

JUSTICE IN PRODUCTION

Nien-hê Hsieh*

Legal Studies and Business Ethics Department
The Wharton School, University of Pennsylvania
nhsieh@wharton.upenn.edu

DRAFT: 31 March 2006

As this is a draft, please do not quote without first consulting the author.
Comments are warmly welcomed.

ABSTRACT

Liberal egalitarianism has been criticized for paying insufficient attention to what justice requires for the institutions that structure economic production. In the light of such criticism, this paper investigates arguments that liberal egalitarians might give for the kinds of institutional reforms that critics have proposed. These reforms include (1) guarantees for meaningful work, (2) worker participation in the governance of economic enterprises, and (3) democratic participation in the control of the means of production at the level of society. The paper argues that liberal egalitarianism has much to say not only about questions regarding distribution, but also about questions regarding production.

* For helpful discussion and comments, I thank Geoffrey Brennan, Sara Toomey, and seminar participants at the Research School of Social Sciences, Australian National University. I owe a special debt of gratitude to Robert Goodin for prompting me to write this paper and for his comments along the way. For providing a hospitable environment in which to write the paper, I thank the Social and Political Theory Program of the Research School of Social Sciences, Australian National University. I also thank the Legal Studies and Business Ethics Research Program and the Zicklin Center for Business Ethics Research for funding this research. All errors remain my own.

JUSTICE IN PRODUCTION

What does liberal egalitarian justice require for the organization of economic production? One answer is, not enough. John Rawls's account of justice, for example, has been criticized for not ruling out capitalist economic institutions and for not requiring institutional guarantees for meaningful work¹ or worker participation in the governance of economic enterprises.² Criticism along these lines is hardly new. In a way, it recalls the Marxist critique of capitalism and liberalism.³ It also recalls the charge that the liberal tradition is inconsistent in its commitment to equal freedom on the one hand, and its one-time acceptance of the rule by property owners on the other.⁴ Of course, liberal egalitarians need not be moved by contemporary critiques of capitalism. Capitalist economic institutions, they may say, are consistent with the requirements of liberal egalitarian justice.

¹ See, for example, Adina Schwartz, "Meaningful Work," *Ethics* 92 (1982): 634-646.

² For arguments that Rawlsian justice requires some form of workplace democracy, see Iris Marion Young, "Self-Determination as Principle of Justice," *The Philosophical Forum* 11 (1979): 30-46; Rodney Peffer, "Towards a More Adequate Rawlsian Theory of Social Justice," *Pacific Philosophical Quarterly* 75 (1994): 251-71; Rodney Peffer, *Marxism, Morality, and Social Justice* (Princeton: Princeton University Press, 1990); Barry Clark and Herb Gintis, "Rawlsian Justice and Economic Systems," *Philosophy and Public Affairs* 7 (1978): 302-325. For an example of an account that argues that Rawlsian justice is better realized under a regime of workplace democracy, see David Schweikart, "Should Rawls Be a Socialist? A Comparison of His Ideal Capitalism with Worker-Controlled Socialism," *Social Theory and Practice* 5 (1978): 1-27. Schweikart outlines a model of "democratic, worker-controlled, modified-market socialism" that he takes to be "decidedly superior to Rawls's ideal capitalism, superior in terms of the ethical commitments exhibited in *A Theory of Justice*" (1).

³ For one discussion of the Marxist critique and the construction of a Rawlsian response to it, see Allen Buchanan, *Marx and Justice: The Radical Critique of Liberalism* (Totowa: Rowman and Littlefield, 1982). For discussion of the view that Marx did not regard capitalism as unjust, see Alan Wood, "The Marxian Critique of Justice," *Philosophy and Public Affairs* 1 (1972): 244-282.

⁴ For discussion of this point in the context of the thought of John Locke, see, for example, Joshua Cohen, "Structure, Choice, and Legitimacy: Locke's Theory of the State," *Philosophy and Public Affairs* 15 (1986): 301-324; John Dunn, *The Political Thought of John Locke* (Cambridge: Cambridge University Press, 1969); C.B. Macpherson, *The Political Theory of Possessive Individualism* (Oxford: Oxford University Press, 1982); and Alan Ryan, "Locke and the Dictatorship of the Bourgeoisie," *Political Studies* 13 (1965): 219-230. James Tully, in contrast, argues that "Locke extends the franchise to every adult male." See *A Discourse on Property: John Locke and His Adversaries* (Cambridge: Cambridge University Press, 1980), p. 173.

Not all liberal egalitarians, however, are so certain. In *Justice as Fairness*, for example, John Rawls responds to what he takes to be the Marxist critique of liberalism by acknowledging as “a major difficulty” that justice as fairness “has not considered the importance of democracy in the workplace and in shaping the general course of the economy.” Although Rawls concludes he “shall not pursue these questions,” he writes that “certainly these questions call for careful examination. The long-run prospects of a just constitutional regime may depend on them.”⁵ This suggests a need on the part of liberal egalitarianism to consider more fully what justice requires in the realm of economic production not only in response to critics, but also as part of the general inquiry into what justice requires for social institutions.⁶ In this paper, I take up this inquiry and argue that liberal egalitarianism places more restrictions on the structure of economic production than is frequently held to be case.

The inquiry into what justice requires for economic production is meant to complement the emphasis that has been placed on interpreting questions of justice in terms of what Iris Marion Young has recently called a “distributive paradigm”—namely, a focus on the allocation of rights, goods, and opportunities among citizens.⁷ Young, among others, calls for a need to expand the scope of inquiry about what justice requires beyond a concern with questions about distribution.⁸ The inquiry in this paper follows along these lines. This is not to deny the

⁵ John Rawls, *Justice as Fairness*, edited by Erin Kelly (Cambridge: Belknap Press, 2000), p. 178.

⁶ Although I do not consider libertarian accounts of justice, there is reason to think that even on a libertarian account of justice, the organization of economic production matters. Consider Robert Nozick’s procedural view of justice in *Anarchy, State, and Utopia* (New York: Basic Books, 1974). What preserves justice in economic affairs is voluntary exchange. However, what distinguishes economic organizations is that the latter no longer involve market exchange. Hence, a further account is required to understand what makes the transactions within an economic organization just. I thank Robert Goodin for raising this point.

⁷ Iris Marion Young, “Taking the Basic Structure Seriously,” *Perspectives on Politics* 4 (2006): 91-97, p. 91.

⁸ Carol Gould, for example, writes, “recent theories of economic justice have generally focused on the question of just distribution of goods or wealth. ... Very few, if any, of these theories have given significant attention to the question of justice in the organization of the production process...” See *Rethinking Democracy* (Cambridge: Cambridge University Press, 1988), p. 133. See also Michael Walzer, *Spheres of Justice* (New York: Basic Books, 1983) and Robert Wolff, *Understanding Rawls: A Reconstruction and Critique of a Theory of Justice* (Princeton:

possibility of analyzing the structure of economic production from the perspective of a distributive paradigm. First, the structure of economic production influences the distribution of income and wealth and the nature of economic opportunity. For example, it has been argued that the distributional requirements of Rawls's difference principle would be better satisfied by an economic regime that involved control of the means of production by citizens as a whole.⁹ Second, questions about the reform of economic institutions can be recast as questions of distribution. If, for example, we were to regard a claim to meaningful work to be a right whose allocation is of concern from the standpoint of justice, then we might consider the question of meaningful work to be one of distribution. While acknowledging these points, the aim in this paper is to examine a distinct set of concerns that may be overlooked by focusing exclusively on questions of distribution. To illustrate, in response to the first point, there may be reasons for choosing one economic regime over another that are independent of the distribution of income, wealth, and economic opportunity. In response to the second point, even if the concern with meaningful work is cast as a question of distribution, there remains the question of why its distribution should be of concern in the first place.

The emphasis on the relevance of questions of production for liberal egalitarianism can be compared with an analogous shift in emphasis in the discipline of economics. Economics is said to have been relatively unconcerned about the organization of production, an attitude well summarized in Paul Samuelson's remark "that in a perfectly competitive market it really doesn't

Princeton University Press, 1977). One recent account that aims to put questions about work into central focus in contemporary political theory is Russell Muirhead, *Just Work* (Cambridge: Harvard University Press, 2004). Another account is by Ian Shapiro, *Democratic Justice* (New Haven: Yale University Press, 1999). For an account that integrates workplace democracy into a liberal egalitarian account of justice, see Ramon Vela, *A Theory of Economic Democracy* (Cambridge: unpublished dissertation at M.I.T., 2000).

⁹ Barry Clark and Herb Gintis, "Rawlsian Justice and Economic Systems," *Philosophy and Public Affairs* 7 (1978): 302-25.

matter who hires whom: so have labor hire ‘capital.’”¹⁰ This relative lack of concern, according to Oliver Williamson, can be understood as the result of an emphasis in economics on the study of the allocation of scarce resources.¹¹ To be certain, there have been scholars who have called for greater attention to the role of organizations in economics.¹² Building on their insights, the study of organizations has become a central area of inquiry for economics, and the analysis in this paper draws upon this literature, often referred to as “the theory of the firm.”¹³ The shift away from an exclusive focus on questions of allocation in economics is somewhat analogous to a shift to consider not only questions of distribution, but also questions of production. It even may have been the case that the focus in economics on questions of allocation supported adoption of a distributive paradigm when considering questions of justice.

I. THE SCOPE OF INQUIRY

The approach taken in this paper is to examine the extent to which commonly proposed reforms of capitalist economic institutions can be grounded in a broadly liberal egalitarian account of justice. Reform of capitalist economic institutions has been proposed at three levels: that of the

¹⁰ Paul Samuelson, “Wages and Interest: A Modern Dissection of Marxian Economic Models.” *American Economic Review* 47 (1957): 884-912, p. 894.

¹¹ Oliver Williamson, “The Theory of the Firm as Governance Structure: From Choice to Contract,” *Journal of Economic Perspectives* 16 (2002): 171-195, p. 172. Williamson quotes Lionel Robbins well-known definition of the discipline: “Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses.” See Lionel Robbins, *An Essay on the Nature and Significance of Economic Science* (New York: New York University Press, 1932), p. 16.

