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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.
In our view, economic democracy can foster deeper forms of democracy through the empowerment of the individual in economic decision-making, and generating new alliances for social change across class, gender and race. In doing so, economic democracy may be a necessary but insufficient means of enhancing individual economic security, dignity, and autonomy, and therefore challenging the exclusionary basis of elite power, especially in Anglo-American forms contemporary capitalism.

Our argument is that existing conceptions of economic democracy, premised primarily on collective action in the realm of paid employment, need expanding to develop a fuller and deeper sense of democracy in the economy as a whole. To prefigure what follows, we think that collective employee representation and empowerment remain central to any meaningful conception of economic democracy and challenging the growing inequality and the accumulation of resources by elites in the contemporary economy (Galbraith, 2014; Solimano, 2014). However, given increased labour market precarity, automation and the ongoing marginalisation of trade unions as collective actors, we advocate an expanded framework for economic democracy in relation to both work and the broader economy. This is founded upon the basic idea that economic democracy is consonant with individual rights to participate in economic life, incorporating both the rights to self-governance of one’s own labour (Dahl 1985), within and beyond the realm of paid employment, together with the overarching right to participate in decision-making processes in the broader economy. Such rights also imply the capabilities and resources to exercise those rights (Nussbaum 2011, Sen 2009). This will additionally require a widening of the terms of economic democracy, incorporating measures to increase transparency, openness and public participation in the economy. Securing this expanded notion of economic democracy will still require collective action and mobilisation by trade unions in tandem with other social movements and political actors – an issue that we reflect on throughout the paper in the course of developing our argument – but this will need to expand the terrain of struggle in and beyond the workplace.¹

The remainder of the paper is divided into four parts. The next section sets out the limits of existing approaches framed around the workplace and industrial democracy, while also acknowledging the continuing importance of these perspectives. We then draw on other traditions – notably the individual self-governance of labour (Dahl 1985), the capabilities approach (Sen 2009, Nussbaum 2011) and feminist social reproduction perspectives (Folbre et al 2013, Federici 2013) to argue for an expanded
sense of economic democracy. Part four discusses our reconfiguration of economic
democracy, recognising a series of levels for its implementation, which includes
essential prerequisites, critical spheres and specific institutional arrangements. We
then conclude by reiterating our key principles for our conception of economic
democracy and further reflect upon how this might be politically generative in building
the kinds of alliances and social forces capable of delivering the more democratic
economy depicted here.

Economic democracy as asserting collective rights in the workplace

To date, there here have been two dominant overlapping discourses around economic
democracy. They are linked primarily to the workplace and extending employee
collective rights and ownership. The first is an emphasis upon decentralised
cooperative and employee ownership, which has many variants in both the
revolutionary anarchist and more libertarian socialist traditions, as well as in more
reform-based cooperative movements (for example, Jossa, 2018; Schweickart, 1992).
The second is around a struggle for control of the labour process, which also has both
its revolutionary and reformist traditions. The first, avowedly Marxist, committed to the
abolition of capitalist property relations and establishing a socialist economy of
collective ownership of the means of production on behalf of the workers, contrasts
with the second, which seeks the gradual extension of worker rights – the most radical
form being the Swedish Meidner plan elaborated in the 1970s and partially enacted in
the 1980s (Meidner 1993).

For our purposes, what was critical about both these collective traditions, manifested
in the emergence of cooperative and labour movements, was the gradual eradication
of the individual as a subject for conceptualising social justice, egalitarianism, and
empowerment. Partly because of the focus, rightly in our view, on the significance of
private property and ownership as sources of exploitation and alienation under
capitalist societies, the importance of individual rights, and its two underpinning pillars
of liberty and freedom – the central focus of eighteenth century enlightenment, and
indeed an underestimated aspect of Marx’s work (see Megill 2002) - tended to be
neglected. This was to have profound implications for the construction of alternatives
to capitalism in the twentieth century. Most evidently, state socialism’s neglect of
individual economic, social and political rights created a collectivism which very quickly
turned into a dictatorship not of the proletariat but of state elites leading to new forms
of bureaucracy, exploitation and alienation rather than economic democracy. The
Yugoslav decentralised model was an interesting exception, although workplace
democracy and employee participation were ultimately compromised by a lack of political democracy and effective ownership of the means of production (Dahl 1985, Estrin 1991).

