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Property-Owning Democracy: Rawls and Beyond

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Property-Owning Democracy

Rawls and Beyond

Edited by
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Introduction

Martin O'Neill and Thad Williamson

Justice as Fairness and Property-Owning Democracy

Forty years have passed since the publication of John Rawls's *A Theory of Justice* (1971), an event that has literally set the agenda for contemporary political philosophers and political theorists on both sides of the Atlantic throughout the intervening years. In the decades of debate that have followed, Rawls's basic framework for thinking about justice has acquired many strong adherents, as well as attracting the widest range of criticism – from relatively friendly early critics such as H.L.A. Hart to, more recently, the fundamental critique of the entire project of “ideal” political theory articulated by Amartya Sen (himself once a reviewer of *A Theory of Justice* for Harvard University Press). Rawls's aim was to articulate principles of justice for a society committed to the idea of free and equal persons engaged in a system of social cooperation for mutual advantage. The pursuit of this aim placed Rawls simultaneously in a multitude of debates: the debate between liberal egalitarianism and utilitarianism; the debate between liberal egalitarianism and libertarianism; the debate between liberalism and Marxism; the debate between liberalism and communitarianism (and, later, civic republicanism); the debate between “political” liberalism and “comprehensive” or perfectionist liberalism; and most recently, the debate between “ideal theory” and approaches to politics anchored in “nonideal” assumptions about both the circumstances of highly imperfect modern societies and the nature of the political condition itself.

Much attention in these varied debates has been devoted to interpreting and developing Rawls's liberal egalitarian position, with Rawls himself an active participant in those debates, right up until the publication of his *Justice as Fairness: A Restatement* in 2001 (Rawls, 2001). Over the years, Rawls made numerous revisions – *some technical, some more far-reaching* – to his theory, but never gave up the project of specifying an internally consistent conception of social justice appropriate for modern democratic societies, in which commitment to religious beliefs or

other “comprehensive” life ideals are viewed as an impossible basis for achieving political unity.

In his recent work, *The Idea of Justice*, Amartya Sen, Rawls’s colleague and frequent interlocutor, suggests that Rawls’s contributions to thinking about justice have more or less run their course. Instead of attempting to specify principles of justice that would be adopted under ideal conditions, and then crafting institutional arrangements designed to realize those principles, Sen suggests that we need to focus on developing a clear metric that will allow us – actual persons in actual societies with actual histories – to judge whether marginal changes of policy and resource distribution do or do not lead to more just outcomes. Sen argues that knowing that point A is the ideal gives no clear guidance to the person at point D regarding whether it is better to move toward point B or point C, given that point A is unattainable (Sen, 2009).

Speaking for ourselves (and not necessarily for all the contributors to this book), we believe that, while it *is* critically important to move the terrain of debate from purely ideal theory to discussion of institutional arrangements, nevertheless Sen’s epitaph for Rawls’s project is quite premature, for (at least) two reasons. First, the proposed move from institutional analysis to comparative policy analysis threatens to obscure what is perhaps Rawls’s greatest contribution to social thought: the commitment to viewing questions of justice as holistic *institutional* questions, and not simply as questions of either individual ethics or piecemeal political reform. Contrary to the views of a figure like F.A. Hayek (1984), who argued that conceptions of “social justice” were flawed because no individual agent within market society intends to produce the particular distribution of goods that actually obtains, Rawls secured a great breakthrough by insisting that the proper locus of attention in evaluating justice is critical examination of a society’s institutional arrangements – including the market itself. Put another way, Rawls’s theory draws moral attention not just to the consequences of capitalism, but to its foundational institutions. Rawls does not accept that existing forms of capitalism are the best that we can do, and that advocates for justice must simply push for incremental changes within the existing institutional framework. While we agree with Sen that being able to judge which sort of *policies* promote justice is important, we see no need – and much to be lost – in allowing a focus on policies alone to obscure or distract from fundamental institutional questions.

Second, for all the debates about Rawls’s theory of justice, attention to the mechanics of Rawls’s “point A” – the preferred institutional arrangements of a just society under modern conditions – remains underdeveloped, particularly with respect to its political economy. For all the ink spilled and academic careers devoted to the finer points of Rawls’s theory, the core question of how Rawls’s theory of justice can be realized institutionally under contemporary conditions has received only intermittent attention. A primary aim of this volume is to take a big step toward correcting that imbalance through critical and constructive discussion of Rawls’s idea of a “property-owning democracy.”