¹² For examples see Chester Barnard, *The Functions of the Executive* (Cambridge: Harvard University Press, 1938); Ronald Coase, “The Nature of the Firm,” *Economica* 4 (1937): 386-405; James March and Herbert Simon, *Organizations* (New York: John Wiley, 1958); Alfred Marshall, *Industry and Trade* (London: Macmillan, 1932); Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1942); and Herbert Simon, *Administrative Behavior*, 4th edition (New York: Free Press, 1997).

¹³ The literature of the firm is vast and concerns a number of questions that fall outside the realm of this inquiry, including the boundaries of the firm and the reasons for the formation of firms in the first place. For purposes of this analysis, the relevant concern will be on the characterization of authority, hierarchy, and power within the firm. For a helpful survey of the literature, see Pierre Garrouste and Stéphane Saussier, “Looking for a Theory of the Firm: Future Challenges,” *Journal of Economic Behavior and Organization* 58 (2005): 178-199.

individual worker, economic enterprises, and society as a whole.¹⁴ The specific reforms considered are those that have been the main subjects of contemporary debate; they involve institutional guarantees for (1) meaningful work, (2) worker participation in the governance of enterprises in which they work, and (3) democratic participation in the control of the means of production at the level of society. Insofar as these institutional guarantees are traditionally associated with socialism or communism, these institutional reforms may be labeled “non-capitalist.”¹⁵ At the same time, capitalism admits of a wide variety and elements of these institutions can be found in what are categorized broadly as capitalist regimes.¹⁶ The German system of co-determination, for example, includes provisions for employee representation on supervisory boards of large-scale economic enterprises.¹⁷ Also, not all versions of socialism or communism have embraced these reforms in their entirety.¹⁸ The term “non-capitalist” is to be understood broadly when used to refer to these reforms.¹⁹

¹⁴ In distinguishing three levels of analysis, I follow Paul Edwards and Judy Wajcman, *The Politics of Working Life* (Oxford: Oxford University Press, 2005), p. 7.

¹⁵ Here is another intuition for calling these reforms non-capitalist. Capitalism is often defined in terms of market exchange. However, Herbert Simon makes the case that we now live in an “organization economy, or at most, in an organization/market economy, with a predominance of organizational over market activity.” See Herbert Simon, “Public Administration in Today’s World of Organizations and Markets,” *PS: Political Science and Politics* 33 (2000): 749-756, p. 751. The intuition is that the focus on organizations is itself an area of inquiry that is “non-capitalist.” I thank Robert Goodin for raising this point.

¹⁶ Peter Hall and David Soskice, eds., *Varieties of Capitalism* (Oxford: Oxford University Press, 2001). For a discussion of the variety in the organization of the employment relation, see David Marsden, *A Theory of Employment Systems* (Oxford: Oxford University Press, 1999).

¹⁷ On the German system of co-determination and other forms of worker consultation and representation, see Joel Rogers and Wolfgang Streeck, eds., *Works Councils* (Chicago: University of Chicago Press, 1995). For another account, see Margaret Blair and Mark Roe, eds., *Employees and Corporate Governance* (Washington, D.C.: Brookings Institution Press, 1999).

¹⁸ For example, worker participation in the governance of individual economic enterprises is not required under Lange-Lerner market socialism. See Abba Lerner, *Elements of Pure Economics* (London: Allen and Unwin, 1954); Oskar Lange, “On the Economic Theory of Socialism: Part One,” *Review of Economic Studies* 4 (1936): 53-71; and Oskar Lange, “On the Economic Theory of Socialism: Part Two,” *Review of Economic Studies* 4 (1937): 123-142. Worker participation in the governance of economic institutions is also not a feature of John Roemer’s account of socialism. See his *A Future for Socialism* (Cambridge: Harvard University Press, 1994).

¹⁹ Although they raise important questions, this paper does not consider reforms aimed at the availability or guarantee of work. Most contemporary industrial societies do not guarantee work for every able-bodied adult who seeks it. Some critics of the market system have argued for such an institutional guarantee. According to these authors, some form of state-guaranteed employment ought to be offered to able-bodied citizens. This employment is

Although these reforms are often characterized as granting workers the ownership of assets normally owned by providers of capital under capitalism, in this paper, the relevant feature of these reforms is the degree and nature of control they accord workers in the context of economically productive activity. Ownership is often thought to provide the owner of an asset with at least two claims: first, a claim to control its use and second, a claim to the benefit from its use. The second claim is more an issue of distribution. This is not to deny that exercising control has distributive consequences. However, this paper aims to complement the emphasis placed on the distributive paradigm in addressing questions of justice. Accordingly, I take the relevant focus to be the degree and nature of worker control, rather than ownership.

Another set of considerations worth clarifying concerns the sense in which a given reform can be said to qualify as grounded in a liberal egalitarian account of justice. First, by liberal egalitarianism, I have in mind the class of theories that are committed to equal liberty for citizens along with some degree of social and economic equality, taking Rawls's theory of justice as the paradigmatic account.²⁰ Second, for a given economic reform to be grounded in a liberal egalitarian account of justice, it is not enough that the reform simply be consistent with liberal egalitarianism. There must be good reasons, on liberal egalitarian grounds, that argue in favor for a given reform. The third point of clarification concerns the sense in which a given

to be offered as a matter of right, and not in exchange for public assistance or as the form in which public assistance is to be offered. See Richard Arneson, "Is Work Special? Justice and the Distribution of Employment," *American Political Science Review*, 84 (1990): 1127-1147. State-guaranteed employment is to be distinguished from workfare. For discussions about workfare, see Daniel Attas and Avner De-Shalit, "Workfare: The Subjection of Labour," *The Journal of Applied Philosophy* 21 (2004): 309-320; Christopher Lake, *Equality and Responsibility* (Oxford: Oxford University Press, 2001), ch. 7; Robert Solow, *Work and Welfare* (Princeton: Princeton University Press, 1998); and Stuart White, *The Civic Minimum: On the Rights and Obligations of Economic Citizenship* (Oxford: Oxford University Press, 2003).

²⁰ For a helpful discussion of liberal egalitarianism, see Will Kymlicka, *Contemporary Political Philosophy*, 2nd edition (Oxford: Oxford University Press, 2002). For an interesting schematic representation of classes of theories of justice, see Peter Vallentyne, Hillel Steiner, and Michael Otsuka, "Why Left-Libertarianism is Not Incoherent, Indeterminate, or Irrelevant: A Reply to Fried," *Philosophy and Public Affairs* 33 (2005): 201-215, p. 212.

reform is a subject of justice. Rawls takes the proper subject of justice to be the “basic structure” which he defines as follows:

The basic structure is the way in which the main political and social institutions of a society fit together into one system of social cooperation, and the way they assign basic rights and duties and regulate the division of advantages that arise from social cooperation over time. The political constitution within an independent judiciary, the legally recognized forms of property, and the structure of the economy (for example, as a system of competitive markets with private property in the means of production), as well as the family in some form, all belong to the basic structure.²¹

This conception of the basic structure points to three levels at which a reform can be considered a subject of justice for purposes of this analysis. The first is at the level of a basic right.²² In Rawls’s framework, basic rights are those rights subject to constitutional protection and are required to provide the “political and social conditions essential for the adequate development and full exercise of the two moral powers of free and equal persons,” which are the capacity for a sense of justice and the capacity for a conception of the good.²³ Rawls makes clear that rights regarding the ownership and control of productive assets are not basic in the same way as rights to freedom of thought and liberty of conscience, for example, are:

Two wider conceptions of the right to property are not taken as basic: namely, (i) the right to private property in natural resources and means of production generally, including rights of acquisition and bequest; (ii) the right to property as including the equal right to participate in the control of the means of production and of natural resources, both of which are to be socially, not privately, owned.²⁴

These wider conceptions of the right to property “are not necessary for the adequate development and full exercise of the moral powers, and so are not an essential social basis of self-respect.”²⁵

²¹ Rawls, *Justice as Fairness*, p. 10.

²² Rawls, *Justice as Fairness*, pp. 42-8.

²³ Rawls, *Justice as Fairness*, p. 45. More fully, the first “is the capacity to understand, to apply, and to act from (and not merely in accordance with) the principles of political justice that specify the fair terms of social cooperation.” The second is “the capacity to have, to revise, and rationally to pursue a conception of the good.” See Rawls, *Justice as Fairness*, pp. 18-19.

²⁴ Rawls, *Justice as Fairness*, p. 114.

²⁵ Rawls, *Justice as Fairness*, p. 114.

This points to a second level at which a reform may be considered a subject of justice—that is, a reform that concerns the fundamental structure of the economy, but is not subject to constitutional protection. A third level at which a reform will be considered a subject of justice in this paper is less fundamental than the second. This level involves policies enacted by the legislature to best realize justice in the light of specific economic and social conditions. Different conditions may call for a different set of policies. The line between the second and third levels is not sharp; reforms may encompass both levels.²⁶

As a final point of clarification, this analysis does not involve a comparison of capitalist and non-capitalist institutions with regard to considerations such as productive efficiency or the overall level of economic output. To be certain such considerations are important in making a final evaluation of the choice of an economic regime. Although a common objection against non-capitalist institutions is to say that they are comparatively less efficient than capitalist institutions, I leave such considerations aside. To begin, there is debate about the comparative efficiency of different economic institutions.²⁷ Arguments that non-capitalist institutions are less efficient, for example, have been criticized on grounds that they only engage in only a partial equilibrium analysis and overlook the possibility that non-capitalist forms of organization may

²⁶ The analysis in this paper focuses on work and production outside of the household. As a result, it overlooks an important aspect of the basic structure: the division of labor within the household and between the sexes. On this, see, for example, S.A. Lloyd, “Family Justice and Social Justice,” *Pacific Philosophical Quarterly* 75 (1994): 353-371; Will Kymlicka, “Rethinking the Family,” *Philosophy and Public Affairs*, 20 (1991): 77-97; Susan Moller Okin, “Justice and Gender,” *Philosophy and Public Affairs*, 16 (1987): 42-72; and Susan Moller Okin, “Political Liberalism, Justice and Gender,” *Ethics* 105 (1994): 23-43.