Under more social democratic regimes within capitalism, particularly after 1945, economic democracy was increasingly conflated with industrial democracy, linking the workplace with broader sets of institutions and organisations at regional and national scales. Economic and social reforms were driven largely by ascendant industrial trade union movements in association with social democratic parties. Three levels became critical, although the importance and strength of labour collective action varied from one country to another; stronger in Europe and severely repressed in East Asia. First, collective bargaining through the workplace, often with local shop stewards and plant combine committees. Second, industry wide national corporatist agreements between employers, trade unions and the state, and, third, in some countries, the full recognition of trade unions and workers as legitimate social partners in national economic planning and a commitment to full employment and a Keynesian welfare state to ensure income redistribution. Nonetheless, this remained a fairly restrictive form of economic democracy, centred primarily upon a social contract and class compromise between a largely male, white working class, employers and the state. Forged through collective union representation within the workplace but at the expense of other social groups, most notably women, minority ethnic groups and in many countries a contingent labour force of migrant workers (Castles and Kosack, 1973).

Space precludes a broader discussion of these issues here, but from the perspective of economic democracy two important progressive alternative currents are worth highlighting that were critical responses to the North America and Western European post-war Keynesian consensus. The first was a demand from the grassroots of the labour movement for greater workplace democracy (Author A), where a strong "rank and file" movement emerged to challenge both centralised union leaderships and corporate capitalism, arguing for more genuine forms of worker participation and economic democracy throughout the economy. The kind of economic democracy envisaged here was still very much rooted in workplace and masculinist trade union traditions.

A second important development was the movement for women's economic rights, contesting both patriarchy but also capitalist social relations and divisions of labour. Of importance is not only the raft of legislation passed on equal opportunities policy at
work from the 1960s onwards, but also the campaigns to problematize and challenge
gendered power relations around work and social reproduction. From an economic
democracy perspective, a significant element of these campaigns was asserting the
importance of the care work of households (done overwhelmingly by women) as the
boldest for the rest of economy (Nelson 2006, Folbre et al 2007) and its
marginalisation despite the post-war welfare state and more social democratic forms
of advanced capitalism (Federici 2013).

With increased economic globalisation, liberalisation and deregulation of national
economies from the mid 1970s onwards, the weakness of existing collectivist forms of
economic democracy – even in their own terms of defending a particular form of male
industrial worker - became increasingly apparent. From the perspective of developing
a more genuinely socially egalitarian form of economic democracy, the failure to
advance an agenda for broader individual economic rights beyond the workplace is
critical for us. In this regard, we draw upon three key threads in developing our
argument. First the radical liberal tradition, most recently associated with Robert Dahl
and others around individual rights to self-government of labour (Dahl 1985); second,
the capabilities approach pioneered by Martha Nussbaum (2011) and Amartya Sen
(1999; 2009) based on the Aristotelian concept of human flourishing in which all
individuals are equally entitled to live a meaningful life; and third, the feminist literature
which draws attention to the importance of struggles around social reproduction
(Federici 2013). Fusing these approaches here allows us to develop an expanded
framework for economic democracy that incorporates a concern with individual
economic rights and the expansion of that concern to struggles and movements
beyond the workplace that claim rights to basic essentials in relation to housing, health,
energy and food. A focus upon how these rights can be realised also involves a
distinction between “capabilities”, as what an individual is able to do or be, which is a
freedom to achieve, and “functionings” as realised capabilities: an individual’s actual
being and doing.

**Using individual economic rights to develop an expanded framework for
economic democracy**

Our argument remains situated within a political economy approach, recognising the
economy as a socially constructed dynamic process shaped by power relations (for
example, Elder-Vass, 2016; Power, 2004; Hodgson, 2015). It also draws upon liberal
and pragmatic, traditions of thought, which strengthen our approach to economic
democracy, providing key insights on deepening democratic processes, recognising
individual rights and enhancing deliberation and public participation in the economy. Our perspective here also complements a range of autonomous and anarchist-influenced research on radical democratic approaches to the organisation of work both in the workplace and in the sphere of social reproduction workplace organisation (e.g. Cleaver 2000, Pickerill and Chatterton 2006, Kokkinidis 2014, Ozaro and Croucher 2014), and political economy oriented analyses of the evolution of capitalism (e.g. Elder-Vass, 2016; Galbraith 2014; Hodgson 2015).

