yugoslav decentralised model was an interesting exception, although workplace  
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3 democracy and employee participation were ultimately compromised by a lack of  
4 political democracy and effective ownership of the means of production (Dahl 1985,  
5 Estrin 1991).  
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9 Under more social democratic regimes within capitalism, particularly after 1945,  
10 economic democracy was increasingly conflated with industrial democracy, linking the  
11 workplace with broader sets of institutions and organisations at regional and national  
12 scales. Economic and social reforms were driven largely by ascendant industrial trade  
13 union movements in association with social democratic parties. Three levels became  
14 critical, although the importance and strength of labour collective action varied from  
15 one country to another; stronger in Europe and severely repressed in East Asia. First,  
16 collective bargaining through the workplace, often with local shop stewards and plant  
17 combine committees. Second, industry wide national corporatist agreements between  
18 employers, trade unions and the state, and, third, in some countries, the full recognition  
19 of trade unions and workers as legitimate social partners in national economic planning  
20 and a commitment to full employment and a Keynesian welfare state to ensure income  
21 redistribution. Nonetheless, this remained a fairly restrictive form of economic  
22 democracy, centred primarily upon a social contract and class compromise between a  
23 largely male, white working class, employers and the state. Forged through collective  
24 union representation within the workplace but at the expense of other social groups,  
25 most notably women, minority ethnic groups and in many countries a contingent labour  
26 force of migrant workers (Castles and Kosack, 1973).  
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39 Space precludes a broader discussion of these issues here, but from the perspective  
40 of economic democracy two important progressive alternative currents are worth  
41 highlighting that were critical responses to the North America and Western European  
42 post-war Keynesian consensus. The first was a demand from the grassroots of the  
43 labour movement for greater workplace democracy (Author A), where a strong “rank  
44 and file” movement emerged to challenge both centralised union leaderships and  
45 corporate capitalism, arguing for more genuine forms of worker participation and  
46 economic democracy throughout the economy. The kind of economic democracy  
47 envisaged here was still very much rooted in workplace and masculinist trade union  
48 traditions.  
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57 A second important development was the movement for women’s economic rights,  
58 contesting both patriarchy but also capitalist social relations and divisions of labour. Of  
59 importance is not only the raft of legislation passed on equal opportunities policy at  
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3 work from the 1960s onwards, but also the campaigns to problematize and challenge  
4 gendered power relations around work and social reproduction. From an economic  
5 democracy perspective, a significant element of these campaigns was asserting the  
6 importance of the care work of households (done overwhelmingly by women) as the  
7 bedrock for the rest of economy (Nelson 2006, Folbre et al 2007) and its  
8 marginalisation despite the post-war welfare state and more social democratic forms  
9 of advanced capitalism (Federici 2013).  
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16 With increased economic globalisation, liberalisation and deregulation of national  
17 economies from the mid 1970s onwards, the weakness of existing collectivist forms of  
18 economic democracy – even in their own terms of defending a particular form of male  
19 industrial worker - became increasingly apparent. From the perspective of developing  
20 a more genuinely socially egalitarian form of economic democracy, the failure to  
21 advance an agenda for broader individual economic rights beyond the workplace is  
22 critical for us. In this regard, we draw upon three key threads in developing our  
23 argument. First the radical liberal tradition, most recently associated with Robert Dahl  
24 and others around individual rights to self-government of labour (Dahl 1985); second,  
25 the capabilities approach pioneered by Martha Nussbaum (2011) and Amartya Sen  
26 (1999; 2009) based on the Aristotelian concept of human flourishing in which all  
27 individuals are equally entitled to live a meaningful life; and third, the feminist literature  
28 which draws attention to the importance of struggles around social reproduction  
29 (Federici 2013). Fusing these approaches here allows us to develop an expanded  
30 framework for economic democracy that incorporates a concern with individual  
31 economic rights and the expansion of that concern to struggles and movements  
32 beyond the workplace that claim rights to basic essentials in relation to housing, health,  
33 energy and food. A focus upon how these rights can be realised also involves a  
34 distinction between “capabilities”, as what an individual is able to do or be, which is a  
35 freedom to achieve, and “functionings” as realised capabilities: an individual’s actual  
36 being and doing.  