²⁷ For discussions on this point, see for example, Gregory Dow, *Governing the Firm: Workers’ Control in Theory and Practice* (Cambridge: Cambridge University Press, 2003) and Henry Hansmann, *The Ownership of Enterprise* (Cambridge: Belknap Press, 1996). For an earlier survey, see Michael McPherson, “Efficiency and Liberty in the Productive Enterprise: Recent Work in the Economics of Work Organization,” *Philosophy and Public Affairs*, 12 (1983): 354-368. There is also the Marxist view that social ownership of means of production will unfetter forces of production. On this point see, for example, G.A. Cohen, *Karl Marx’s Theory of History: A Defense* (Princeton: Princeton University Press, 1979).

be just as efficient, if not more, when they comprise the whole of the economy.²⁸ More generally, even if it is the case that economic considerations count against non-capitalist institutions, it seems important to understand precisely at what expense such economic gains are to be made in choosing one set of institutions and policies over another. In this analysis, I aim to provide some of that understanding.

II. INDIVIDUALS AND THE CONTENT OF WORK

One criticism of capitalism has been that one of its central organizing principles—the division of labor—creates the prospect of highly specialized jobs that are routine, boring, and devoid of meaning. Traditionally, this has been a criticism raised against factory work, especially when contrasted with the prospect for creativity and variety traditionally associated with the work of craftsmen and artisans.²⁹ It is also a criticism raised against jobs in the service sector in which mental and psychological work, for example, takes on the commoditized nature of manual work in the manufacturing sector.³⁰

Critics of the capitalism, in turn, have called for institutional guarantees that all work is meaningful. Richard Arneson provides one characterization of meaningful work—namely, work that is “interesting, that calls for intelligence and initiative, and that is attached to a job that gives the worker considerable freedom to decide how the work is to be done and a democratic say over

²⁸ Louis Putterman is among those who raise this point. See “The Firm as Association versus the Firm as Commodity,” *Economics and Philosophy* 4 (1988): 243-266, p. 262.

²⁹ In *The Manifesto of the Communist Party*, for example, Frederick Engels and Karl Marx write “owing to extensive use of machinery and to division of labour, the work of the proletarians has lost all individual character, and consequently, all charm for the workman. He becomes an appendage of the machine, and it is only the most simple, most monotonous, and most easily acquired knack, that is required of him.” See *The Marx-Engels Reader*, 2nd edition, Robert Tucker, ed. (New York: W.W. Norton, 1978), p. 479. See also Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (New York: The Monthly Review Press, 1974).

³⁰ For one discussion of work along these lines, see Arlie Hochschild, *The Managed Heart: Commercialization of Human Feeling* (Berkeley: University of California Press, 1983).

the character of the work process and the policies pursued by the employing enterprise.”³¹ The last feature Arneson associates with meaningful work—“a democratic say over the policies pursued by the employing enterprise”—concerns economic production at the organizational level and is often advanced by way of arguments independent from those associated with meaningful work. Accordingly, the focus of this section will be institutional guarantees regarding the content of work, leaving aside the question of the democratic participation by workers in the governance of economic enterprises as a distinct consideration for section III.

II.1. Neutrality

One argument for institutional guarantees that all work is meaningful is associated with Karl Marx’s critique of the division of labor. According to this interpretation of Marx’s critique, meaningful work is required in order to realize the claim that all workers have to self-realization.³² Another version of this argument is grounded directly in the thought of Aristotle. On this version of the argument, the division of labor relegates some workers to the role of executing what they themselves have not conceptualized; meaningful work is required to overcome this separation of execution from conception.³³ Arguments along these lines hold that meaningful work is part of a good life or is required for the exercise of what might be called a “thick” conception of autonomy. In contrast to a “thin” conception of autonomy according to which a person is free so long as she is not constrained in her choices, a “thick” conception

³¹ Richard, Arneson, “Meaningful Work and Market Socialism,” *Ethics*, 97 (1987): 517-545, p. 522.

³² See *Capital*, vol. 1, ch. 14; *The German Ideology*; and *The Economic and Philosophical Manuscripts of 1844*. For a contemporary interpretation of Marx on this point, see Jon Elster, “Self-realization in Work and Politics: The Marxist Conception of the Good Life,” *Social Philosophy and Policy*, 6 (1986): 97-126.

³³ James Murphy, *The Moral Economy of Labor: Aristotelian Themes in Economic Theory* (New Haven: Yale University Press, 1993).

requires additional conditions to be met for a person to be considered autonomous. She may, for example, have to have developed her capacities to the fullest.

In *A Theory of Justice*, Rawls acknowledges the value of meaningful work from the perspective of human flourishing and autonomy.³⁴ The value of meaningful work, however, is not part of Rawls's argument for the institutions that comprise the basic structure. One reason for this is Rawls's rejection of the perfectionist view that a specific conception of the good life ought to inform the basic structure or the policies pursued by the state. The above accounts locate the value of meaningful work directly in a conception of the good or by way of a "thick" conception of autonomy that may be thought to rely on a conception of the good. Hence, arguments along the above lines are unlikely candidates for a plausible liberal egalitarian account in defense of institutional guarantees for meaningful work on grounds of justice.³⁵

Reasoning along these lines, however, may justify a more moderate version of the proposal that all work be meaningful. This more moderate proposal is a policy that guarantees reasonable options for meaningful work, even if not all jobs meet the criteria for meaningful work. The reasoning is as follows. Insofar as not guaranteeing such options amounts to promoting a particular conception of work—namely, highly specialized and routine work—then, there may be good reason on liberal grounds to ensure options for meaningful work. Call this argument for a policy that guarantees the reasonable option of meaningful work a *neutrality-based argument*.

The question then for liberal egalitarians is to determine what constitutes a reasonable option for meaningful work and what economic institutions and policies are required to ensure

³⁴ *A Theory of Justice*, revised edition (Cambridge: Belknap Press, 1999), section 79, pp. 463-464.

³⁵ See Muirhead, *Just Work*, pp. 21-26. For one discussion of neutrality, see Will Kymlicka, "Liberal Individualism and Liberty Neutrality," *Ethics*, 99 (1989): 883-905.

such an option for all citizens. One possibility is that the state need do no more than provide citizens with the education and training to pursue meaningful work. Another possibility is for the state to guarantee that some subset of jobs that meet the standards set forward for meaningful work. Still another possibility is that by providing citizens with a basic income, the state puts citizens in a position so that they need not accept work if it does not meet the criteria set forth for meaningful work.³⁶ In short, depending on what it means to ensure options for meaningful work and the empirical assumptions that one makes about the operation of the economy, the policies required for meaningful work will vary in the extent to which they deviate from the institutions and policies of contemporary capitalist economies.

II.2. Formative Arguments

The second line of argument for the institutional guarantee of meaningful work is found in early concerns voiced about the formative influences of the division of labor. Consider Adam Smith's oft-quoted evaluation of the impact of the division of labor on workers:

The understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations ... has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. ... His dexterity at his own particular trade seems, in this manner, to be acquired at the expence of his intellectual, social, and martial virtues.³⁷

³⁶ Philippe Van Parijs, *Real Freedom for All* (Oxford: Oxford University Press, 1995). Brian Barry, "Real Income and Basic Income," *Journal of Political Philosophy* 4 (1996): 242-277; Robert van der Veen, "Real Freedom and Basic Income: Comment on Brian Barry," *Journal of Political Philosophy* 5 (1997): 274-286; John Cunliffe and Guido Erreygers, "'Basic Income? Basic Capital!' Origins and Issues of a Debate," *Journal of Political Philosophy* 11 (2003): 89-110.

³⁷ Adam Smith, *The Wealth of Nations*, V.i.f.50. Alfred Marshall also wrote, "the business by which a person earns his livelihood fills his thoughts during by far the greatest part of those hours in which his mind is at its best: during them his character is being formed by the ways in which he uses his faculties at work," in *Principles of Economics*, 8th ed., (London: Macmillan, 1938), pp. 1-2.

Although Smith held that the benefits of the division of labor were such to count in its favor as a system of economic organization, other commentators following him were more critical in their evaluation of what they saw as the formative influences of the division of labor on workers.³⁸ Based upon these concerns, meaningful work is needed not only to counter the formative influences of the division of labor, but also to ensure that workers have the opportunity to develop the requisite capacities whose loss is of concern. Call such arguments for institutional reform, *formative arguments*.

From the perspective of liberal egalitarianism, the most plausible account for meaningful work along the above lines is likely to be found in an account focused on the formative influences of work on a person's autonomy. Adina Schwartz advances just such an argument.³⁹ Schwartz defines persons as autonomous "to the extent that they rationally form and act on some overall conception of what they want in life." According to Schwartz, "people achieve autonomy to the extent that they lead lives of intelligence and initiative."⁴⁰ For Schwartz, jobs in contemporary capitalist economies give rise to two problems. First, a person cannot be said to be fully autonomous unless there is a kind of integration across her pursuits in line with her broader goals. Following the discussion in section II.1, this characterization of the requirements for autonomy may strike some liberal egalitarians as objectionable. They may ask, for example, why work that lacks autonomy could not be part of an autonomously chosen goal. The second point Schwartz raises, however, should give them pause. According to Schwartz, work that does not meet the standard of meaningful work causes individuals to be "made less capable of and less interested in rationally framing, pursuing, and adjusting their own plans during the rest of their

³⁸ See, for example, Marx.

³⁹ Schwartz, "Meaningful Work."

⁴⁰ Schwartz, "Meaningful Work," p. 636.

time.”⁴¹ The second point echoes the concerns raised by earlier critics of the market system note above. Framed in terms of an individual’s capacity and interest in autonomy, this concern about the formative influences of capitalism allows for consideration of an argument for institutional guarantees for meaningful work in a way that would appear to be grounded in considerations of liberal egalitarian justice.

Central to the plausibility of grounding a formative argument in defense of institutional guarantees for meaningful work is the empirical support for such an argument. In support of her argument, Schwartz draws upon the work of Melvin Kohn and Carmi Schooler.⁴² Proponents of formative arguments may also point to related research in which work is held to have significant formative influences on a variety of personal traits, many of which relate to autonomy.⁴³ As proponents of formative arguments consider further research along these lines, one point that requires some attention is the precise causal relation invoked between work and autonomy. At least four claims could be made about this relation: first, that meaningful work is the only kind of activity that enables the development of the capacity for autonomy; second, that meaningful work is one way to promote the development of the capacity for autonomy; third, engaging in non-meaningful work degrades the capacity for autonomy; and fourth, that autonomy is the kind of capacity that degrades without active exercise. Depending on the claim invoked, the nature of the argument for the concern with the content and organization of work varies. For example, whereas the first and third claims grounds an argument for direct concern with the content and

⁴¹ Schwartz, “Meaningful Work,” p. 637.