What is “property-owning democracy”? In *Justice as Fairness* (2001), Rawls contrasts it to four other institutional alternatives: laissez-faire capitalism, command economy socialism, welfare state capitalism, and liberal democratic socialism. It is not surprising that Rawls quickly rejects the first two alternatives as inconsistent with his principles of justice. A command economy violates personal liberty by allowing the state

to dictate where a person works, and also in all likelihood will violate or severely compromise political liberty as well (by concentrating political and economic power in the same hands). A laissez-faire market economy with private control of capital will tend to produce nearly unlimited inequality of outcomes as well as systemic inequality of opportunity, and will also severely compromise political liberty by allowing the rich and powerful disproportionate influence in politics and government.

The most surprising contrast Rawls makes, however, is between property-owning democracy and welfare state capitalism. This contrast is surprising because Rawls often has been understood – to this very day – as providing the definitive philosophical argument for the systemic redistribution of resources (“primary goods”), by means of the institutions of the traditional welfare state, operating within a market system. The idea of “limiting inequalities to those that benefit the least well off” has often been conceptualized as using the tax and transfer system to provide all with a minimum income. Indeed, Rawls can be seen as doing this himself in *A Theory of Justice* (1971, p. 276), and in *Political Liberalism* (1993, pp. 228–229) where he argues that a minimum income should be a constitutional right. Yet, while Rawls does want to maximize the position of the least well off, and does think minimum incomes should be provided as a matter of right, he does not believe that a traditional welfare state can realize the principles of justice, for three kinds of reasons.

First, because capital is concentrated in private hands under welfare state capitalism, it will be difficult if not impossible to provide to all “the fair value of the political liberties”; that is to say, capitalist interests and the rich will have vastly more influence over the political process than other citizens, a condition which violates the requirement of equal political liberties. Second, Rawls suggests at points that welfare state capitalism produces a politics that tends to undermine the possibility of tax transfers sufficiently large to correct for the inequalities generated by market processes. The relatively well off will resist proposals to tax their incomes at a rate sufficiently high to maximize the position of the least well off, and will often (if not always) have the political capacity to do so. As Rawls puts it, while such a regime “has some concern for equality of opportunity, the policies necessary to achieve that are not followed” (Rawls 2001, p. 138). Third, welfare state capitalism undercuts the possibility of equal relationships between citizens based on a principle of reciprocity in a deeper sense, by creating a divide between those primarily “dependent” on the government for income and resources and those who obtain resources through market processes and, in particular through, paid employment.

Consequently, Rawls judges that welfare state capitalism – even if it provides a decent social minimum – is inconsistent with the two principles of justice. A society that assures the fair value of political liberty, provides substantive equality of opportunity, and limits inequalities to those benefiting the least well off must have a different political-economic architecture. Rawls argues that there are two plausible possibilities: either a form of liberal democratic socialism that is organized so as to secure the liberty principle as well as strong economic equality; or else a “property-owning democracy,” a term Rawls borrows from the British economist James Meade.

Rawls says very little about the specifics of democratic socialism. Even in his late publications, he does not engage with various recent efforts by left political economists and philosophers such as John Roemer (1994) and David Schweickart (1993) to specify

the institutional form of a workable form of market socialism – other than to indicate that he does not see any reason why a democratic socialism cannot work and also be fully supportive of the liberty principle. (This judgment, of course, is controversial: many conservative and libertarian critics – i.e., Friedman (1962) – have argued that a society based on democratic control of the economy with a strong steering and planning function for government inevitably will violate liberty.)

Rawls says rather more about “property-owning democracy,” and in *A Theory of Justice* goes so far as to specify several of the key institutional features of such an economy. Government is to be engaged (through several “branches” of activity) in macroeconomic planning, regulation of economic institutions, establishing market rules, and implementing resource transfers; it is also to be engaged in providing both essential and nonessential public goods. The primary aim of this public activity is *not* to maximize economic growth (or to maximize utility) but rather to ensure that capital is widely distributed and that no group is allowed to dominate economic life; but Rawls also assumes that the economy needs to be successful in terms of conventional measures (i.e., by providing full employment, and lifting the living standards of the least well off over time). A stiff inheritance tax is envisioned as the principal mechanism by which large accumulations of capital are to be diluted over time (Rawls, 1971).