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### 50 **Using individual economic rights to develop an expanded framework for** 51 **economic democracy**

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53 Our argument remains situated within a political economy approach, recognising the  
54 economy as a socially constructed dynamic process shaped by power relations (for  
55 example, Elder-Vass, 2016; Power, 2004; Hodgson, 2015). It also draws upon liberal  
56 and pragmatic, traditions of thought, which strengthen our approach to economic  
57 democracy, providing key insights on deepening democratic processes, recognising  
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3 individual rights and enhancing deliberation and public participation in the economy.  
4 Our perspective here also complements a range of autonomous and anarchist-  
5 influenced research on radical democratic approaches to the organisation of work both  
6 in the workplace and in the sphere of social reproduction workplace organisation (e.g.  
7 Cleaver 2000, Pickerll and Chatterton 2006, Kokkinidis 2014, Ozaro and Croucher  
8 2014), and political economy oriented analyses of the evolution of capitalism (e.g  
9 Elder-Vass, 2016; Galbraith 2014; Hodgson 2015).  
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16 As an evolving social phenomenon, our conception of economic democracy  
17 recognises democracy as both a project for citizens' greater autonomy, or self-  
18 government against underlying economic and political structures that privilege a  
19 wealthy elite, and also one of greater public deliberation and contestation of economic  
20 policy and practices. As Laclau and Mouffe aptly put it: "everything depends on a  
21 proliferation of public spaces of argumentation and decision whereby social agents are  
22 increasingly capable of self-management" (1987a: 105).  
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29 The work of Robert Dahl provides a valuable entry point. In *The Preface to Economic*  
30 *Democracy* (1985), Dahl problematizes economic democracy primarily as a  
31 democratic issue rather than one of asserting the collective rights of a subservient  
32 class or group. In particular, he emphasises the importance of safeguarding  
33 democratic processes in ways that respect individual liberties which itself requires  
34 certain key criteria, most notably; "a widespread sense of relative economic wellbeing,  
35 fairness and opportunity" (1985: 46).  
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42 Dahl's framework challenges the primacy of private property rights over those of  
43 individual (labour) rights. He presents a compelling legal-moral argument that contests  
44 the instrumentalist conception of labour as a factor of production like any other.  
45 Instead, he privileges the position of the individual employee by virtue of their  
46 humanity. A person is morally and legally superior to a thing, such as capital and rights  
47 that flow from that thing, such as the benefits of ownership of capital. Dahl reminds us  
48 that in fully democratic political systems, every individual has equal rights. If this is  
49 indeed the case, then it begs the question as to what the economic constraints are to  
50 exercising these rights. Enabling individuals to exercise property rights, including the  
51 right to own firms, gives such property owners rights to control the labour power of  
52 others. However, morally this conflicts with the democratic rights of individuals to their  
53 own economic autonomy or self-government. In other words, in the potential conflict  
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3 between profits and wages, Dahl provides a justice-based perspective that promotes  
4 the rights of the individual worker over the private capitalist.  
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8 This is an argument for economic liberty and not private ownership. The implications  
9 of this are profound for they suggest that there are no inalienable rights to private  
10 property on a level with a right to self-government. Thus, by prioritising individuals'  
11 autonomy, a process is potentially established that enhances capabilities of  
12 participation – a “democratic character” (O’Neill, 2008) – that facilitates, and is  
13 facilitated by the evolution of institutional arrangements that are more just in terms of  
14 process and outcome. There may be an important reinforcing feedback loop in that  
15 institutions reinforce the Bourdieuan *habitus* (Bourdieu 1998) associated with the  
16 “democratic character”. By contrast, the current privileging of corporate ownership and  
17 the associated concentration of share ownership in the global economy accelerates  
18 the accumulation of property, resources and wealth on the part of the few to the  
19 detriment of the capabilities of the many. In other words, the concept of liberty  
20 espoused in neoliberal discourse undermines rather than fosters democracy  
21 (Standing 2014, Sayer 2016).  