⁴² Melvin Kohn and Carmi Schooler, *Work and Personality: An Inquiry into the Impact of Social Stratification* (Norwood: Ablex, 1983).

⁴³ For example, see Robert Lane, “Waiting for Lefty: The Capitalist Genesis of Socialist Man,” *Theory & Society*, 6 (1978): 1-28 as well as Robert Lane, *The Market Experience* (Cambridge: Cambridge University Press, 1991). See, for example, Robert Goodin, “Moral Atrophy in the Welfare State,” *Policy Sciences*, 26 (1993): 63-67.

organization of work, the second claim does not. The second claim is only an argument for ensuring adequate opportunities in some area of life for the exercise of autonomy.

II.3. Unavoidable Work

In “The Soul of Man Under Socialism,” Oscar Wilde writes:

All unintellectual labour, all monotonous, dull labour, all labour that deals with dreadful things, and involves unpleasant conditions, must be done by machinery. Machinery must work for us in coal mines and do all sanitary services, and be the stoker of steamers, and clean the streets, and run messages on wet days and do anything that is tedious or distressing.⁴⁴

Wilde’s essay points to the unavoidability of work that does not meet the qualifications set forward for work to be considered meaningful. As such, in the absence of the automation envisioned by Wilde, proposals for institutional guarantees that all work is meaningful may be thought unrealistic. Furthermore, even if proponents of meaningful work were to accept this objection, the question arises as to the appropriate manner in which to deal with work that is unavoidable, but fails to meet the criteria set forth for meaningful work. In this section, I outline what a liberal egalitarian response to these considerations might look like if it is to accommodate the reform that all work be meaningful.

The intuition that there is unavoidable work from the perspective of a liberal egalitarian account of justice builds upon Rawls’s conception of primary goods. Primary goods, in Rawls’s account, are “the various social conditions and all-purpose means that are generally necessary to enable citizens adequately ... to pursue their determinate conceptions of the good.”⁴⁵ Even though the list of primary goods involves a normative conception in specifying those goods are required, it does not require invoking a conception of good in a manner that violates the

⁴⁴ *The Complete Works of Oscar Wilde.*

⁴⁵ Rawls, *Justice as Fairness*, pp. 57-58.

neutrality constraint discussed in section II.1.⁴⁶ Unavoidable work, simply put, is any work that is required at the level of society as a whole to provide for those social conditions and means for citizens to be able to pursue their own conceptions of the good.

The challenge then is to develop criteria for work that fails to meet the requirements of meaningful work in a way that is compatible with the neutrality constraint discussed above.⁴⁷ In his discussion of the division of labor, Rawls writes that in a just society, “the worst aspects of this division can be surmounted: no one need be servilely dependent on others and made to choose between monotonous and routine occupations which are deadening to human thought and sensibility.”⁴⁸ This suggests one way in which to define work that fails to meet the criteria of meaningful work—that is, work that citizens would see no reason to undertake from the perspective of their conception of the good except for the sole purpose of obtaining the level of primary goods they would otherwise receive in a just society. The basic intuition is that certain kinds of work that are such that they play no role in a person’s conception of the good except for purely instrumental purposes of attaining a certain degree of remuneration. These kinds of work might be said to fail to meet the requirements of meaningful work in the context of a liberal egalitarian state.⁴⁹

How might a liberal egalitarian state deal with work that is unavoidable but does not meet the criteria set forth for meaningful work? Given the way in which work was said to lack in

⁴⁶ Rawls, *Justice as Fairness*, p. 58

⁴⁷ Prostitution, for example, is often put forward as an example of work that is degrading, but nevertheless raises a challenge with regard to regulation in a liberal state. For a recent discussion, see Scott Anderson, “Prostitution and Sexual Autonomy: Making Sense of the Prohibition of Prostitution,” *Ethics* 112 (2002): 748-780.

⁴⁸ Rawls, *A Theory of Justice*, p. 464.

⁴⁹ “To escape facing this fact,” wrote George Bernard Shaw, “we may plead that some people have such very queer tastes that it is almost impossible to mention an occupation that you will not find somebody with a craze for... ” See *The Intelligent Women’s Guide to Socialism*, p. 107. This definition of meaningless work accords with Alfred Marshall’s definition of labor: “any exertion of mind or body undergone partly or wholly with a view to some good other than the pleasure derived solely from the work” *Principles of Economics*, Book II, Chapter 3, 2.

meaning, guaranteeing greater remuneration itself is unlikely to be the most effective means by which to address such work. This suggests the need for other means. One such set of alternatives is found in Michael Walzer's discussion of hard work.⁵⁰ One alternative is conscription, as followed in the case of the military draft. Another alternative is to require all citizens to participate directly, at some point in their lives, in such work. A third alternative is to enable self-management on the part of workers engaged in such work. In this analysis, given that unavoidability is cast in terms of the need for primary goods at a social level, perhaps the most plausible approach is to attach a degree of public recognition to the importance of the unavoidable work that is being done. This might include greater financial remuneration, but the nature of such remuneration under this solution would avoid the problem noted at the outset.

One area in which there is reason to think that such an account of meaningful work is needed is with respect to questions involving global justice. What does an account of global justice require for economic activity that that does not meet the criteria for meaningful work in developed economies and is then performed by workers in developing economies? Does justice demand full citizenship for workers who arrive from developing economies to perform work that does not meet the criteria put forward for meaningful work in a developed economy? In suggesting one way in which to think about meaningful work in the context of liberal egalitarianism, it is hoped that this discussion will point the way to a more complete account of the requirements of liberal egalitarianism for the content and allocation of work.⁵¹

⁵⁰ Walzer, *Spheres of Justice*, pp. 165-183.

⁵¹ Iris Marion Young, "Responsibility and Global Labor Justice," *Journal of Political Philosophy* 12 (2004): 365-388.

III. ECONOMIC ORGANIZATIONS AND WORKPLACE DEMOCRACY

A central concern for critics of capitalism is what they regard as the treatment of labor as a commodity to be exchanged in much the same way as goods and services in the market.⁵² In focusing on the highly specialized and routine nature of certain jobs, arguments about meaningful work address aspects associated with treating labor as a commodity. There is one aspect, however, that is not necessarily addressed by the above arguments, but has been of concern to critics of the market system from the perspective of the individual worker's experience. This aspect is the employment relationship.

Of the various ways to characterize the employment relationship, a helpful characterization for this analysis is in terms of the assignment of residual decision-making rights.⁵³ To possess residual decision-making rights over some set of actions and/or outcomes within a relationship is to have the final say over those actions and/or outcomes in the case that no decision was specified for them at the outset of the relationship. Within the employment relationship, the employer is assigned residual decision-making rights regarding an employee's actions or outcomes affecting an employee. This should not be taken to mean that employers are unrestricted in the decisions they are entitled to make regarding employees. General restrictions, such as prohibitions against sexual harassment or a minimum wage, along with specific restrictions negotiated at the outset of employment are all consistent with the idea of employment. Nor should this characterization of the employment relationship be taken to rule

⁵² For contemporary versions of this idea, characterized as the "renting" of labor, see David Ellerman, *Property and Contract in Economics: The Case for Economic Democracy* (Oxford: Blackwell, 1992) and Carole Pateman, "Self-Ownership and Property in the Person: Democratization and a Tale of Two Concepts," *Journal of Political Philosophy* 10 (2002): 20-53.

⁵³ Here I draw upon Herbert Simon, "A Formal Theory of the Employment Relationship," *Econometrica* 19 (1951): 293-305. In Simon's account, the employer and employee negotiate the terms of the relationship ex ante. For an account in which the terms are not negotiable, see Roy Radner, "Hierarchy: The Economics of Managing," *Journal of Economic Literature* 30 (1992): 1382-1415.

out the possibility of a right to exit on the part of employees or the possibility for employers and employees to negotiate within the relationship. The point is that within the context of the employment relationship, the employer possesses a degree of decision-making over what the employee does during her employment and over the outcomes that affect the employee in the case that these decisions are not specified in advance. It is this relinquishing of a degree of control over her labor and the outcomes affecting her in the context of work that gives rise to the characterization of the employment relationship as treating the worker's labor as a commodity for exchange.

As an alternative to the employment relationship, this analysis considers the possibility of “workplace democracy”—a regime in which workers are institutionally guaranteed the right to participate in determining the policies that affect them and in governing the enterprise more generally. There is great diversity among proposals for workplace democracy. Some accounts define workplace democracy as the exclusive and direct control of an economic enterprise by all those who work in the enterprise as in the case of some worker cooperatives.⁵⁴ Other accounts call for a system of co-determination in which workers share control of an economic enterprise with the providers of capital.⁵⁵ What these accounts have in common is that they represent alternatives to the employment relationship insofar as they grant workers some share of the residual control rights discussed above.

In recognition of the diversity of proposals that have been advanced under the heading of workplace democracy, this paper takes a fairly inclusive definition of workplace democracy. To begin, guarantee of the worker's right to participate in governance is taken to be independent of

⁵⁴ See, for example, John Stuart Mill, *Principles of Political Economy*, chapter VII, sections 6, 7. For a contemporary discussion of worker cooperatives in the U.S. context, see John Pencavel, *Worker Participation: Lessons from the Worker Co-ops of the Pacific Northwest* (New York: Russell Sage Foundation, 2001).

⁵⁵ For a description of co-determination, see Rogers and Streeck, *Works Councils*.

any claims of ownership on the part of workers. In addition, the paper places no constraints on whether worker participation is direct or representative. Furthermore, the paper allows for the possibility that workers and providers of capital share control of the enterprise as in the system of co-determination. For a regime to count as one of workplace democracy, workers must be guaranteed at a minimum an equal say as the providers of capital.