As an evolving social phenomenon, our conception of economic democracy recognises democracy as both a project for citizens’ greater autonomy, or self-government against underlying economic and political structures that privilege a wealthy elite, and also one of greater public deliberation and contestation of economic policy and practices. As Laclau and Mouffe aptly put it: “everything depends on a proliferation of public spaces of argumentation and decision whereby social agents are increasingly capable of self-management” (1987a: 105).

The work of Robert Dahl provides a valuable entry point. In The Preface to Economic Democracy (1985), Dahl problematizes economic democracy primarily as a democratic issue rather than one of asserting the collective rights of a subservient class or group. In particular, he emphasises the importance of safeguarding democratic processes in ways that respect individual liberties which itself requires certain key criteria, most notably; “a widespread sense of relative economic wellbeing, fairness and opportunity” (1985: 46).

Dahl’s framework challenges the primacy of private property rights over those of individual (labour) rights. He presents a compelling legal-moral argument that contests the instrumentalist conception of labour as a factor of production like any other. Instead, he privileges the position of the individual employee by virtue of their humanity. A person is morally and legally superior to a thing, such as capital and rights that flow from that thing, such as the benefits of ownership of capital. Dahl reminds us that in fully democratic political systems, every individual has equal rights. If this is indeed the case, then it begs the question as to what the economic constraints are to exercising these rights. Enabling individuals to exercise property rights, including the right to own firms, gives such property owners rights to control the labour power of others. However, morally this conflicts with the democratic rights of individuals to their own economic autonomy or self-government. In other words, in the potential conflict
between profits and wages, Dahl provides a justice-based perspective that promotes the rights of the individual worker over the private capitalist.

This is an argument for economic liberty and not private ownership. The implications of this are profound for they suggest that there are no inalienable rights to private property on a level with a right to self-government. Thus, by prioritising individuals’ autonomy, a process is potentially established that enhances capabilities of participation – a “democratic character” (O’Neill, 2008) – that facilitates, and is facilitated by the evolution of institutional arrangements that are more just in terms of process and outcome. There may be an important reinforcing feedback loop in that institutions reinforce the Bourdieuan *habitus* (Bourdieu 1998) associated with the “democratic character”. By contrast, the current privileging of corporate ownership and the associated concentration of share ownership in the global economy accelerates the accumulation of property, resources and wealth on the part of the few to the detriment of the capabilities of the many. In other words, the concept of liberty espoused in neoliberal discourse undermines rather than fosters democracy (Standing 2014, Sayer 2016).

Beginning with individual economic rights as a way of reconfiguring economic democracy does not mean that we are adopting either the atomised individual of mainstream economic thinking or Hayek’s heroic dynamic, knowledge-infused entrepreneurial individual. Rather, our approach recognises one of the fundamental precepts of classical political economy as well as economic sociology that the individual is embedded within broader social structures, customs and practices, but as an individual is deserving of certain basic rights, respects and dignity. This resonates with the rights-to-opportunity central to the capabilities approach, and a Kantian sense that the individual possesses intrinsic value by virtue of their humanity – a person cannot be an instrument. There can be no moral equivalence between people and machines.