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31 Beginning with individual economic rights as a way of reconfiguring economic  
32 democracy does not mean that we are adopting either the atomised individual of  
33 mainstream economic thinking or Hayek’s heroic dynamic, knowledge-infused  
34 entrepreneurial individual. Rather, our approach recognises one of the fundamental  
35 precepts of classical political economy as well as economic sociology that the  
36 individual is embedded within broader social structures, customs and practices, but as  
37 an individual is deserving of certain basic rights, respects and dignity. This resonates  
38 with the rights-to-opportunity central to the capabilities approach, and a Kantian sense  
39 that the individual possesses intrinsic value by virtue of their humanity – a person  
40 cannot be an instrument. There can be no moral equivalence between people and  
41 machines.  
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51 In the latter half of his book, Dahl focuses on the workplace as a space for articulating  
52 forms of collective ownership that allow employees to exercise autonomy, or realise  
53 their capabilities. We firmly believe that democratic processes and individual rights of  
54 self-government have a broader resonance for the economy as whole. In a key  
55 passage Dahl argues (1985: 84-5):  
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3 “Because we wish to achieve political equality, the democratic process, and  
4 primary political rights, we insist that our economic order must help to bring  
5 about these values, or at the very least not impair them. Among other things,  
6 then, the best economic order would help to generate a distribution of political  
7 resources favourable to the goal of voting equality, effective participation,  
8 enlightened understanding and final control of the political agenda by all adults  
9 subject to the laws ... Moreover, we are aware that critical political resources  
10 not only include economic resources like income and wealth but also  
11 knowledge and skills ...”  
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19 Such reasoning provides a means for us to conceptualise a broader agenda that goes  
20 beyond the workplace and collective rights of employees, in that it signifies an agenda  
21 of economic freedoms and rights to participate in decision making for all citizens as  
22 well as the importance of what Dahl terms “personal economic resources” (1985: 88)  
23 to facilitate this. Although this might sound vague, and in practice difficult to measure,  
24 it is surely fundamental to the practice of democratising the economy as a whole, for it  
25 allows us to shift the emphasis beyond the industrial worker to the citizen and beyond  
26 the realm of production to social reproduction (Fedrici 2013) in articulating what  
27 economic rights (and capabilities) are necessary. The broader perspective articulated  
28 here is significant as it alerts us to the centrality of individual rights in a more active  
29 sense of providing opportunities for human flourishing (Nussbaum 2011, Sen 2009),  
30 which embody the rights of participation and involvement in economic life. Politically,  
31 it also highlights the needs for mobilisation that spans workplace and union conflicts  
32 to connect with those new movements articulating rights discourses linked to  
33 campaigns against poverty and deprivation in areas such as housing, water and  
34 energy. A critical point here is that a focus on individual economic rights – both to self-  
35 governance at work but also to rights to the resources to live dignified and flourishing  
36 lives in the realm of social reproduction – can be generative in bringing together  
37 workplace and household struggles in new alliances of working class and marginalised  
38 groups.  
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### 52 **Reconfiguring economic democracy**

53 Building on this more expansive framing enables us to reconfigure economic  
54 democracy deploying three inter-connected levels of analysis involving: (i) a framework  
55 of pre-requisites; (ii) spheres for the realisation of economic democracy; and, (iii)  
56 progressive institutional forms for implementation (Table 1).  
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6 *(i) Pre-requisites for economic democracy*  
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8 Starting from the radical liberal perspective of economic freedom for the individual  
9 requires first and foremost (a) ownership rights over one's own labour in the spirit of  
10 the arguments articulated by Dahl and David Ellerman (1992). The details of how this  
11 could be achieved, given the complexities of advanced capitalism and the problems in  
12 assigning rights to different parts of intricate production processes, which often flow  
13 across borders in heavily integrated global production networks, are difficult to be  
14 prescriptive about (for a recent discussion, see Morgan, 2016). However, somewhat  
15 counter-intuitively, the principle of ownership rights over labour and enhanced  
16 capabilities would clearly require a transition from Anglo-American corporate forms  
17 with their limited voice for employees and their shareholder orientation to more  
18 pluralistic organisational structures that treat employees in a non-instrumental way. In  
19 practice, the exercise of individual labour ownership rights is most likely to be attained  
20 through diverse forms of private, public and cooperative ownership, in opposition to  
21 corporatized forms at different geographical scales (Author A). Positing the individual's  
22 right to participation in decisions about their labour can only be achieved through  
23 democratic and cooperative means, reflecting one of the most important insights of  
24 Marx that work is a social and collective, rather than individualised, process.  
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36 The second foundation (b) is the right to participate in economic decision-making. This  
37 challenges the corporate control of the economy that currently exists. If one accepts  
38 the right to be meaningfully involved in decisions regarding the use and allocation of  
39 resources, conferring an individual right in this way logically leads to more collective  
40 and public ownership of the economy, as noted above, where this more radical  
41 conception of economic liberty can be given proper democratic expression (Author A).  