As noted in section II, arguments for alternatives to the employment relationship are considered distinct from arguments for meaningful work. At the limit, it may appear that for work to be meaningful, the worker must be in possession of all residual decision-making rights. At the same time, it appears plausible to imagine cases of work that meets the criteria of meaningful work within the context of the employment relationship. For example, the content of the work could be interesting and require a great deal of initiative even though the worker remains an employee. One reason for this is that even though the individual worker enjoys a great deal of control over her own work, if she works in a large-scale economic organization, a number of decisions that affect her conditions at work may remain beyond her control. Furthermore, there are forms of work that do away with the employment relationship, but do not appear to meet the criteria for meaningful work. Consider, for example, the Mondragón Corporación Cooperativa (MCC) in the Basque region of Spain. Among worker cooperatives, MCC is considered highly successful.⁵⁶ Nevertheless, it has been argued that despite worker control at the level of the economic enterprise, the immediate experience for workers varies little

⁵⁶ William Foote Whyte and Kathleen King Whyte, *Making Mondragon: The Growth and Dynamics of the Worker Cooperative Complex*, 2nd ed. (Ithaca: ILR Press, 1991).

in comparison to those in traditional capitalist firms.⁵⁷ In this case, the conditions of work would not appear to meet the criteria set forward for that of meaningful work.

As a final point of clarification, it should be noted that focusing on workplace democracy is not meant to deny the possibility of other alternatives to the employment relationship, such as an economic regime of self-employment or independent contracting. This focus reflects the prevalence of large-scale economic enterprises in modern economies and the emphasis that critics of capitalism have placed on workplace democracy as an alternative.

III.1. Collective and Individual Control

For many accounts of workplace democracy, the collective nature of decision-making on the part of workers is of intrinsic relevance. What matters for these accounts is that workers, as a group, engage in the exercise of residual decision-making rights within an economic enterprise. This line of thought is grounded in the ideals of solidarity and fraternity underlying certain criticisms of the market system.⁵⁸

In contrast, in this analysis I focus on arguments in which the collective nature of decision-making under workplace is relevant only insofar as it helps to realize some further goal or value. One reason for this is that such arguments are more likely to be consistent with liberal egalitarianism by avoiding a perfectionist account of human good in which the act of collective decision-making is itself a component of the good. To be clear, this is not meant to imply that

⁵⁷ Sharryn Kasmir, *The Myth of Mondragon: Cooperatives, Politics, and Working-Class Life in a Basque Town* (Albany: State University of New York Press, 1996), pp.145-168.

⁵⁸ On this, see David Miller, "To What Extent Must Socialism Be Communitarian?" *Social Philosophy and Policy* 6 (1989): 6: 51-73.

only outcomes matter for the justification of a claim to democratic decision-making.⁵⁹ For example, collective decision-making by workers might matter only insofar as such a decision-making process is the most equitable manner in which to enable the exercise of some right on the part of each worker. This emphasis is consistent with an interpretation of democratic governance in which what justifies democratic rule is not that individuals are acting in concert, but rather that democracy is what justifies the relationship between the state and an individual citizen.

III.2. Neutrality-Based and Formative Arguments

Similar to the case for institutional guarantees for meaningful work, there are arguments grounded in a thick conception of autonomy. Carol Gould advances one such an argument. She argues that justice entails an equal claim on the part of citizens to the conditions for “self-development” by which she means “the freedom to develop oneself through one’s actions, or as a process realizing one’s projects through activity in the course of which one forms one’s character and develops capacities.”⁶⁰ Workplace democracy, according to Gould, is among the conditions for such self-development.⁶¹

Although considerations of neutrality make arguments along the above lines unlikely candidates for a liberal egalitarian argument for workplace democracy, as in the case of meaningful work, there are good reasons to accept neutrality-based arguments for institutional guarantees for an option for workplace democracy. One such argument is advanced by David

⁵⁹ On the plausibility of instrumental justifications for democracy, see Christopher Griffin, “Democracy as a Non-Instrumentally Just Procedure,” *Journal of Political Philosophy* 11 (2003): 111-121 and Richard Arneson, “Defending the Purely Instrumental Account of Democratic Legitimacy,” *Journal of Political Philosophy* 11 (2003): 122-132.

⁶⁰ Gould, *Rethinking Democracy*, p. 40. Patricia Werhane advances a similar argument; she writes “the right to participation is an instantiation of the basic moral right to autonomy and self-development.” See *Persons, Rights, and Corporations* (Englewood Cliffs: Prentice-Hall, 1985), p. 133.

⁶¹ Gould, *Rethinking Democracy*, pp. 133-159.

Miller.⁶² Miller argues that a liberal state ought to subsidize worker cooperatives in a capitalist economy in order to offset what are, in effect, the negative externalities created by capitalist firms for cooperatives.⁶³ When workers have available to them the possibility of working as employees in capitalist firms, one disadvantage that cooperatives face is with regard to hiring new members. Whereas a capitalist firm is willing to hire an additional worker so long as her marginal revenue product is at least what she is willing to be paid, a worker cooperative is willing to hire her so long as her average revenue product is at least what she is willing to be paid. Unless the marginal product of hiring an additional worker never decreases, which seems unlikely, there are workers, if hired, whose marginal revenue product is at least what they are willing to be paid, but whose average revenue product is not. These workers will be hired by capitalist firms, but not by cooperatives.⁶⁴

The second, and more significant, disadvantage for cooperatives firms in a capitalist economy, according to Miller, concerns the availability of capital. Given that capital is owned collectively once the loan is repaid, cooperative workers find it individually to their advantage to delay repayment of the loan. In turn, the lending agency faces the prospect of loaning ever-increasing amounts to the cooperative and in the case of its bankruptcy, the difficulty of collecting from a firm owned collectively by a number of individuals. All things being equal, lending agencies will find it in their interest to loan capital to capitalist firms over cooperatives.⁶⁵

⁶² David Miller, *Market, State and Community: Theoretical Foundations of Market Socialism* (Oxford: Clarendon Press, 1989). For general discussion of the prevalence of worker cooperatives in addition to the sources cited in notes 25 and 26, see Jon Elster, "From Here to There: If Co-operative Ownership Is So Desirable, Why Are There So Few Co-operatives?" *Social Philosophy and Policy* 6 (1989): 93-111.

⁶³ He takes the key features of a worker cooperative to be the following: the exercise of residual control rights on the basis of one vote per person; the absence of residual control rights by outside suppliers of capital; and the sharing of profits among members as income. Miller, *Market, State and Community*, p. 83.

⁶⁴ James Meade, "The Theory of Labour-Managed Firms and of Profit Sharing," *Economic Journal* 82 (1972): 402-428.

⁶⁵ Miller, *Market, State and Community*, p. 89.

Given these disadvantages, and particularly the latter, unless the state supports institutions to provide capital to cooperatives, it is unlikely that there would be opportunities for workers to participate in worker cooperatives. In effect, according to Miller, reasons for neutrality would require even a liberal state to subsidize some form of workplace democracy.

Like the neutrality-based argument for meaningful work, this argument may not completely assuage critics of the market insofar as capitalist firms remain a possibility.⁶⁶ At the same time, this line of argument would appear to provide solid liberal egalitarian grounds on which to support workplace democracy, if not at the level of a basic right, at least as a matter of policy. The argument is not that worker cooperatives are inherently less efficient and require subsidies, but rather that if no one conception of the good life is to be favored with regard to the organization of work, then worker cooperatives will require some subsidy if both they and capitalist firms are to be available as meaningful options for workers.

As in the case for the argument for meaningful work, empirical considerations play a central role in defending such a policy on liberal egalitarian grounds. In this instance, the empirical considerations concern the question of why there are so few worker cooperatives in modern economies. For example, Robert Nozick has argued that if workers valued participating in worker cooperatives, then they would be willing to accept some degree of economic sacrifice for that opportunity. Unless the economic costs are so great, the fact that there are so few cooperatives would suggest that there is little interest in them such that it would be unreasonable for the liberal state to subsidize their operation.⁶⁷ Hence, the plausibility of the neutrality-based

⁶⁶ On the view that arguments for workplace democracy require at most the availability of options for workplace democracy, see Richard Arneson, "Democratic Rights at National and Workplace Levels," *The Idea of Democracy* edited by David Copp, Jean Hampton, and John Roemer (Cambridge: Cambridge University Press, 1993): 118-148.

⁶⁷ Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), ch. 10.

argument relies a great deal on answering the more general question in economics as to why capital hires labor.⁶⁸

Joshua Cohen outlines a version of a formative argument for workplace democracy based upon the work of Carole Pateman.⁶⁹ According to Cohen's version of the argument, two psychological conditions are of "special importance in a well-functioning democracy." The first is the "sense that social arrangements are malleable and subject to improvement, and that one's own efforts can contribute to their improvement." The second is "the capacity to judge in terms of common good, and an effective desire to act on such judgments." Because capitalist work relations "vest final authority in the owners of capital, they limit the extent of intra-firm democracy, thereby fostering passivity and a narrower basis of political judgment."⁷⁰ In turn, in order to ensure development of the two psychological conditions required for the functioning of democracy, democracy is required at the level of economic enterprises. In contrast to the neutrality-based argument for options for workplace democracy, the formative argument for workplace democracy would appear to require an economic regime in which all enterprises operated according to the principles of workplace democracy.

Again, as in the case of formative arguments for meaningful work, empirical considerations play a central role in the plausibility of grounding a formative argument for

⁶⁸ In addition to the references in notes 25 and 26, see Gregory Dow and Louis Putterman, "Why Capital Suppliers (Usually) Hire Workers: What We Know and What We Need to Know," *Journal of Economic Behavior and Organization*, 43 (2000): 319-336.

⁶⁹ Carole Pateman, *Participation and Democracy Theory* (Cambridge: Cambridge University Press, 1970). Joshua Cohen generalizes this argument for workplace democracy into what he calls the "psychological support argument." See his "The Economic Basis of Deliberative Democracy," *Social Philosophy and Policy* 6 (1989): 25-50, pp. 28-29. Robert Lane makes a similar argument in "Government and Esteem," *Political Theory* 10 (1982): 5-31, pp. 20-21.