In the latter half of his book, Dahl focuses on the workplace as a space for articulating forms of collective ownership that allow employees to exercise autonomy, or realise their capabilities. We firmly believe that democratic processes and individual rights of self-government have a broader resonance for the economy as whole. In a key passage Dahl argues (1985: 84-5):

...
“Because we wish to achieve political equality, the democratic process, and primary political rights, we insist that our economic order must help to bring about these values, or at the very least not impair them. Among other things, then, the best economic order would help to generate a distribution of political resources favourable to the goal of voting equality, effective participation, enlightened understanding and final control of the political agenda by all adults subject to the laws … Moreover, we are aware that critical political resources not only include economic resources like income and wealth but also knowledge and skills …”

Such reasoning provides a means for us to conceptualise a broader agenda that goes beyond the workplace and collective rights of employees, in that it signifies an agenda of economic freedoms and rights to participate in decision making for all citizens as well as the importance of what Dahl terms “personal economic resources” (1985: 88) to facilitate this. Although this might sound vague, and in practice difficult to measure, it is surely fundamental to the practice of democratising the economy as a whole, for it allows us to shift the emphasis beyond the industrial worker to the citizen and beyond the realm of production to social reproduction (Fedrici 2013) in articulating what economic rights (and capabilities) are necessary. The broader perspective articulated here is significant as it alerts us to the centrality of individual rights in a more active sense of providing opportunities for human flourishing (Nussbaum 2011, Sen 2009), which embody the rights of participation and involvement in economic life. Politically, it also highlights the needs for mobilisation that spans workplace and union conflicts to connect with those new movements articulating rights discourses linked to campaigns against poverty and deprivation in areas such as housing, water and energy. A critical point here is that a focus on individual economic rights – both to self-governance at work but also to rights to the resources to live dignified and flourishing lives in the realm of social reproduction – can be generative in bringing together workplace and household struggles in new alliances of working class and marginalised groups.

Reconfiguring economic democracy

Building on this more expansive framing enables us to reconfigure economic democracy deploying three inter-connected levels of analysis involving: (i) a framework of pre-requisites; (ii) spheres for the realisation of economic democracy; and, (iii) progressive institutional forms for implementation (Table 1).
(Table 1 about here)

**(i) Pre-requisites for economic democracy**

Starting from the radical liberal perspective of economic freedom for the individual requires first and foremost (a) ownership rights over one’s own labour in the spirit of the arguments articulated by Dahl and David Ellerman (1992). The details of how this could be achieved, given the complexities of advanced capitalism and the problems in assigning rights to different parts of intricate production processes, which often flow across borders in heavily integrated global production networks, are difficult to be prescriptive about (for a recent discussion, see Morgan, 2016). However, somewhat counter-intuitively, the principle of ownership rights over labour and enhanced capabilities would clearly require a transition from Anglo-American corporate forms with their limited voice for employees and their shareholder orientation to more pluralistic organisational structures that treat employees in a non-instrumental way. In practice, the exercise of individual labour ownership rights is most likely to be attained through diverse forms of private, public and cooperative ownership, in opposition to corporatized forms at different geographical scales (Author A). Positing the individual’s right to participation in decisions about their labour can only be achieved through democratic and cooperative means, reflecting one of the most important insights of Marx that work is a social and collective, rather than individualised, process.

The second foundation (b) is the right to participate in economic decision-making. This challenges the corporate control of the economy that currently exists. If one accepts the right to be meaningfully involved in decisions regarding the use and allocation of resources, conferring an individual right in this way logically leads to more collective and public ownership of the economy, as noted above, where this more radical conception of economic liberty can be given proper democratic expression (Author A). The rights under (b) follow on logically from (a), but recognising ownership rights as individual rights to participate in economic decision-making goes to the heart of the failings of some of the forms of socialism practiced in the Soviet Union and Eastern Europe between 1945 and 1989, and even forms of nationalisation in capitalist economies after 1945 where state ownership conferred collective ownership rights in theory but not individual participatory rights.

Following the work of George De Martino (2003), a useful distinction can be made between what he terms “productive justice”, which is essentially ownership rights for workers over their labour in the production process, and “appropriative justice”, defined
as the rights to allocate the surplus arising from economic activities. Under many capitalist systems, the owners of private property assume priority in deciding how any surplus is allocated. By doing so, they have extensive power in shaping the future trajectory of economic activities:

“Authority over surplus allocation comprises decisions over investment in productive enterprises, housing, and other private institutions—something that is treated today in most societies as a right that attaches to the ownership of capital—as well as over the nature and quality of public services, and so forth. Allocating surplus is therefore fundamental to the processes of social (and personal) construction, expression, and experimentation. To be “cut off” from this process is therefore tantamount to disenfranchisement in a most fundamental sense. It is to be denied not one’s rightful property but one’s rightful participation in a process that defines one’s community and even oneself” (DeMartino, 2003: 16-17)