42 The rights under (b) follow on logically from (a), but recognising ownership rights as  
43 individual rights to participate in economic decision-making goes to the heart of the  
44 failings of some of the forms of socialism practiced in the Soviet Union and Eastern  
45 Europe between 1945 and 1989, and even forms of nationalisation in capitalist  
46 economies after 1945 where state ownership conferred collective ownership rights in  
47 theory but not individual participatory rights.  
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56 Following the work of George De Martino (2003), a useful distinction can be made  
57 between what he terms "productive justice", which is essentially ownership rights for  
58 workers over their labour in the production process, and "appropriative justice", defined  
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3 as the rights to allocate the surplus arising from economic activities. Under many  
4 capitalist systems, the owners of private property assume priority in deciding how any  
5 surplus is allocated. By doing so, they have extensive power in shaping the future  
6 trajectory of economic activities:  
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11 “Authority over surplus allocation comprises decisions over investment in  
12 productive enterprises, housing, and other private institutions—something that  
13 is treated today in most societies as a right that attaches to the ownership of  
14 capital—as well as over the nature and quality of public services, and so forth.  
15 ... Allocating surplus is therefore fundamental to the processes of social (and  
16 personal) construction, expression, and experimentation. To be “cut off” from  
17 this process is therefore tantamount to disenfranchisement in a most  
18 fundamental sense. It is to be denied not one’s rightful property but one’s  
19 rightful participation in a process that defines one’s community and even  
20 oneself” (DeMartino, 2003: 16-17)  
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28 Allocating full property and ownership rights solely to workers deals with appropriate  
29 justice for the “direct producers”, those in employment in the formal capitalist economy,  
30 but would not provide rights to economic participation for all citizens. In particular, it  
31 would reinforce divisions between a relatively privileged minority in paid employment  
32 and other forms of work. The rights of all citizens to a voice in the ownership of services  
33 and resources essential to social reproduction is an important element of economic  
34 democracy that also needs addressing.  
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41 Thus, in our view, DeMartino’s argument corresponds to the emphasis of the  
42 capabilities approach in terms of “rightful participation”. Ensuring that individuals have  
43 the right to develop at least their basic capabilities (Nussbaum 2011) necessitates the  
44 ability and right to participation. A well-functioning democratic state apparatus is  
45 essential here, enabling forms of democratic collective ownership of key public  
46 services and utilities (e.g. energy, housing, transport) to facilitate broader public  
47 engagement beyond the “direct producers”. This furnishes a broader concept of  
48 individual economic freedom than labour rights. It also poses the vexed question of the  
49 consumer and user of goods and services, and how they would be able to exercise  
50 their participatory rights. This could in part be achieved by the expansion of  
51 cooperative and public enterprise and hybrids thereof where they become represented  
52 as stakeholders, accompanied by the devolution of state power to local communities,  
53 such as in the form of participatory budgeting.  
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5 (c) A third prerequisite is a public sphere and demos that protects pluralism, diversity  
6 and alternative economic thinking. For Dahl, following de Tocqueville, a functioning  
7 democracy needs not just a commitment to democratic majoritarian rules but also a  
8 functioning democratic process that recognises individual and minority rights to the  
9 conditions necessary to both flourish and participate in the economy. This requires a  
10 strong deliberative public sphere where economic ideas and narratives become the  
11 subject of debate, contestation and even conflict between competing groups rather  
12 than the preserve of a global corporate elite (Mouffe, 2005). The contemporary global  
13 economy suffers a knowledge deficit in the sense that economic discourses alongside  
14 wealth have become appropriated and concentrated through elite interests and  
15 institutions (for example, Darity, 2005), which threatens to erode the capabilities of  
16 substantial groups of people. Again, radical liberal ideas, particularly those of  
17 pragmatist thinkers such as John Dewey (1927) can be wedded to broader political  
18 economy concerns in forging more active and radical civil societies capable of  
19 articulating alternative economic narratives (Laclau and Mouffe, 1987b).  