⁷⁰ Cohen, "The Economic Basis of Deliberative Democracy," pp. 28-29.

workplace democracy in a liberal egalitarian account of justice.⁷¹ For example, could the conditions for the development of the requisite psychological conditions among citizens be guaranteed independent of the circumstances at work? In what ways are the conditions for individual autonomy related to conditions relevant for the psychology of citizens? It seems there is good reason to investigate further the answers to these and other questions about the relationship between the nature of work and the psychology of citizens in a liberal democracy.⁷²

III.3. Parallel Case Arguments

“To say that [democracy] is *not* justified in governing economic enterprises,” writes Robert Dahl, “is to imply that it is not justified in governing the state.”⁷³ This general form of argument is a common one, shared by a number of accounts in defense of workplace democracy. Following Joshua Cohen, I refer to arguments of this form as *parallel case arguments*.⁷⁴ Briefly, this form of argument assumes that the state ought to be governed democratically and argues that the features of the state that call for its democratic governance are also present in economic

⁷¹ The literature Cohen cites in support of the psychological support argument, includes Ronald Mason, *Participatory and Workplace Democracy* (Carbondale: Southern Illinois University Press, 1982); J. Maxwell Elder, “Political Efficacy at Work: The Connection between More Autonomous Forms of Workplace Organization and a More Participatory Politics,” *American Political Science Review* 75 (1981), 43-58; John Stuart Mill, *Principles of Political Economy*, book 4, chapter 6, sections 4, 6. Edward Greenberg is skeptical of the psychological support argument. See his *Workplace Democracy: The Political Effects of Participation* (Ithaca: Cornell University Press, 1986). Another study is by Melvin Seeman, “On the Personal Consequences of Alienation in Work,” *American Sociological Review* 32 (1967): 273-85. Also, see Lane, *The Market Experience* for a useful discussion of the various formative influences that people’s experience at work has on them, especially chapter 13 along with the other references in notes 40, 41, and 42.

⁷² An alternative argument can be found in the argument that democracy presupposes the independence of voters. If being employed leads workers to lack the requisite degree of independence because they have little option but to follow the will of their employers, then the requirements of democracy call for one of two solutions. Either workers should be disenfranchised or the workplace should be democratized. This is analogous to arguments made about women’s suffrage. I thank Robert Goodin for raising this possibility. See his “Independence in Democratic Theory: A Virtue? A Necessity? Both? Neither?” *Journal of Social Philosophy*, 24 (1993): 50-57.

⁷³ Robert Dahl, *A Preface to Economic Democracy* (Berkeley: University of California Press, 1985), p. 111.

⁷⁴ Cohen, “The Economic Basis of Deliberative Democracy,” p. 27.

enterprises. As an example, consider the following argument advanced by Iris Marion Young within the framework of Rawls's account of justice.⁷⁵

Young argues that among the principles of justice is a "principle of self-determination" which requires that "individuals participate equally in the making of the decisions which will govern their actions within institutions of social cooperation."⁷⁶ She advances four arguments for the principle of self-determination. First, Rawls argues that the principle for equal participation in politics transfers the conditions of equality and fair representation from the original position to a society's constitution. If so, argues Young, then equal participation should be extended as widely as possible.⁷⁷ Second, Young argues that it is in the interests of the least advantaged person to organize society such that one has a claim to participate equally in basic decisions within an organization.⁷⁸ Young's third argument is that only by allowing for self-determination at every level of social cooperation can society be, in Rawls's words, "a social union of social unions." Without self-determination, the goals of a given instance of social cooperation cannot be shared in common.⁷⁹ Fourth, Young argues that self-determination at every level of social cooperation best promotes the value of self-respect, which is central to Rawls's account of justice.⁸⁰ The principle of self-determination is meant to apply to all institutions of social cooperation, including economic organizations.

In the above manner, Young advances an account for workplace democracy on grounds of justice. To be certain, not all of the arguments advanced by Young need be interpreted as parallel case arguments. In particular, in the case of the fourth argument, the way in which self-

⁷⁵ Young, "Self-Determination as Principle of Justice."

⁷⁶ Young, "Self-Determination as Principle of Justice," p. 30.

⁷⁷ Young, "Self-Determination as Principle of Justice," p. 39.

⁷⁸ Young, "Self-Determination as Principle of Justice," p. 39-40.

⁷⁹ Young, "Self-Determination as Principle of Justice," p. 40.

⁸⁰ Young, "Self-Determination as Principle of Justice," p. 40.

respect is promoted in exercising democratic self-governance at the level of the state need not be the same as the way in which it is promoted in exercising self-governance at the level of an economic enterprise. That is to say, the features about participating in decision-making at the level of the state that promote self-respect may be distinct from the features about participating in decision-making at the level economic enterprises that promote self-respect. With that said, it appears that the general form of Young's argument is that the arguments for self-determination at the level of the state are best served by extending the claim to participate in decision-making to the level of individual economic enterprises. As such, I take Young's account as an example of a parallel case argument.

Central to parallel case arguments is to make the case that workers stand in relation to economic enterprises in an analogous manner as citizens stand in relation to the state. Young's principle of self-determination describes this relation in terms of one's actions being governed by the decisions made within the organization. In the contemporary philosophical literature, two characterizations of the nature of this relation have been advanced. The first involves the concept of authority. The second involve the concept of power. I consider each in turn.

Drawing on Joseph Raz's conception of authority, Christopher McMahon advances a defense of workplace democracy grounded in the view that workers are subject to the authority of managers and employers.⁸¹ For purposes of this analysis, the central feature of Raz's account of authority that is relevant is the following: when a worker recognizes someone as an authority, the authority's directive to do X is not considered alongside the other reasons to do X or not to do X, but instead preempts these reasons to replace whatever final belief the worker may have

⁸¹ Christopher McMahon, *Authority and Democracy: A General Theory of Government and Management* (Princeton: Princeton University Press, 1994) and Robin Archer, *Economic Democracy* (Oxford: Clarendon Press, 1995). Joseph Raz, *The Morality of Freedom* (Oxford: Clarendon Press, 1986).

about what she ought to do.⁸² McMahon argues that managerial authority is more likely to have the reach and robustness it claims if workers take managerial directives to be preemptory because they are understood to coordinate cooperative activity among persons who recognize the authority of the person issuing directives.⁸³ In turn, considerations of fairness and welfare-maximization, which McMahon takes to ground all legitimate moral considerations, ground a presumption for democratic exercise of authority that secures such cooperation.⁸⁴

The idea that workers are subject to authority in the context of economic enterprises is one that finds support in both the sociological literature and the contemporary economic literature discussed earlier.⁸⁵ The employment relationship, as discussed above, is frequently characterized as an authority relationship, and insofar as the manager represents the economic enterprise, then the manager is said to have authority over the worker. In addition, in the literature on the theory of the firm, what has said to characterize the distinction between firms and markets is the exercise of authority within the firm.⁸⁶ As such, parallel case arguments that rely on a relationship of authority between managers and workers to ground the case for workplace democracy would appear to be open to liberal egalitarians.

At the same time, there is some controversy within contemporary economic literature whether or not to understand the relationship that holds between managers and workers as one of

⁸² Raz, *The Morality of Freedom*.

⁸³ McMahon, *Authority and Democracy*, p. 233.

⁸⁴ McMahon, *Authority and Democracy*, pp. 72-73.

⁸⁵ Max Weber, *Economy and Society*, ed. Guenther Roth and Claus Wittich (Berkeley: University of California Press, 1978). Reinhard Bendix, *Work and Authority in Industry* (New Brunswick: Transaction, 2001).

⁸⁶ See Coase, "The Nature of the Firm," Simon, "A formal theory of the employment relationship," and Radner, "Hierarchy: The Economics of Managing." See also Oliver Williamson, *The Economic Institutions of Capitalism* (New York: Free Press, 1985) and Philippe Aghion and Jean Tirole, "Formal and Real Authority in Organizations," *Journal of Political Economy* 105 (1997): 1-29. Defining formal authority as the possession of decision rights, George Baker, Robert Gibbons, and Kevin Murphy write, "tracing this chain of authority up the hierarchy, we eventually reach a person (sole proprietor) or group (shareholders) who can be thought of as owning all of the decision rights in the organization. In short, formal authority resides at the top." See their "Informal Authority in Organization," *Journal of Law, Economics, and Organizations* 15 (1999): 56-73, p. 56.

authority, at least in the sense required for authority-based conceptions of the parallel case argument to succeed. Following the lead of Armen Alchian and Harold Demsetz along with Michael Jensen and William Meckling, a number of authors have argued against the view that there is authority in the firm.⁸⁷ As Alchian and Demsetz have famously written, “telling an employee to type this letter rather than to file that document is like my telling a grocer to sell me this brand of tuna rather than that brand of bread.”⁸⁸ Furthermore, in discussing the possibility that there is authority within the firm, a number of authors appear to have in mind the idea of power, rather than that of authority in the Razian sense.⁸⁹ This brings us to the possibility that the parallel case argument is more plausibly grounded in an interpretation of the relationship between the manager and the worker as one of power.

Normally, if background conditions are reasonably just such that workers are able to find employment, workers are not thought to be subject to the exercise of power because the cost to exit is low. Economic literature on the theory of the firm, however, points to situations in which workers can be subject to power as the result of certain features inherent in the productive process that are largely independent of the nature of background conditions. In particular, the exercise of power arises because the nature of work makes it such that workers face high costs to exiting an economic organization once they have entered.⁹⁰

⁸⁷ Armen Alchian and Harold Demsetz, “Production, Information Costs, and Economic Organization,” *The American Economic Review* 62 (1972): 777-795, p. 777. Michael Jensen and William Meckling, “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure,” *The Journal of Financial Economics* 3 (1976): 305-360.

⁸⁸ “Production, Information Costs, and Economic Organization,” p. 777.

⁸⁹ Sanford Grossman and Oliver Hart, “The Costs and Benefits of Ownership: A Theory of Vertical and Lateral Integration,” *Journal of Political Economy* 94 (1986): 691-719; Oliver Hart and John Moore, “Property Rights and the Nature of the Firm,” *Journal of Political Economy* 98 (1990): 1119-58; and Oliver Hart and John Moore, “A Theory of Debt Based on the Inalienability of Human Capital,” *Quarterly Journal of Economics* (1994): 841-79. These authors recognize that the right of owners and managers to control access to capital gives them a degree of power.