This account is suggestive, and Rawls certainly made a good faith effort to engage with the work of contemporaneous economists (especially in *A Theory of Justice*). Rawls takes seriously economic rationality, and is not interested in describing an unworkable utopia: he is fully serious in the intention that property-owning democracy can be realized in modern societies. Yet Rawls never followed through on this institutional prospectus by providing a more detailed specification of the architecture of a fully functioning property-owning democracy, or any explanation of how modern capitalist economies might be converted into property-owning democracies, given the stiff resistance serious proposals for wealth redistribution inevitably face in existing capitalist democracies. Rawls, quite plausibly, may have felt that going into institutional details, or discussions of contemporary politics, would have involved stepping outside the appropriate role of political philosophy. But the results of this relative silence are that property-owning democracy is still not well understood as a central idea in Rawls’s entire theory of justice, and that the idea itself has only rarely been subject to critical examination.

This volume aims to end that silence. But the motivation for this book has other sources beyond simply explication and critical assessment of a crucial but under-examined aspect of Rawls’s project. First, one need not subscribe to the Rawlsian paradigm of justice, or the entire approach to political philosophy that Rawls exemplifies, to maintain a practical interest in the idea of property-owning democracy. Prominent scholars from broadly republican political perspectives such as Richard Dagger (2006) and Stephen Elkin (2006) have also in recent work taken up the idea of a property-owning democracy – that is, a political economy based on wide dispersal of capital with the political capacity to block the very rich and corporate elites from dominating the economy and relevant public policies. Likewise, discussion of property-owning democracy dovetails with – and to some extent, overlaps with – debates over the past 20 years aimed at specifying a workable and normatively attractive model of democratic socialism. Further, among academic scholars of social policy there has been

increasing attention over the past decade to the extraordinary concentration of *wealth* in advanced capitalist societies, particularly the United States and the United Kingdom, as a crucial factor shaping both individuals' life prospects and their political agency, independent of the impact of annual income (Conley, 2009). Those with accumulated assets can easily pay for college or professional training, make down-payments on homes, invest in risky but potentially lucrative enterprises, take trips, donate money to candidates, and cope with a period of unemployment or underemployment. (See Erikson and Goldthorpe, 2002; Barry, 2005, pp. 186–199.) Those who do not enjoy these endowments of wealth typically must borrow money to do these things (if they can do them at all) and live in constant threat of downward economic mobility.

Academic interest in the question of whether it is possible to have a market society that meaningfully disperses wealth thus extends far beyond the subset of political philosophers and theorists working in the Rawlsian paradigm of social justice. But the idea of property-owning democracy potentially has much broader political significance as well. Simply put, left-of-center parties in both the United States and the United Kingdom, as well as in Europe as a whole, have lacked a clear programmatic direction for nearly a generation. Labor parties often have been reduced to trying to defend the welfare state against pressures generated by globalization, as well as from internal political attack from the right. In the United States, where social democratic politics is even weaker and where there is no true labor party, the electoral success of a “progressive” president (Barack Obama) has thus far reinforced rather than challenged the primacy of corporate, especially financial, interests over public policy (Kuttner, 2010; Suskind, 2011). One might judge that an historic opportunity to use public power in a large-scale way to reshape the basic contours of the economy has been bypassed in favor of a very expensive attempt to restore the status quo ante.

An intriguing question, then, is whether the vision of a society based on the wide dispersal of both tangible and intangible capital might, if sufficiently fleshed out, constitute both an alternative to the welfare state and an attractive alternative to the predominant neoliberal paradigm. The answer to that question cannot be provided in the absence of a serious effort to convert the broad concept of “property-owning democracy” offered by Rawls and others into a concrete political program, and a serious effort to construct a political coalition that favored and advocated for such a program. As supporters of the Labour Party in Britain come to terms both with the eviction of their party from office in 2010, and with a balanced understanding of the significant limitations of their party's achievements while in office, and as liberals and progressives in the United States come to terms with the limitations of Barack Obama's presidency and the fact that the substance of his policy agenda has rarely matched the boldness of his rhetoric, the need to develop a coherent alternative agenda for the next generation of progressive politics has become an urgent *political* task as well as an intriguing philosophical challenge.