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30 For us, economic decision-making should be embedded within the democratic public  
31 realm as far as possible, rather than the sole domain of technocratic experts who end  
32 up serving established interests (Crouch 2004; Galbraith 2008). The triumph and  
33 persistence of a form of liberal capitalism (Mirowski, 2013) has not enriched  
34 democracy or the agency freedom of many individuals, but instead has led to the  
35 erosion of democratic politics in many places. The austerity agenda (Blyth 2014;  
36 Galbraith 2014) post-financial crisis is perhaps the most obvious and explicit  
37 manifestation of the rights of property, especially financial and corporate interests to  
38 take precedence over the economic rights of citizens.  
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46 A more radical and reinvigorated democratic economy needs to furnish and reproduce  
47 dynamic processes of public deliberation, knowledge formation and collective learning.  
48 As Dewey (1993: 187) noted, "The essential need ... is the improvement of the  
49 methods and conditions of debate, discussion and persuasion. That is the problem of  
50 the public". Dewey's 1920s critique was aimed at liberalism and the way that an  
51 eighteenth century progressive doctrine, concerned with liberty and emancipation from  
52 the hierarchical power structures of feudalism and clericalism could by the twentieth  
53 century have become a conservative doctrine to bolster elite interests. Liberals had  
54 treated basic philosophical tenets as absolute whereas Dewey's pragmatism  
55 cautioned of the need for historical specificity and awareness of changing social and  
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3 economic circumstances and an ongoing commitment to radical democratic processes  
4 of enquiry and knowledge exchange. These comments are as apposite today as they  
5 were nearly 100 years ago.  
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10 *Spheres for realising economic democracy*

11 We identify four economic spheres through which these prerequisites need to be  
12 operationalised.  
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16 (a) The workplace itself remains important, although not completely foundational given  
17 our arguments for a broader conception of economic democracy. Our emphasis here  
18 however, on individual economic rights means going beyond a focus on collective  
19 organisation and control towards strengthening the levels of autonomy, control and  
20 decision-making power that individual employees experience over their working lives.  
21 Progressive agendas should focus upon more participatory and less hierarchical forms  
22 of employment relations, democratic ownership structures of ownership relations and  
23 principles of co-determination and work decentralisation where technically feasible.  
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30 (b) A second sphere concerns the nature and characteristics of economic governance  
31 and decision-making across a society. A well-developed civil society where multiple  
32 stakeholder groups have significant input into economic decision-making across  
33 strategic sectors especially (e.g. health, social care, transport, education, energy and  
34 finance) could be contrasted with more centralised polities where there is little effective  
35 deliberative space outside of elite corporate networks. Denmark's associational  
36 economy<sup>1</sup> - where there is a high level of cooperative associations, strong trade unions  
37 and sectoral business associations - compares favourably in terms of economic  
38 democracy with Anglo-American economies dominated by private, vested and  
39 increasingly financialised interests. The growing concentration of economic power  
40 within all liberal democratic societies also exposes the limitations of existing forms of  
41 representative parliamentary democracy, suggesting that the realisation of more  
42 radical democratic economic governance requires the extension of more participatory  
43 forms of state governance such as co-determination of significant proportions of state  
44 bodies' budgets.  
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58 <sup>1</sup> It is important to note that Denmark at the same time has a more deregulated labour market  
59 than other Nordic countries, prompting the term "flexicurity". See, for example, Madsen  
60 (2003).