⁹⁰ The following discussion draws upon Nien-hê Hsieh, “Rawlsian Justice and Workplace Republicanism,” *Social Theory and Practice*, vol. 31, no. 1 (2005): 115-142.

Economic theory points to three sorts of cost. First, because a worker's contribution to the firm depends upon her investment in developing firm-specific human capital, she will not be able to command as high a return outside of the specific firm in which she works. Given that greater investment in firm-specific human capital increases a worker's productivity, from the standpoint of both the worker and the firm it may not even be desirable to eliminate the cost to exit.⁹¹ Second, because the ability to monitor workers is costly, employers will find it in their interest to pay workers more than the market-clearing wage so that there is a cost to exiting one's place of employment.⁹² Third, there are costs associated with locating a new job and making the transition to it.

In the case of work that requires highly firm-specific investments in human capital, the argument from the exercise of power is plausible. However, critics might point out that such an argument in support of a claim to self-governance by workers would not appear to apply to those workers in occupations that require little firm-specific investment, who are precisely the sorts of workers for whom the concern about self-governance arises.

In response to this criticism, three points may be raised. First, as discussed in section I.3, there may be a class of work that is unavoidable altogether. Second, there is reason to hold that having work is an important source of self-respect.⁹³ In turn, there may be significant costs to

⁹¹ On these and related points, see Raghuram Rajan and Luigi Zingales, "Power in a Theory of the Firm," *Quarterly Journal of Economics*, 113 (1998): 387-432; Margaret Blair and Lynn Stout, "A Team Production Theory of Corporate Law," *Virginia Law Review* 84 (1999): 247-328; and *The New Relationship: Human Capital in the American Corporation*, edited by Margaret Blair and Thomas Kochan (Washington, D.C.: Brookings Institution Press, 2000).

⁹² For the classic accounts of efficiency wages, see George Akerlof, "Labor Contracts as Partial Gift Exchange," *Quarterly Journal of Economics* 97 (1982): 543-569 and Janet Yellen, "Efficiency Wage Models of Unemployment," *American Economic Review Proceedings* 74 (1984): 200-205.

⁹³ Whether or not work is provided by government guarantee is a separate issue. On this question, see Donald Moon, "The Moral Basis of the Welfare State," in *Democracy and the Welfare State*, edited by Amy Gutmann (Princeton: Princeton University Press, 1988): 27-52, p. 33. See also Richard Arneson, "Is Work Special? Justice and the Distribution of Employment," *American Political Science Review* 84 (1990): 1127-47. See also Solow, *Work and Welfare*. For classic studies of the effect of unemployment see Marie Jahoda, *Employment and*

exiting work altogether such that absent additional protections, employers may be regarded as exercising power over workers. Third, much of the literature on the theory of the firm emphasizes the need for decision-making in the context of economic activity; what distinguishes economic organizations from markets is that they involve decisions that cannot be specified at the outset of a contractual relationship. If this is correct, then workers will be subject to power when they exit one firm and enter another.

A number of authors have grounded the case for workplace democracy in terms of a relation of power between employer and employee that they regard as analogous to the relation of power between state and citizen. Dahl is one such author.⁹⁴ Michael Walzer also advances a similar argument by challenging the alleged differences between political and economic organizations.⁹⁵ Even if the power-based parallel case arguments can plausibly make the case that the relationship between managers and workers is best characterized in terms of power, a number of other objections have been raised. These objections raise questions about other dimensions of the parallel drawn between the citizens and workers.

One objection concerns the scope over which managerial discretion is understood to extend. “If a firm doesn’t like the way you do your job,” writes Jan Narveson, “can it send men

Unemployment: A Social-Psychological Analysis (Cambridge: Cambridge University Press, 1982) and Marie Jahoda, Paul Lazarsfeld, and Hans Zeisel, *Marienthal: The Sociography of an Unemployed Community* (New Brunswick: Transaction, 2002 originally published 1933).

⁹⁴ “Like a state, then a firm can also be viewed as a political system in which relations of power exist between governments and the governed.” See Dahl, *A Preface to Economic Democracy*, p. 115. For a discussion of Dahl’s argument, see Robert Mayer, “Robert Dahl and the Right to Workplace Democracy,” *The Review of Politics*, 63 (2001): 221-247; Robert Dahl, “A Right to Workplace Democracy? Response to Robert Mayer,” *The Review of Politics*, 63 (2001): 249-253; Robert Mayer, “A Rejoinder to Robert Dahl,” *The Review of Politics*, 63 (2001): 255-257. Ian Shapiro advances an argument that is also grounded in a concern about power. See Shapiro, *Democratic Justice*.

⁹⁵ “An economic enterprise,” according to Walzer, “seems very much like a town.” In economic enterprises, according to Walzer, managers “claim a kind of power to which they have no right.” Walzer, *Spheres of Justice*, p. 300.

with guns who will put you in prison if you don't do it the way the boss says?"⁹⁶ The scope of managerial discretion, to be legitimate, is limited in comparison to the scope of discretion claimed by the state. To the extent that the claim to political democracy depends on the scope of discretion claimed by the state, opponents parallel case arguments might object that such arguments fail.

A second related objection that opponents might raise concerns the difference in the ends for which the mechanisms of governance are intended in the firm and the state. In the case of a political community, there is both an open-endedness and an expansiveness with regard to the ends that might be pursued collectively through the mechanisms of governance. In contrast, in the case of an economic enterprise, the ends of governance are purposive and directed at a limited set of ends revolving around economically productive activity. This is not to deny that workers and shareholders might come to attach great meaning to their membership in economic enterprises. Given the importance of work and the amount of time spent at work, individuals might come to value their membership in economic enterprises on a par with their membership in the state. Instead, on this objection, insofar as the open-endedness and expansiveness of the ends of the state help to justify the need for political democracy, even if the mechanisms of governance in economic enterprises are similar to those of the state, the instrumentalist nature of governance in economic enterprises may restrict the extension of arguments for political democracy to the economic enterprise.⁹⁷

⁹⁶ Jan Narveson, "Democracy and Economic Rights," *Social Philosophy and Policy* 9 (1992): 29-61, p. 53.

⁹⁷ For one debate, see Robert Phillips and Joshua Margolis, "Toward an Ethics of Organizations," *Business Ethics Quarterly* 9 (1999): 619-638. Edwin Hartman, "Moral Philosophy, Political Philosophy, and Organizational Ethics: A Response to Phillips and Margolis," *Business Ethics Quarterly* 11 (2001): 643-687. Jeffrey Moriarty, "On the Relevance of Political Philosophy to Business Ethics," *Business Ethics Quarterly* 15 (2005): 455-475.

III.4. Beyond Parallel Case Arguments

The above discussion suggests the possibility of a somewhat different approach. This approach retains the focus on the power that exercised by managers, but locates concern with this power in reasons that are distinct from those that ground a claim to democratic participation by citizens in the mechanisms of government. In this section, I outline one argument along these lines based upon an account that I have advanced elsewhere.⁹⁸

The need for decision-making at work involves the possibility of substantial interference in the lives of workers with regard to three dimensions: first, decisions that either direct a worker to perform specific tasks or specifically limit the actions that a worker might take within the context of her employment with the enterprise; second, decisions that are made directly about a worker and relate not so much to her actions, but to other features of her employment, such as working conditions, compensation, or promotion; and third, decisions that are not made directly about the worker, but nevertheless affect her, such as decisions to change what a firm produces or to relocate a firm's operations. If little or no justification can be given for instances of such interference in terms of the worker's interests upon which the interference is visited, then those instances of interference are *arbitrary*. When speaking about arbitrary interference, I have in mind severe forms of arbitrary interference. It is severe both in terms of the impact of the interference on the interests those on whom it is visited and in its arbitrariness because there is little or no justification for it in terms of the interests of those on whom it is visited.⁹⁹

⁹⁸ Hsieh, "Rawlsian Justice and Workplace Republicanism."

⁹⁹ To be clear, an instance of interference can be arbitrary in this sense even if the interference follows from a decision that is justified in the context of the decision-making procedure internal to economic organizations. That is to say, I assume that it is possible to describe a decision-making procedure in a positive sense without reference to whether the economic regime that permits such a decision-making procedure is consistent with the principles of justice. As a further point of clarification, it should be noted that the lack of justification in terms of the worker's interests upon which the interference is visited is understood only as a sufficient condition for the interference to be considered arbitrary.

Drawing on Rawls's account of justice, I argue there is a basic right to protection from such arbitrary interference at work. In Rawls's account, for something to be accorded the status of a basic right, it must be counted among the social bases of self-respect, which are those "those aspects of basic institutions normally essential if citizens are to have a lively sense of their worth as persons and to be able to advance their ends with self-confidence."¹⁰⁰ A number of aspects, I argue, place protection against arbitrary interference at work among the social bases of self-respect. Of particular concern is that the arbitrary interference under consideration is interference that is visited by the decision of one individual on another individual within the context of an institutionally sanctioned decision-making procedure. To visit arbitrary interference on another individual is to treat her as though her interests and judgments did not matter.¹⁰¹ As such, arbitrary interference is to treat an individual as lacking in standing or in worth. It is the absence of treating another individual with respect. To lack protection against such interference is to be placed in a position in which it is permissible, by virtue of the basic structure, to be treated by another individual as lacking in standing or in worth. It is difficult to imagine situations more damaging to developing a sense of self-worth and self-confidence than to be in such a position.¹⁰² In turn, I argue that just as there is a basic right to personal property on Rawls's account, so too should there be a basic right to protection against arbitrary interference at work.

¹⁰⁰ Rawls, *Justice as Fairness*, p. 59.

¹⁰¹ Joseph Raz makes a similar point with respect to authority. He writes, "we have views of what interpersonal relations are morally acceptable. They involve mutual respect, reciprocity, etc. One-sided submission to the will of an authority seems to violate these precepts." See Joseph Raz, 'Introduction', in *Authority*, edited by Joseph Raz (New York: New York University Press, 1990), p. 16.