It is appropriate here to expand upon these initial comments about the political relevance of property-owning democracy. Increasingly, scholars, activists, and politicians have come to recognize the structural basis of the current economic crisis and the steady decay of traditional social democratic strategies for containing capital and forging a version of welfare state capitalism that secures the traditional goals of full employment, rising living standards for workers, and a strong safety net. Rawls himself came to

recognize the degree to which the American political economy had drifted away from the ideals of justice as fairness (i.e., Rawls, 2001, p. 101, n23), but in the most recent period two structural developments in particular have further emphasized our distance from the idea of a well-ordered, just polity in the Rawlsian vein. Importantly, both developments were in a sense anticipated by Rawls in his critique of welfare state capitalism.

First, the concentration of capital and the emergence of *finance* as a driving sector of capitalism has generated not only instability and crisis; it also has led to extraordinary political power for private financial interests, with banking interests taking a leading role in shaping not only policies immediately affecting that sector but economic (and thereby social) policy in general. These interests typically have a strong controlling role over economic policy, no matter which political party controls the White House and Congress. Second, the 2010 Supreme Court decision (*Citizens United v. Federal Election Commission*) reaffirming the view that corporations are to be treated as persons for the purposes of free speech, and the consequent invalidation of (already modest) regulations on the ability of large corporate interests to flood the media with political advertising in the run-up to elections, opened the door to a further expansion of corporate political voice in the United States. The United States is now further than ever from realizing what Rawls termed the “fair value of the political liberties” – that is, the core value of political equality.

In a similar vein, politics on the other side of the Atlantic looks to be moving further away from, rather than closer toward, the Rawlsian ideal of a stable, well-ordered, and just polity. Despite widespread public perceptions that financial interests were to blame for the financial crisis that began in 2007, there has been little reassertion of the power of democratic institutions over corporate and financial power in the years since. In countries such as the UK, inequality is at levels not seen since before World War II, while social mobility has stalled, and public contempt for the political process continues to grow. The failures of private capital have not ushered in a more mixed and stable economy, but have instead led to the further encroachment of the market as democratic states see their room for operation undercut by the fiscal crisis created by the costs of the financial collapse. During the onward march of social democracy, with rising living standards and flattening inequalities during the postwar years, one might have thought that a broadly Rawlsian society was a plausible destination of historical trends. But the overwhelming trend in OECD (Organization for Economic Cooperation and Development) countries over the past two decades has been toward steadily growing inequality, with incomes of the top decile growing much faster than incomes of the bottom decile (OECD, 2011, Table 1). Throughout the advanced capitalist countries, it is now abundantly clear that the realization of a just and well-ordered society will require a much more systemic transformation of the structure of the economy.

Altering these structural features of politics in the USA, UK, and other nations will require forging a different political-economic order. To this extent, Rawlsian justice as fairness shares with socialist perspectives not only a critique of capitalism but a determination to find a different way to organize a modern economy. Just what that different way is (and whether we could achieve it) remains an underexplored question. Socialist writers within the traditional Marxist paradigm have argued (and continue to argue) that either workers or the public at large must take a controlling interest in the

bulk of productive capital in society to prevent large-scale private concentrations of capital from coming to have a dominant role in economic and political life (Lebowitz, 2010). Similarly, heterodox conceptions of market socialism such as David Schweickart's conception of "Economic Democracy" also require doing away with large-scale private control of capital (Schweickart, 2002).

"Property-owning democracy," as Rawls and others have envisaged it, aims – at least at first glance – at a different approach. Rawls's account of property-owning democracy openly embraces markets for many purposes, and does not condemn private control of capital as such. Rather, property-owning democracy is to aim at the *wide* distribution of capital, so that many people have access to productive assets and giant concentrations of accumulated wealth are melted away through taxation or incentivized bequests (gifts given to avoid stiff inheritance taxes). Some recent commentators have extended the idea further to propose versions of property-owning democracy based not just on "wide" but on *universal* distribution of capital, with all households having access to one or more forms of wealth in substantial quantity (see Williamson, 2009, and in Chapter 11 of this volume).