Allocating full property and ownership rights solely to workers deals with appropriative justice for the “direct producers”, those in employment in the formal capitalist economy, but would not provide rights to economic participation for all citizens. In particular, it would reinforce divisions between a relatively privileged minority in paid employment and other forms of work. The rights of all citizens to a voice in the ownership of services and resources essential to social reproduction is an important element of economic democracy that also needs addressing.

Thus, in our view, DeMartino’s argument corresponds to the emphasis of the capabilities approach in terms of “rightful participation”. Ensuring that individuals have the right to develop at least their basic capabilities (Nussbaum 2011) necessitates the ability and right to participation. A well-functioning democratic state apparatus is essential here, enabling forms of democratic collective ownership of key public services and utilities (e.g. energy, housing, transport) to facilitate broader public engagement beyond the “direct producers”. This furnishes a broader concept of individual economic freedom than labour rights. It also poses the vexed question of the consumer and user of goods and services, and how they would be able to exercise their participatory rights. This could in part be achieved by the expansion of cooperative and public enterprise and hybrids thereof where they become represented as stakeholders, accompanied by the devolution of state power to local communities, such as in the form of participatory budgeting.
(c) A third prerequisite is a public sphere and demos that protects pluralism, diversity and alternative economic thinking. For Dahl, following de Tocqueville, a functioning democracy needs not just a commitment to democratic majoritarian rules but also a functioning democratic process that recognises individual and minority rights to the conditions necessary to both flourish and participate in the economy. This requires a strong deliberative public sphere where economic ideas and narratives become the subject of debate, contestation and even conflict between competing groups rather than the preserve of a global corporate elite (Mouffe, 2005). The contemporary global economy suffers a knowledge deficit in the sense that economic discourses alongside wealth have become appropriated and concentrated through elite interests and institutions (for example, Darity, 2005), which threatens to erode the capabilities of substantial groups of people. Again, radical liberal ideas, particularly those of pragmatist thinkers such as John Dewey (1927) can be wedded to broader political economy concerns in forging more active and radical civil societies capable of articulating alternative economic narratives (Laclau and Mouffe, 1987b).

For us, economic decision-making should be embedded within the democratic public realm as far as possible, rather than the sole domain of technocratic experts who end up serving established interests (Crouch 2004; Galbraith 2008). The triumph and persistence of a form of liberal capitalism (Mirowski, 2013) has not enriched democracy or the agency freedom of many individuals, but instead has led to the erosion of democratic politics in many places. The austerity agenda (Blyth 2014; Galbraith 2014) post-financial crisis is perhaps the most obvious and explicit manifestation of the rights of property, especially financial and corporate interests to take precedence over the economic rights of citizens.

A more radical and reinvigorated democratic economy needs to furnish and reproduce dynamic processes of public deliberation, knowledge formation and collective learning. As Dewey (1993: 187) noted, “The essential need … is the improvement of the methods and conditions of debate, discussion and persuasion. That is the problem of the public”. Dewey’s 1920s critique was aimed at liberalism and the way that an eighteenth century progressive doctrine, concerned with liberty and emancipation from the hierarchical power structures of feudalism and clericalism could by the twentieth century have become a conservative doctrine to bolster elite interests. Liberals had treated basic philosophical tenets as absolute whereas Dewey’s pragmatism cautioned of the need for historical specificity and awareness of changing social and
economic circumstances and an ongoing commitment to radical democratic processes of enquiry and knowledge exchange. These comments are as apposite today as they were nearly 100 years ago.

Spheres for realising economic democracy

We identify four economic spheres through which these prerequisites need to be operationalised.

(a) The workplace itself remains important, although not completely foundational given our arguments for a broader conception of economic democracy. Our emphasis here however, on individual economic rights means going beyond a focus on collective organisation and control towards strengthening the levels of autonomy, control and decision-making power that individual employees experience over their working lives. Progressive agendas should focus upon more participatory and less hierarchical forms of employment relations, democratic ownership structures of ownership relations and principles of co-determination and work decentralisation where technically feasible.