¹⁰² To see this, consider an example given by Stuart White in which a workers says to himself, "I had better not go to those gay clubs any more because if my boss finds out he might sack me, and I will then be destitute. Instead, I had better go to the Young Conservative's Association to impress him." Stuart White, *The Civic Minimum* (Oxford: Oxford University Press, 2003), p. 47.

Given the costs to exiting an individual place of work and the costs to exiting work altogether discussed in section III.3, there is reason to hold that an economic regime relying on the right to exit does not provide adequate realization of the basic right to protection against arbitrary interference at work. At first, it may appear that limiting the discretion of managers is the way in which to realize this basic right. There is, however, a limit to the desirability and efficacy of protecting against arbitrary interference by constraining the scope of discretion in the decision-making process internal to economic enterprises. As discussed in section III.3, to the extent that decisions cannot be specified from the outset of any working relationship, the exercise of discretion becomes a required feature of economic activity and the basis for economic organizations in the first place. Hence, the challenge is to protect workers against arbitrary instances of interference without ruling out discretion altogether.

Workplace democracy provides one way to meet this challenge. By allowing workers to contest managerial decisions that result in severe forms of interference as part of the decision-making process internal to economic enterprises, workers are able to protect themselves against arbitrary interference. The protection accorded by workplace democracy is especially important when the cost to pursuing external remedies is prohibitively expensive or when the interference is difficult to rectify *ex post*. In this manner, it appears that we arrive at an argument for workplace democracy that is grounded in a liberal egalitarian account of justice.¹⁰³

¹⁰³ Following Philip Pettit's interpretation of the essence of republicanism as the constraint of the state's exercise of discretionary power and the guarantee of a citizen's right to contest decisions made by the state, I call such an economic regime a regime of *workplace republicanism*. Philip Pettit, *Republicanism: A Theory of Freedom and Government* (Oxford: Oxford University Press, 1997). Pettit focuses on a specific aspect of the republican tradition, namely what he takes to be its conception of freedom. There are other elements of the republican tradition that scholars have come to see as integral. For an interpretation of the republican tradition that is along the lines that Pettit adopts, see Quentin Skinner, *Liberty before Liberalism* (Cambridge: Cambridge University Press, 1998). For a listing of additional scholarship along these lines, see Pettit, *Republicanism*, p. 7. See also Philip Pettit, "The Freedom of the City: A Republican Ideal," in Alan Hamlin and Philip Pettit, eds., *The Good Polity* (Oxford:

At the same time, this argument may strike proponents of workplace democracy as rather limited. The basic right under consideration is not a right to workplace democracy. Nor is it comparable to the right to democratic governance at the level of the state. Instead, the right concerns protection against arbitrary interference at work, and this right may be realized in part by provisions other than the participation of workers in the governance of economic enterprises, such as legal protections and remedies.

Rather than considering these points to reflect deficiencies of the argument, I take them to reflect the appropriate way in which the structure of economic production can be considered within a liberal egalitarian account of justice. In extending the right to democratic government from the level of the state to economic enterprises, parallel case arguments appear to locate the institutional guarantee to workplace democracy at the level of a basic right. Recall that although the structure of the economy is part of the basic structure, Rawls is clear that the institutional guarantees regarding the structure of the economy are not among the basic rights. As such, it is appropriate not to locate the right to participate in the governance of economic enterprises at the level of a basic right. The argument advanced in this section stays true to this feature of the basic structure while aiming to capture the intuition that not all matters associated with work should fall outside the realm of basic rights.

By focusing on the protection of workers against arbitrary interference, rather than worker control itself, this account also puts us in a position to evaluate two contemporary developments. The first is the increase in ownership by employees of the companies in which they work either directly (e.g., stock options and ownership plans) or indirectly (e.g., institutional

investors and pension funds).¹⁰⁴ As employees come to own a greater share within the firms in which they work, even if there is no change in governance structure, is this a positive development from the perspective of protection against arbitrary interference? A second contemporary development is the idea of the worker as an entrepreneur or independent contractor. At first, it would appear that by removing oneself from the employment relationship would address the concerns motivating proponents of workplace democracy. However, there is much to suggest that this is undesirable from the perspective of workers.¹⁰⁵ The emphasis on protection against arbitrary interference can help to account for this intuition without having to rely upon the independent value of the collective nature of decision-making. It is in the context of large-scale economic organizations that individuals can also find economic security.

IV. COLLECTIVE CONTROL OF THE MEANS OF PRODUCTION

The third level at which the structure of economic production has been called into question is at the level of society as a whole. Reforms proposed at this level aim for the collective control of the means of production by citizens as a whole. The discussion in this section begins by addressing the relation between workplace democracy and a regime in which citizens engage in collective control of the means of production.¹⁰⁶

It seems possible to have collective control of the means of the production in a way that lacks any provision for worker participation in the governance of economic enterprises. For

¹⁰⁴ For a discussion of employee ownership in the American context, see John Logue and Jacquelyn Yates, *The Real World of Employee Ownership* (Ithaca: ILR Press, 2001). For a contemporary discussion about pension funds, see Archon Fung, Tessa Hebb, and Joel Rogers, *Working Capital: The Power of Labor's Pensions* (Ithaca: ILR Press, 2001). For an earlier discussion on this topic, see Peter Drucker, *The Unseen Revolution: How Pension Fund Socialism Came to America* (New York: HarperCollins, 1976).

¹⁰⁵ See Richard Sennett, *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism* (New York: W.W. Norton, 1998). See also Edwards and Wajcman, *The Politics of Working Life*.

¹⁰⁶ I thank Robert Goodin for pressing me to address this question.

example, John Roemer's proposal for socialism does not include provisions for workplace democracy.¹⁰⁷ Under such accounts, citizens as a group collectively exercise control of economic enterprises such that the workers within a given economic enterprise have no special claim to exercise control over it. The question then arises whether it is possible to have workplace democracy without collective control by citizens of the means of production at the level of society as a whole. If workplace democracy involves control by workers of capital at the level of individual economic enterprises, does it not follow that there ought to be collective control of the means of production at the level of society as a whole?

In response, in the context of a liberal egalitarian account of justice in production, it would appear that citizens already have a kind of control over the means of the production by way of the democratic process. Recall that in a Rawlsian scheme, just as there is no basic right to participate in the control of the means of production, there is no basic right to control capital on a private basis. Accordingly, there is no basic right against the regulation of the means of production. Insofar as citizens exercise democratic control over the legislation that regulates the use of capital within an economy, they exercise a kind of ultimate control over the means of production. For example, democracies may decide to restrict the outflow of capital or restrict the private ownership of certain resources, such as land. On this view, the question posed above has the relationship the other way around. It is because the concerns that citizens have cannot be adequately addressed at the level of the political process that workplace democracy is in part required. It seems there is no reason, in this respect, that private ownership and control of capital is inconsistent with workplace democracy.

¹⁰⁷ See Roemer, *A Future for Socialism*.

For this characterization of the nature of control exercised by citizens to be plausible, however, it would appear that at least one set of restrictions on the private control of capital must be in place. These are restrictions that relate to maintaining what Rawls terms the “fair value of political liberties.” By this Rawls means that “citizens similarly gifted and motivated have roughly an equal chance of influencing the government’s policy and of attaining positions of authority irrespective of their economic and social class.”¹⁰⁸ There are two arguments that point to the difficulties of maintaining the fair value of political liberties in the absence of any regulation on the private control of capital. The first argument concerns the various ways in which privately held economic resources can be brought to bear to influence the political process.¹⁰⁹ The second argument concerns the constraints placed upon governments as a result of the private control of capital. Insofar as the general well-being of the economy as a whole depends upon the investment decisions of capitalists, political decisions will be constrained to the extent that the level of economic well-being citizens desire requires the continued investment by capitalists.¹¹⁰ The plausibility of these arguments and the sorts of regulations they require remain open to debate. There is reason to doubt, however, that liberal egalitarians can ignore altogether thinking about the need for some degree of collective control by citizens of the means of production and the form of that control.

¹⁰⁸ *Justice as Fairness*, p. 46.

¹⁰⁹ Joshua Cohen refers to this as the “resource constraint argument.” See “The Economic Basis of Deliberative Democracy,” p. 29. Cohen cites Anthony Downs, *An Economic Theory of Democracy* (New York: Harper and Row, 1957), part 3 and Joshua Cohen and Joel Rogers, *On Democracy: toward a Transformation of American Society* (Harmondsworth: Penguin, 1983), ch. 3.

¹¹⁰ On this, see Cohen, “The Economic Basis of Deliberative Democracy,” p. 28. Cohen cites Adam Przeworski, *Capitalism and Social Democracy* (Cambridge: Cambridge University Press, 1985), ch. 4; Adam Przeworski and Michael Wallerstein, “Structural Dependence of the State on Capital,” *American Political Science Review*; Cohen and Rogers, *On Democracy*, ch. 3. See also S.E. Finer, “The Political Power of Private Capital,” *Sociological Review* 3 (1955): 279-294 and 4 (1956).

V. CONCLUSION

Liberal egalitarianism has been criticized for paying insufficient attention to what justice requires for the institutions that structure economic production. In the light of such criticism, I considered a number of arguments that liberal egalitarians might give for the kinds of institutional reforms that critics have proposed. These reforms include institutional guarantees for (1) meaningful work, (2) worker participation in the governance of economic enterprises, and (3) democratic participation in the control of the means of production at the level of society. For each of these reforms, the case was made that there is good reason to hold that plausible arguments, grounded in a broadly liberal egalitarian account of justice, can be made support of them or at least some version of them. Liberal egalitarianism, it appears, has much to say not only about questions of distribution, but also about questions of production.

This paper points to areas of further inquiry if the arguments canvassed in this discussion are to be developed fully. One task is to articulate more fully what qualifies as work that fails to meet the standard of meaningful work in the context of a liberal egalitarian account of justice. Another task is to articulate what qualifies as an adequate opportunity for meaningful work or for work that is democratically governed. It also remains to investigate the empirical claims that underlie the formative arguments for meaningful work and workplace democracy. With respect to the collective control of the means of production, the paper suggests that liberal egalitarians cannot afford to ignore investigating what restrictions on the use of private capital are required to maintain the fair value of political liberties. Taken together, the arguments in this paper suggest that much work remains for liberal egalitarians to be certain that the institutions that structure economic production meet the requirements of justice.