It remains an open question whether a fully realized property-owning democracy can *in practice* be meaningfully distinguished from democratic forms of market socialism (see the chapters by O'Neill and Schweickart in this volume). But property-owning democracy does seem to appeal to a political and cultural ideal distinct from the aims of traditional socialism, one that is more celebratory of entrepreneurialism and welcoming of individuals and households using their own assets to make whatever they wish of themselves. Socialist critics of property-owning democracy (such as Schweickart in this volume) will be skeptical of the hope that cultural ideals of that sort can easily be decoupled from capitalism as a *system*, and that market systems that allow for substantial private control of investment can be reined in sufficiently to realize any substantive distributive goals. Equally skeptical will be neoliberals who contend that capitalism cannot be moderated or reformed in substantial measure without killing off the golden goose of continually increasing productivity and technological innovation. Any modern conception of property-owning democracy necessarily must revive the idea of a mixed economy based on multiple forms – a "mix" – of ownership. Interestingly, contemporary post-Soviet visions of democratic socialism such as Schweickart's "Economic Democracy," and to an even larger extent Gar Alperovitz's "Pluralist Commonwealth" and Erik Olin Wright's "Social Empowerment" economy, point in just this direction – and also point to the idea that it is possible to nurture alternative, more democratic forms of ownership even within a context of economic crisis and the prolonged decay of social democratic politics (Schweickart, 1993; Alperovitz, 2004; Wright, 2010).

This volume thus also speaks to this wider set of reasons for engaging with the idea of property-owning democracy. The essays assembled here fall into three rough categories: those concerned with relating the idea of a property-owning democracy to a philosophical conception of justice; those concerned with broader institutional implications of property-owning democracy; and those concerned with converting the basic idea into a practical political agenda. What unites these essays is that each seeks to take the idea of "property-owning democracy" seriously, whether the assessment offered is one of critical appreciation, qualified support, or outright rejection. Careful readers will note numerous tensions, and on occasion out-and-out disagreements, between the

arguments provided by the authors. Such tensions and disagreements are healthy and inevitable – they are the necessary price of taking a complex idea seriously. This book certainly does not (and does not hope to) offer a programmatic approach to how we should think about the philosophical, institutional, and political aspects of a property-owning democracy. Rather, it addresses those questions from a variety of perspectives, and hopes to shed light on these issues from a variety of directions. The aim of this book is to open up a number of fertile but neglected avenues for further debate. Taken together, these essays help to clarify both the idea of property-owning democracy and the major questions – philosophical, institutional, practical – about the idea that must be addressed if it is to move from philosophical sketch to a meaningful political program. It is the hope of the editors of and contributors to this volume that these issues will then be further taken up by others, and the ideas presented in this book will be subjected to ongoing development and critical engagement.

The remainder of this Introduction aims to provide a brief tour of the chapters and arguments comprising the volume.

Part One: Property-Owning Democracy: Theoretical Foundations

The opening chapter by Simone Chambers lays the groundwork for the volume by deftly summarizing much of the debate about how to understand Rawls's economic agenda. Chambers points to the following paradox: while Rawls's tone of writing is often understated and preoccupied with procedural and technical issues, the conclusions he reaches are unmistakably radical with respect to the political status quo in advanced capitalist societies. Rawls – perhaps at odds with his own claims to be simply working out the implications of widely shared ideas about liberty and equality – provides neither an apologia for existing institutional arrangements nor much reassurance that these arrangements can easily be reformed so as to realize his principles of justice. His theory of justice thus stands in critical tension with current institutional arrangements and the belief systems (however widespread) that justify them.

But what of Rawls's alternative? In Chapter 2, historian Ben Jackson shows in highly illuminating detail that the idea of "property-owning democracy" appropriated by Rawls has a curiously complicated history. Ironically, the term actually owes its origin to the efforts of a Scottish conservative political thinker and Unionist politician, Noel Skelton (1880–1935), who articulated a constructive social alternative in opposition to the British Labour Party's trade union socialism in the 1920s. Later the idea was taken up by the left-leaning economist James Meade (winner of the 1976 Nobel Memorial Prize in Economics), whose writings on property-owning democracy (POD) most immediately influenced Rawls. Historically, then, there has been both a left egalitarian democratic POD tradition and a right conservative POD tradition, with the former often blurring into defenses of both socialism and the welfare state, in that it seeks to foster greater collective capital ownership and collective social provision, *as well* as a wider distribution of private property. Jackson's enlightening historical excavation highlights the possible worry that a POD agenda focused only on private property ownership is, in the present day, likely to advance the right-conservative strand of this

thinking rather than the radical egalitarian strand, and suggests that the contemporary pursuit of a left egalitarian property-owning democracy needs to proceed with a due appreciation of the way in which the institutions of a property-owning democracy can be integrated with some elements of the traditional welfare state.