(b) A second sphere concerns the nature and characteristics of economic governance and decision-making across a society. A well-developed civil society where multiple stakeholder groups have significant input into economic decision-making across strategic sectors especially (e.g. health, social care, transport, education, energy and finance) could be contrasted with more centralised polities where there is little effective deliberative space outside of elite corporate networks. Denmark’s associational economy\(^1\) - where there is a high level of cooperative associations, strong trade unions and sectoral business associations - compares favourably in terms of economic democracy with Anglo-American economies dominated by private, vested and increasingly financialised interests. The growing concentration of economic power within all liberal democratic societies also exposes the limitations of existing forms of representative parliamentary democracy, suggesting that the realisation of more radical democratic economic governance requires the extension of more participatory forms of state governance such as co-determination of significant proportions of state bodies’ budgets.

\(^1\) It is important to note that Denmark at the same time has a more deregulated labour market than other Nordic countries, prompting the term "flexicurity". See, for example, Madsen (2003).
(c) A third sphere concerns the nature of macro-economic policy and the extent to which this is concentrated within key groups or dispersed through society, permitting a more pluralistic process of deliberative decision-making. This is important for both strategic state economic planning and decision-making and in day-to-day relating to the operation of central banks and economic policy formation between different layers and scales of government. Of interest, is the deliberative process that informs macro-economic policy-making, particularly in its transparency, openness and democratic engagement of the broader population. An obvious example would be to bring the banking sector including central banks, under more democratic control (Block, 2014; Pettifor 2014).

(d) A fourth sphere is the character of a state’s constitutional (legal and political) settlement and, specifically, the nature of political-economic institutional structures and the ways these enable and facilitate economic rights for both individuals and different social groups. These are fundamental in protecting individual economic rights and facilitating democratic processes. Included are the rights to form trade unions, to strike, to representation in economic decision-making fora, as well as the rights of individuals and groups to a basic level of economic security. Central here though, is the importance of basic economic rights, consistent with the kinds of human flourishing identified earlier, for all citizens. Acknowledging and safeguard these individual and collective rights requires attention to the ‘social contract’ that is embedded within state regulatory and constitutional regimes. While strong economic and social rights can and should be embedded in political constitutions, such rules alone are insufficient without a stronger and independent judiciary, political actors in trade unions and civil society to ensure plurality in decision-making.

**Progressive institutions for economic democracy**

Here, we have in mind the kinds of policies and practices that would enable an economic democracy to prosper. Once again, our starting point is individual economic rights and the kinds of policy that would create the conditions for the promotion of individuals’ capabilities and hence human flourishing, economic rights and participation. One might contrast progressive labour market institutions that promote individual freedom, choice and flourishing with more punitive workfare regimes that essentially sanction those outside mainstream employment – a “scapegoating of the poor” (Aronowitz, et al, 1998), and increasingly a vilification of immigrants, while simultaneously placing increased obligations to work, irrespective of the quality or
dignity of the paid employment on offer. Strong legislative regimes that attempt to
enshrine equality in the labour market (e.g. gender, racial, religious, etc) might be
compared to more repressive regimes and also informal customs and traditions that
actively segment labour markets to reproduce inequalities and discriminate against
certain groups (Darity, 2005).

A range of progressive institutional reforms potentially facilitate greater economic
democracy, many of which are already the subject of debate and legislation. Table 1
provides a few illustrative examples, though this is far from an exhaustive list. One
can differentiate broadly between (a) macro-level institutions that operationalize basic
individual economic rights and freedoms across a national economic space and (b)
micro-level institutions that operate at the workplace level. Regarding the former,
obvious ones are strong equal opportunities policies and rights to free education and
training, which are central to enabling individuals the resources to cultivate and
informed opinion, particularly on economic matters. These essentially liberal or
moderate social democrat policies are insufficient in promoting an economic
democracy that aims to tackle social justice and inequality. This needs additional
institutional measures to those currently in place in most capitalist societies. An
obvious one is the concept of a citizen’s or universal basic income (UBI) (for example,
Atkinson, 1996; Pateman, 2004; Hodgson, 2015; van Parijs and Vanderborght, 2017),
which would take away the pressure to, of necessity, sell one’s labour purely as a
commodity, and could address economic precariousness in a way that the Keynesian
welfare state never achieved.