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3 (c) A third sphere concerns the nature of macro-economic policy and the extent to  
4 which this is concentrated within key groups or dispersed through society, permitting  
5 a more pluralistic process of deliberative decision-making. This is important for both  
6 strategic state economic planning and decision-making and in day-to-day relating to  
7 the operation of central banks and economic policy formation between different layers  
8 and scales of government. Of interest, is the deliberative process that informs macro-  
9 economic policy-making, particularly in its transparency, openness and democratic  
10 engagement of the broader population. An obvious example would be to bring the  
11 banking sector including central banks, under more democratic control (Block, 2014;  
12 Pettifor 2014).  
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20 (d) A fourth sphere is the character of a state's constitutional (legal and political)  
21 settlement and, specifically, the nature of political-economic institutional structures and  
22 the ways these enable and facilitate economic rights for both individuals and different  
23 social groups. These are fundamental in protecting individual economic rights and  
24 facilitating democratic processes. Included are the rights to form trade unions, to strike,  
25 to representation in economic decision-making fora, as well as the rights of individuals  
26 and groups to a basic level of economic security. Central here though, is the  
27 importance of basic economic rights, consistent with the kinds of human flourishing  
28 identified earlier, for all citizens. Acknowledging and safeguard these individual and  
29 collective rights requires attention to the 'social contract' that is embedded within state  
30 regulatory and constitutional regimes. While strong economic and social rights can and  
31 should be embedded in political constitutions, such rules alone are insufficient without  
32 a stronger and independent judiciary, political actors in trade unions and civil society  
33 to ensure plurality in decision-making.  
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#### 46 *Progressive institutions for economic democracy*

47 Here, we have in mind the kinds of policies and practices that would enable an  
48 economic democracy to prosper. Once again, our starting point is individual economic  
49 rights and the kinds of policy that would create the conditions for the promotion of  
50 individuals' capabilities and hence human flourishing, economic rights and  
51 participation. One might contrast progressive labour market institutions that promote  
52 individual freedom, choice and flourishing with more punitive workfare regimes that  
53 essentially sanction those outside mainstream employment – a "scapegoating of the  
54 poor" (Aronowitz, et al, 1998), and increasingly a vilification of immigrants, while  
55 simultaneously placing increased obligations to work, irrespective of the quality or  
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3 dignity of the paid employment on offer. Strong legislative regimes that attempt to  
4 enshrine equality in the labour market (e.g. gender, racial, religious, etc) might be  
5 compared to more repressive regimes and also informal customs and traditions that  
6 actively segment labour markets to reproduce inequalities and discriminate against  
7 certain groups (Darity, 2005).  
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12 A range of progressive institutional reforms potentially facilitate greater economic  
13 democracy, many of which are already the subject of debate and legislation. Table 1  
14 provides a few illustrative examples, though this is a far from an exhaustive list. One  
15 can differentiate broadly between (a) macro-level institutions that operationalize basic  
16 individual economic rights and freedoms across a national economic space and (b)  
17 micro-level institutions that operate at the workplace level. Regarding the former,  
18 obvious ones are strong equal opportunities policies and rights to free education and  
19 training, which are central to enabling individuals the resources to cultivate and  
20 informed opinion, particularly on economic matters. These essentially liberal or  
21 moderate social democrat policies are insufficient in promoting an economic  
22 democracy that aims to tackle social justice and inequality. This needs additional  
23 institutional measures to those currently in place in most capitalist societies. An  
24 obvious one is the concept of a citizen's or universal basic income (UBI) (for example,  
25 Atkinson, 1996; Pateman, 2004; Hodgson, 2015; van Parijs and Vanderborght, 2017),  
26 which would take away the pressure to, of necessity, sell one's labour purely as a  
27 commodity, and could address economic precariousness in a way that the Keynesian  
28 welfare state never achieved.  
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41 The UBI is opposed by some academics, trade unions, and social democrats on the  
42 basis that it might shift the focus from improving rights and conditions in the workplace,  
43 (Hassel, 2017), creating problems over qualification criteria, and undermine the "social  
44 expectation that one should work in order to live" (Galbraith, 2014: 248). However, in  
45 an era of increased automation and accelerated replacement of labour through artificial  
46 intelligence and growing levels of long term and youth unemployment (particularly in  
47 Europe and the old industrial regions of North America), the UBI could shift the balance  
48 of power in the labour market away from capital to labour, and more importantly here  
49 to the individual citizen, rather than a particular vested labour interest. The guarantee  
50 of a basic income, pitched at a level to provide freedom from indigence and the ability  
51 to participate in the social life of the community, would provide individuals with the  
52 capacity to make positive choices around work and employment. Combined with  
53 legislation on providing decent real living wages, at a level described by the Living  
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3 Wage Foundation that matches total living costs (see [www.livingwage.org.uk](http://www.livingwage.org.uk)) and  
4 even a maximum wage (Ramsay, 2005), it would also tackle the extreme inequalities  
5 and marginalisation that create the kinds of group conflicts and social antagonisms  
6 that Dahl recognised as undermining the democratic process.  