In Chapter 3, Corey Brettschneider explores the idea of property-owning democracy in light of his own insightful analysis of one of the fundamental questions of political philosophy: when and under what circumstances can private ownership of property be legitimated? Engaging with Locke as well as contemporary libertarian writers, Brettschneider develops the position that private property ownership can be made both legitimate and just when it is coupled with provision of a positive basic right to a livelihood and other material resources to *all* citizens, including those who do not own property. This argument can be used to undergird a right to welfare; it also can be used to undergird a positive right to control of at least some material assets, in the spirit of property-owning democracy.

In Chapter 4 Martin O'Neill examines more closely Rawls's specific criticisms of welfare state capitalism, as well as interrogating Rawls's positive case for a property-owning democracy with regard to the central political values of liberty, equality, and reciprocity. O'Neill calls into question the force of Rawls's argument in *Justice as Fairness* that assuring the fair value of the political liberties strictly requires adoption of a property-owning democracy. In certain well-developed social democracies, mechanisms may be available to constrain political inequalities short of large-scale redistribution of wealth. O'Neill goes on to argue, however, that with regard to the value of equality – and, more particularly, with regard to the difference principle – there is an extremely strong case to be made on behalf of property-owning democracy and against welfare state capitalism. Thus while Rawls's own writings may be seen as overstating the strength of the liberty-based case for property-owning democracy, Rawls nevertheless may have *understated* the strength of the equality-based case against welfare state capitalism, and in favor of the institutions of a property-owning democracy.

Chapters 5 and 6 by Alan Thomas and Stuart White relate – and to a considerable extent defend – Rawls's commitment to property-owning democracy to (and against) two alternative lines of criticism. In Chapter 5, Thomas defends Rawls against G.A. Cohen's well-known criticism that there is a moral inconsistency in Rawls's theory of justice: that is, Rawls's view that citizens can simultaneously be egoists in economic life (claiming as much as they can in the market) and motivated primarily by principles of justice in political life (modifying market outcomes so as to ensure equality of opportunity and to maximize the position of the least well off). Thomas argues that the entire point of a just political economy is to achieve social justice via institutional arrangements without having to rely on individual good will or beneficence. He further argues that a Rawlsian property-owning democracy can indeed achieve a liberal egalitarian conception of justice, and can circumvent Cohen's internal criticisms of Rawls's approach, provided that the institutions of a property-owning democracy are hard-wired into society's constitutional arrangements. Here, Thomas suggests, Rawls can legitimately be faulted for leaving too much of basic economic arrangements to be decided by the vagaries of democratic politics, while nevertheless making the case for a constitutionalized property-owning democracy as the core element of a just society.

In Chapter 6, White argues that Rawls's basic framework and the recent revival of republican thinking in a variety of quarters can largely be reconciled once it is recognized that, as a matter of sociological fact, robust political participation is essential to the preservation and further development of any socially just society. White uses Tocqueville's account of democratic culture in nineteenth-century America to illustrate how democratic concern with the common good can deform into a destructive hyper-individualism, and to describe possible remedies to this process. White then goes on to argue that Rawlsians should opt for a "republican" rather than "liberal" conception of citizenship that places more demands on ordinary people in daily life to be politically aware and engaged. The requirement that citizens be more than just voters, that they should also be active, co-equal citizens on roughly equal footing with one another, strengthens the argument for property-owning democracy.

Part Two: Interrogating Property-Owning Democracy: Work, Gender, Political Economy

Part Two of the book considers both institutional implications of property-owning democracy and critical comparisons of property-owning democracy with other institutional alternatives. In Chapter 7, Nien-hê Hsieh builds on the discussions in Part One by showing how Rawls's critique of the welfare state relates to the issue of *work* and workplace democracy. A full-blown, attractive liberal egalitarian conception of justice must have an explicit conception of just work at its core. While Rawls's writings exhibit concerns with the character of work, including a concern that work not replicate social relations based on domination, and that persons have an opportunity to do meaningful work, these concerns do not play a central role in the explicit argument for property-owning democracy. This chapter assesses how well property-owning democracy might address these concerns and thereby contribute to the "productive enfranchisement" of citizens – the ability to participate in economically productive activity on terms consistent with their self-respect. By reducing the degree to which workers' choice of jobs is governed by economic necessity, property-owning democracy affords workers opportunity to pursue meaningful work as well as protection from "arbitrary interference" – that is, managerial authoritarianism – at work. Widespread ownership of productive assets also helps to ensure that labor market arrangements do not create deep inequalities of power and status in the workplace. This chapter argues that the implications of distributing productive assets broadly for the content, governance, and status of work form a significant rationale for favoring property-owning democracy over other types of redistributive strategies.