The UBI is opposed by some academics, trade unions, and social democrats on the
basis that it might shift the focus from improving rights and conditions in the workplace,
(Hassel, 2017), creating problems over qualification criteria, and undermine the “social
expectation that one should work in order to live” (Galbraith, 2014: 248). However, in
an era of increased automation and accelerated replacement of labour through artificial
intelligence and growing levels of long term and youth unemployment (particularly in
Europe and the old industrial regions of North America), the UBI could shift the balance
of power in the labour market away from capital to labour, and more importantly here
to the individual citizen, rather than a particular vested labour interest. The guarantee
of a basic income, pitched at a level to provide freedom from indigence and the ability
to participate in the social life of the community, would provide individuals with the
capacity to make positive choices around work and employment. Combined with
legislation on providing decent real living wages, at a level described by the Living
Wage Foundation that matches total living costs (see www.livingwage.org.uk) and even a maximum wage (Ramsay, 2005), it would also tackle the extreme inequalities and marginalisation that create the kinds of group conflicts and social antagonisms that Dahl recognised as undermining the democratic process.

Legislation also around reducing working hours (perhaps to a 6-hour day or a 30 hour week) is the other basic macro-economic pillar of individual economic freedom, which could help redistribute paid work in an advanced and more automated economy (for example, Gorz, 1999). There is no doubt this would involve major changes in business practices, which is an obvious impediment. Nonetheless, such practices are continually evolving, and the potential impact of digital technology and automation may be profound. Ethically, by shifting the balance of influence over business practices, such as working hours and flexible deployment of labour away from employers towards employees, the agency freedom resonant with Sen, and capabilities can be fostered and strengthened for individual citizens.

At the micro-scale, existing rights enjoyed by workers and trade unions in many northern European countries to collective bargaining, co-determination of work and the right to strike (Table 1) are all necessary, but insufficient elements of a developed economic democracy. However, more generally, recent sociological research suggests that governments often engage in “window dressing” in ratifying human rights treaties, while practices on the ground are rather different. This “decoupling” of policy and practise suggests a “paradox of empty promises” (Hafner-Burton and Tsutsui, 2005). In the context of our argument, without a greater commitment to the individual’s ownership and control of their own labour, there are limitations to the prospective of achieving the kinds of economic liberties and freedoms identified here. While the macro-proposals can go some way to support this outside the workplace, freedom over one’s work suggests the requirement for strong legislative rules promoting collective ownership over private and corporate ownership in an advanced capitalist society (for example, Author A).

Discussion and Conclusion
Our central aim in this paper has been to develop thinking around economic democracy to enhance progressive agendas to create fairer and more sustainable forms of economy and society. Our analytical entry point has been to critique existing collectivist traditions with their roots in cooperative forms of organisation, labour and
socialist movements. While these have made important gains, they have also had their silences, particularly in the extent to which they have over time departed from a concern with individual rights, economic liberties and capabilities, and a deeper sense of democratic engagement and participation in economic action.

These weaknesses have been exposed since the late 1970s in particular by four decades of economic globalisation and neoliberal policies, which have on the one hand undermined existing forms of economic democracy and collective agency in the economy, while on the other leading to a deregulated sphere freeing many financial and corporate elites from broader social accountability and responsibility. This has gone hand in hand with a successful neoliberal discourse (Mirowski, 2013) that has successfully promulgated a Hayekian view of economic freedom and liberty linked to market, private property and spontaneous order, which may result in divergences between de jure and de facto human rights (for example, Hafner-Burton and Tsutsui, 2005).