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11 Legislation also around reducing working hours (perhaps to a 6-hour day or a 30 hour  
12 week) is the other basic macro-economic pillar of individual economic freedom, which  
13 could help redistribute paid work in an advanced and more automated economy (for  
14 example, Gorz, 1999). There is no doubt this would involve major changes in business  
15 practices, which is an obvious impediment. Nonetheless, such practices are  
16 continually evolving, and the potential impact of digital technology and automation may  
17 be profound. Ethically, by shifting the balance of influence over business practices,  
18 such as working hours and flexible deployment of labour away from employers towards  
19 employees, the agency freedom resonant with Sen, and capabilities can be fostered  
20 and strengthened for individual citizens.  
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29 At the micro-scale, existing rights enjoyed by workers and trade unions in many  
30 northern European countries to collective bargaining, co-determination of work and the  
31 right to strike (Table 1) are all necessary, but insufficient elements of a developed  
32 economic democracy. However, more generally, recent sociological research  
33 suggests that governments often engage in “window dressing” in ratifying human rights  
34 treaties, while practices on the ground are rather different. This “decoupling” of policy  
35 and practise suggests a “paradox of empty promises” (Hafner-Burton and Tsutsui,  
36 2005). In the context of our argument, without a greater commitment to the individual’s  
37 ownership and control of their own labour, there are limitations to the prospective of  
38 achieving the kinds of economic liberties and freedoms identified here. While the  
39 macro-proposals can go some way to support this outside the workplace, freedom over  
40 one’s work suggests the requirement for strong legislative rules promoting collective  
41 ownership over private and corporate ownership in an advanced capitalist society (for  
42 example, Author A).  
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## 54 **Discussion and Conclusion**

55 Our central aim in this paper has been to develop thinking around economic  
56 democracy to enhance progressive agendas to create fairer and more sustainable  
57 forms of economy and society. Our analytical entry point has been to critique existing  
58 collectivist traditions with their roots in cooperative forms of organisation, labour and  
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3 socialist movements. While these have made important gains, they have also had their  
4 silences, particularly in the extent to which they have over time departed from a  
5 concern with individual rights, economic liberties and capabilities, and a deeper sense  
6 of democratic engagement and participation in economic action.  
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11 These weaknesses have been exposed since the late 1970s in particular by four  
12 decades of economic globalisation and neoliberal policies, which have on the one hand  
13 undermined existing forms of economic democracy and collective agency in the  
14 economy, while on the other leading to a deregulated sphere freeing many financial  
15 and corporate elites from broader social accountability and responsibility. This has  
16 gone hand in hand with a successful neoliberal discourse (Mirowski, 2013) that has  
17 successfully promulgated a Hayekian view of economic freedom and liberty linked to  
18 market, private property and spontaneous order, which may result in divergences  
19 between *de jure* and *de facto* human rights (for example, Hafner-Burton and Tsutsui,  
20 2005).  
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28 Our response to these issues has been to advocate an expanded conception of  
29 economic democracy that brings together the two sides of enlightenment thinking,  
30 namely liberal conceptions of individual economic rights and freedoms, and more  
31 collectivist projects for social justice and equality. Starting with Dahl's insights from  
32 political philosophy on the nature of democratic process and individual economic  
33 rights, we have emphasised the priority of labour rights to autonomy, and greater  
34 ownership of the product of work, which, following Dahl, takes precedence over private  
35 property rights. But we also highlight the importance of prosecuting an agenda of  
36 individual economic rights that goes beyond the workplace, engaging with feminist  
37 critiques around the centrality of social reproduction and concerns the rights of all  
38 citizens to the resources that allow human flourishing through the enhancement of  
39 capabilities.  