In Chapter 8, Ingrid Robeyns examines the relationship between property-owning democracy and questions of gender justice and care. How might a property-owning democracy impact social policies that structure how care for children (and other dependents) is provided, and consequently how gender norms are constructed? Robeyns compares several different conceptions of care regimes, and argues on behalf of a "mixed care regime" that combines generous support for leaves to provide care with professional (extra-familiar) provision of care. Implementing a full-blown mixed care regime in ways that meet all the relevant concerns (i.e., adequate care for children;

support for parent–child relationships, especially when children are very young; and ensuring that parenthood does not excessively damage career prospects of parents, especially mothers) will typically be an expensive undertaking requiring many transfers. From the standpoint of gender justice, an important question is whether the institutions of property-owning democracy might shift resources away from the kinds of universal care support a gender-just society must provide. If property-owning democracy is adopted in such a way that *reduces* the kinds of transfers required for a just gender regime, it could have a negative impact; likewise, Robeyns argues that the provision of universal basic incomes could have a negative impact on women if it induces them to drop out of the labor market. On the other hand, property-owning democracy could benefit women by tending to equalize wealth (since most women are below the net median worth level) and especially by promoting workplace democracy (and hence more just workplace arrangements and practices). In short, property-owning democracy as such poses both possible benefits and possible risks for gender justice, and careful attention must be given to issues of gender justice in elaborating the details of any specific institutional realization of a property-owning democracy.

The following two chapters each in different ways pose critiques of property-owning democracy, as well as suggesting alternatives to it. In Chapter 9, Waheed Hussain argues that Rawls’s theory is most consistent with a form of property-owning democracy that incorporates elements of social corporatism. The burgeoning literature on the “varieties of capitalism” has renewed interest in corporatist institutions, such as the codetermination system in Germany, society-wide collective bargaining in Sweden and Norway, and other features of labor markets in European social democracies. Hussain focuses in particular on what he calls a “democratic corporatist” property-owning democracy, an arrangement that would enable workers and owners to participate collectively in rule-making processes that structure competition in an industry (not unlike collective bargaining in some American professional sports leagues). He argues that this arrangement is more consistent with Rawls’s ideal of “stability,” which says that liberal democratic institutions must be anchored in a liberal democratic spirit among citizens. Rawls thinks that citizens in a just society come to care about liberal democratic ideals when they see how these ideals have contributed to their own lives and the lives of the people and communities they care about. By involving workers and owners more directly in economic governance, democratic corporatism puts more people in a position to see and feel how they have benefited from liberal democratic institutions, and thereby strengthens the liberal democratic sense of justice among citizens. Although noncorporatist arrangements can take measures to improve political participation in other spheres – measures such as those described by Tocqueville and endorsed by Stuart White – Hussain argues that participation in the economic realm is essential because people in modern societies care so intensely about their careers and their economic aspirations.

In Chapter 10, David Schweickart critically compares property-owning democracy to his own model of “Economic Democracy” – a form of democratic market socialism with a strong role for worker control of productive assets. Schweickart argues, on Rawls’s own terrain, that democratic socialism provides a far more secure basis for securing the principles of justice than does property-owning democracy. To make the case, Schweickart first outlines seven major criticisms of capitalism; then distinguishes

property-owning democracy from existing forms of capitalism; and finally, asks how well property-owning democracy fares vis-à-vis “Economic Democracy” (ED) in addressing the problems generated by capitalism. In Schweickart’s view, while property-owning democracy may actually generate more egalitarian distributive results than economic democracy, ED would fare better on the other dimensions, especially those having to do with society’s ability to direct investment in a rational direction. This advantage of ED rests mostly on the presumption that in property-owning democracy, the financial sector would remain in private hands. Schweickart then goes on to consider the possibility of “Property-Owning Democracy Plus,” which would add public control over finance to other property-owning democracy policies. “POD+,” Schweickart contends, could indeed address fairly well most of the central problems with capitalism – precisely by adopting explicitly socialist mechanisms for determining how investment takes place. If this is the case, the choice between ED and “POD +” is best made on grounds of political plausibility; Schweickart thus closes the chapter by arguing the case for why, despite initial appearances, economic democracy may actually be a more realistic political possibility than “property-owning democracy plus.”