Our response to these issues has been to advocate an expanded conception of economic democracy that brings together the two sides of enlightenment thinking, namely liberal conceptions of individual economic rights and freedoms, and more collectivist projects for social justice and equality. Starting with Dahl’s insights from political philosophy on the nature of democratic process and individual economic rights, we have emphasised the priority of labour rights to autonomy, and greater ownership of the product of work, which, following Dahl, takes precedence over private property rights. But we also highlight the importance of prosecuting an agenda of individual economic rights that goes beyond the workplace, engaging with feminist critiques around the centrality of social reproduction and concerns the rights of all citizens to the resources that allow human flourishing through the enhancement of capabilities.

In addition, the conception of economic democracy argued for here goes further in recognising the importance of the public sphere, and issues of collective and diverse participation and representation in economic decision-making. We suggest therefore that there are three important underlying and interlinked prerequisites for economic democracy in the twenty first century: the rights to own and control one’s own labour; the right to participate in economic decision-making; and, a public sphere that facilitates a democratic process by encouraging diversity tolerance and alternative economic prospectuses.
Finally, having set out our framework for an expanded conception of economic democracy, questions of social agency and political strategy inevitably come to the fore. In particular, what sort of political alliances and social forces would be necessary to prosecute this agenda? The lessons that emerge from previously successful episodes of economic democracy, notably the post war development of social democracy and the welfare state, are the importance of countervailing power structures that develop sufficient power and agency to challenge dominant business practices and relations within the economy, allied to political parties able to achieve reform through state institutions.

While trade unions and traditional left political parties are greatly weakened, both in the workplace and broader economy as political actors, they remain important institutional actors for an expanded project of economic democracy that we envisage here. However, they need to form broader alliances with other social movements, particularly green and environmental groups but also those campaigning against the devastating effects of austerity and economic crisis on their livelihoods, in articulating new visions for social and ecological justice in the context of the crises facing us in the twenty first century.

In this respect, our focus here on an agenda for developing individual self-governance, economic rights, and deeper forms of democracy and citizen participation can be politically generative in bringing together workplace struggles with those household-based struggles aimed at greater access, ownership and control of essential services and needs such as housing, water and energy. A common thread in this regard is the demand for individual economic security, dignity and self-governance over both labour and the resources for flourishing and leading decent sustainable lives.

Developing new coalitions and socio-political identities around economic democracy is critical in fostering a broader narrative of individual economic rights, public participation, and justice open to all groups in society beyond a narrow workplace-based set of sectional interests. While not easy, the mobilisation in Spain around the Indignados movement with a focus on economic security in housing, water, energy and other areas, the popularity of the British Labour Party’s 2017 election manifesto and subsequent development of many of the policies advocated here to which one of the authors of this paper is a contributor (Author A), and the development of a justice-focused Green New Deal in the USA demonstrate the potential for renewed economic
democracy coalitions fusing an older workplace based left with newer movements for social justice.

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Table 1: A framework for reconfiguring economic democracy

<table>
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<tr>
<th>Essential prerequisites</th>
<th>Critical spheres</th>
<th>Progressive institutions/policies</th>
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<tbody>
<tr>
<td>a) Labour ownership rights – rights of individuals to own and control how their labour is used</td>
<td>a) Workplace (micro-economy)</td>
<td>(a) Macro-institutions</td>
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<td>b) Rights to participate in various spheres of economic decision-making</td>
<td>b) Culture and governance of the economy across society</td>
<td>Strong equal opportunities legislation</td>
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<td>c) Democratic and diverse public sphere which provides opportunities for individuals and groups to engage in decision making regarding economic policymaking</td>
<td>c) Macro-economic arena</td>
<td>Free higher education and training</td>
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<td></td>
<td>d) Politico-constitutional structures</td>
<td>Participatory budgeting</td>
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<td>Citizens income</td>
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<td>Real Living wage</td>
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<td>Maximum wage</td>
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<td>Reduced working hours (6 hour day / 30 hour week)</td>
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<td></td>
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<td>(b) Micro-institutions</td>
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<td>Rights to collective organisation</td>
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<td>Rights to withdraw labour</td>
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<td>Statutory co-determination</td>
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<td>Gender parity on company management boards</td>
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<td>Ownership rights for employees</td>
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<td>Democratic public and mutualised ownership of key sectors</td>
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1 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
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.