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49 In addition, the conception of economic democracy argued for here goes further in  
50 recognising the importance of the public sphere, and issues of collective and diverse  
51 participation and representation in economic decision-making. We suggest therefore  
52 that there are three important underlying and interlinked prerequisites for economic  
53 democracy in the twenty first century: the rights to own and control one's own labour;  
54 the right to participate in economic decision-making; and, a public sphere that  
55 facilitates a democratic process by encouraging diversity tolerance and alternative  
56 economic prospectuses.  
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5 Finally, having set out our framework for an expanded conception of economic  
6 democracy, questions of social agency and political strategy inevitably come to the  
7 fore. In particular, what sort of political alliances and social forces would be necessary  
8 to prosecute this agenda? The lessons that emerge from previously successful  
9 episodes of economic democracy, notably the post war development of social  
10 democracy and the welfare state, are the importance of countervailing power  
11 structures that develop sufficient power and agency to challenge dominant business  
12 practices and relations within the economy, allied to political parties able to achieve  
13 reform through state institutions.  
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20 While trade unions and traditional left political parties are greatly weakened, both in  
21 the workplace and broader economy as political actors, they remain important  
22 institutional actors for an expanded project of economic democracy that we envisage  
23 here. However, they need to form broader alliances with other social movements,  
24 particularly green and environmental groups but also those campaigning against the  
25 devastating effects of austerity and economic crisis on their livelihoods, in articulating  
26 new visions for social and ecological justice in the context of the crises facing us in the  
27 twenty first century.  
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34 In this respect, our focus here on an agenda for developing individual self-governance,  
35 economic rights, and deeper forms of democracy and citizen participation can be  
36 politically generative in bringing together workplace struggles with those household-  
37 based struggles aimed at greater access, ownership and control of essential services  
38 and needs such as housing, water and energy. A common thread in this regard is the  
39 demand for individual economic security, dignity and self-governance over both labour  
40 and the resources for flourishing and leading decent sustainable lives.  
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47 Developing new coalitions and socio-political identities around economic democracy  
48 is critical in fostering a broader narrative of individual economic rights, public  
49 participation, and justice open to all groups in society beyond a narrow workplace-  
50 based set of sectional interests. While not easy, the mobilisation in Spain around the  
51 *Indignados* movement with a focus on economic security in housing, water, energy  
52 and other areas, the popularity of the British Labour Party's 2017 election manifesto  
53 and subsequent development of many of the policies advocated here to which one of  
54 the authors of this paper is a contributor (Author A), and the development of a justice-  
55 focused *Green New Deal* in the USA demonstrate the potential for renewed economic  
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3 democracy coalitions fusing an older workplace based left with newer movements for  
4 social justice.  
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29 economics editor of the *International Journal of Housing Policy*. His research has  
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32 and the Housing Research Foundation.  
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Table 1: A framework for reconfiguring economic democracy

Essential prerequisites	Critical spheres	Progressive institutions/policies
<p>a) Labour ownership rights – rights of individuals to own and control how their labour is used</p> <p>b) Rights to participate in various spheres of economic decision-making</p> <p>c) Democratic and diverse public sphere which provides opportunities for individuals and groups to engage in decision making regarding economic policymaking</p>	<p>a) Workplace (micro-economy)</p> <p>b) Culture and governance of the economy across society</p> <p>c) Macro-economic arena</p> <p>d) Politico-constitutional structures</p>	<p>(a) Macro-institutions</p> <p>Strong equal opportunities legislation</p> <p>Free higher education and training</p> <p>Participatory budgeting</p> <p>Citizens income</p> <p>Real Living wage</p> <p>Maximum wage</p> <p>Reduced working hours (6 hour day / 30 hour week)</p> <p>(b) Micro-institutions</p> <p>Rights to collective organisation</p> <p>Rights to withdraw labour</p> <p>Statutory co-determination</p> <p>Gender parity on company management boards</p> <p>Ownership rights for employees</p> <p>Democratic public and mutualised ownership of key sectors</p>

<sup>1</sup> Given the nature of our aims, and space constraints, our article is necessarily abstract, although we do attempt to provide illustrative concrete examples. Our analysis centres on the global north, primarily Western Europe, which has developed social welfare systems. Nonetheless, we are informed by developments

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in participatory democracy elsewhere – especially in Latin America – and believe that some of the general principles advocated should be more broadly applicable, albeit sensitive to local context.

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