Part Three: Toward a Practical Politics of Property-Owning Democracy: Program and Politics

The final section of the book takes up the question of how property-owning democracy might begin to be realized in practice. In Chapter 11, Thad Williamson provides a fairly detailed sketch of how (in the context of the contemporary United States), policies might implement a full-blown property-owning democracy over the course of the next generation. One consequence of the lopsided distribution of current wealth is that it is *possible* to provide all households with a substantial pool of wealth simply by redistributing a substantial proportion of the existing wealth held by the most wealthy (i.e., the top 1%). Williamson proposes taking advantage of that fact by using ongoing taxation of the wealthy (targeted at both inherited wealth and very high incomes) to fund a series of funds providing *all* citizens with access to three kinds of capital: housing (real property); cash (savings); and productive capital (stock ownership). The long-term goal is to provide all households with access to real assets of at least \$100,000: that is, to achieve a society in which all citizens truly do control or have access to substantial property holdings. Williamson describes how this goal might be achieved in an evolutionary fashion over a 20–30-year time period.

In Chapter 12, Sonia Sodha moves from consideration of long-term visions of implementing property-owning democracy to smaller-bore policies, achievable in the near term, aimed at promoting widespread distribution of assets. Drawing on examples from the United Kingdom, Sodha both surveys existing policies and describes a number of forward-looking proposals for providing citizens with ownership stakes on a universal basis. This chapter also provides an informative overview of the idea of “asset-based” social policy as it has emerged in the United States and in the UK since the 1990s. Where Williamson’s chapter provides an aerial view of the systemic transformation that would be needed for the full enactment of a property-owning democracy, Sodha takes a more incremental approach, showing how the extension or radicalization

of recent approaches to social policy could be used to move a society toward the goals associated with a property-owning democracy.

In Chapter 13, attention turns back from the question of asset-enhancing social policy to the question of how to nurture democratic forms of capital. Gar Alperovitz begins by providing a sober assessment of the limited capacity of social democratic politics in the United States (and often elsewhere) to achieve its stated goals, such as establishing equal opportunity or providing a meaningful safety net. In this political context, ironically, there may actually be greater public interest in more radical strategies aimed at democratizing capital – simply because nothing else works, and traditional liberal policies are so obviously inadequate. Alperovitz goes on to survey and document a wide variety of examples of democratic capital ownership already in practice, in a variety of different sectors and geographic locations, including worker-owned firms, networks of cooperatives, community-owned enterprise, and local and state public enterprise. Taken together, these examples suggest the outlines of an alternative political–economic system, termed by Alperovitz a “pluralist commonwealth,” that could realize many of the same goals as property-owning democracy, but with a richer attention to questions of how to stabilize geographic communities over time. The moral basis for this program, Alperovitz suggests, should rest on an understanding of modern forms of wealth as inherently a social product – the “inheritance” of decades of developing knowledge – not the result of the individual contributions of wealthy entrepreneurs.

In Chapter 14, Thad Williamson closes the volume by discussing in greater detail the potential *politics* of property-owning democracy, in the context of the United States. What political actors and groups are likely to be attracted to the idea, and who would be opposed? What reasons do we have for thinking that property-owning democracy might fare better politically than traditional conceptions of the welfare state or social democratic modes of redistribution? Williamson argues that advocates for property-owning democracy must take the offensive in offering strong moral arguments against the near-monopolization of wealth by the very wealthy (the top 1%) and especially the super-wealthy (the top 0.1%). If effective arguments can be made that the very rich ought not dominate the economy as a whole, then many other aspects of property-owning democracy, including (as Rawls hinted) its consistency with cultural ideas about the value of individual entrepreneurship, would likely be attractive to large swathes of the American public. Political resistance to serious calls for redistribution of wealth would likely be intense. But any serious effort in the direction of property-owning democracy will require intense ideological struggle over the purposes of a modern economy – a struggle that progressives and egalitarians, in the USA, UK, and elsewhere, have arguably put off for far too long.

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