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978-0-521-38629-6 - Rethinking Democracy: Freedom and Social Cooperation in  
Politics, Economy, and Society

Carol C. Gould

Excerpt

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## Introduction

### DEMOCRACY ON NEW FOUNDATIONS

**This book proposes a fundamental rethinking of the theory of democracy. It presents the philosophical foundations of a theory that argues that democratic decision-making not only should apply to politics but should be extended to economic and social life as well. I offer a normative argument for the right of participation in decision-making in all of these domains. The book therefore speaks to such contemporary developments as workers' self-management and participation in economic decision-making, the worldwide movement for greater political democracy, as well as the issue of the democratization of decision-making in social and cultural institutions.**

**The book's concern, however, is principally philosophical. Thus it starts from a reconstruction of the ethical foundations of democracy, in which I redefine the traditional concepts of freedom and equality. I develop an argument concerning the preeminent value of the freedom of individuals and their equal right to the conditions of self-development. I make a case for the conception of positive freedom, interpreted in a new way, as central to an adequate theory of democracy. A principal concern of the argument here is to show how the apparently conflicting values of individual liberty, on the one hand, and of social cooperation and social equality, on the other, are in fact compatible. On the basis of these arguments, I conclude that democratic participation in decision-**

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making is a requirement as much in social and economic contexts as in political ones.

A further philosophical focus of the work is the analysis of the ontological foundations of democracy, that is, of the nature of individuals as agents and of their social relations, as well as of the nature of society and of institutions as constituted entities. The book also reformulates the fundamental political conceptions of property, authority, economic justice, and human rights. On the basis of these various philosophical considerations, I go on to propose concrete forms of social and economic institutions that would serve to realize the philosophical principles. Thus the book addresses such issues as the forms of workers' self-management, democratic control of technology, and democracy in international relations.

One of the important concerns in this connection is to establish the normative and theoretical foundations for workers' self-management. Such self-management is, in general, understood as either the workers' participation in or control of the decision-making of the firms in which they work. The central questions that arise here are, first, whether workers can be said to have rights to such participation and control; and if so, what grounds there are for such rights. Or instead, is the argument concerning workers' self-management simply a pragmatic or empirical question of the relative efficiency (or inefficiency) of this form with respect to other forms of management or control in the economy? Second, if there are rights to workers' self-management, what exactly are these rights *to*? Do workers simply have a right to some input into managerial decisions that are ultimately made by others (that is, to what has been called "worker participation"); or do they have a more extensive right to make managerial decisions themselves, either directly or through a right to appoint and recall managers (what has been called "worker control")? Third, what is the locus of such decision-making? Is it at the level of the immediate or smallest work unit or shop committee, or is it at the level of the firm? Or again, is such decision-making properly located at the level of workers' representation in industrywide or national economic policy-making and plan-

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ning? In this book, I will address these questions and argue for a particular view of workers' self-management in the broader context of the democratic theory that I develop here and will consider a model of such workers' self-management in the context of a market economy with certain planning functions.

The premise of this book is that there is a need for a new theory of democracy and for a rethinking of its philosophical foundations. This need derives, in the first instance, from the inadequacies of the traditional democratic theory of liberal individualism which, despite the strength of its emphasis on individual liberty, fails to take sufficiently into account the requirements of social cooperation and social equality. However, the alternative theories—socialist or holist—which emphasize such social cooperation and equality are also problematic in that they tend to subordinate individual rights to the needs of the community or to the welfare of society as a whole. These two countervailing political philosophies, which dominate contemporary thought, thus present a stark choice between what appear to be the irreconcilable values of individuality and sociality. But are these two values in fact incompatible? Or, on the contrary, can they be integrated in a consistent political theory? One of the central claims of this book, as I indicated earlier, is that they are in fact compatible and that it is through the extension of democracy that these values can be most fully realized.

A new theory of democracy would thus preserve the values of individual liberty and of equality and social cooperation represented in the prevailing alternatives, but would eliminate those features of these views which make them unacceptable. Such a new theory cannot, however, be a cleaned-up version of the old theories, which simply combines their virtues and eliminates their vices. It would have to stand on new foundations and establish its own coherence. To this end, the primary values of freedom and equality have to be rethought.

The intentions of this book are therefore constructive and not primarily critical. The attempt is to provide normative foundations and to give philosophical arguments for this

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new conception of democracy. However, in the section that follows, as well as elsewhere in the book, it will be useful to consider critically, even if briefly, those alternative views that provide the background for the development of my own theses.

**LIBERAL INDIVIDUALISM VERSUS  
SOCIALISM: A PRELIMINARY CRITIQUE OF  
ALTERNATIVE POLITICAL PHILOSOPHIES**

The first of these views, liberal individualism, starts from the premise of individual liberty as the principal value to be protected by government. It also holds that the right to private property is to be secured by the state against interference. This view has in the main been developed as a theory of political democracy, in which equal civil liberties and political rights are assured by the state. All other activities, including the economic, the social, and the personal, are regarded as private rather than public matters and therefore outside the sphere of political decision (except insofar as the government protects such private activities from interference).<sup>1</sup>

This liberal individualist view has been criticized on two major counts: first, for its conception of human beings as asocial, egoistic individuals whose fundamental motivation in acting is the satisfaction of their own interests. It has been argued that this view therefore cannot account for social cooperation or common interests among individuals, except perhaps as aggregations of individual self-interest and therefore as purely instrumental in satisfying such interests. Thus, the argument continues, liberal individualism fails to capture the social nature of much human activity or indeed even serves to legitimate antisocial and selfish modes of behavior, which are unacceptable on moral grounds.<sup>2</sup> Second, this theory has been criticized, especially by socialist critics, for countenancing and justifying extreme inequalities in economic and social life by protecting the right to the unlimited accumulation of private property regardless of its social con-

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sequences. It has been argued that such social and economic inequalities tend to undermine the political equality at the basis of democracy because of the inordinate political power that great concentrations of wealth are able to exercise. On the basis of these two criticisms, it is further objected that liberal individualism in this form necessarily counterposes individual liberty to social welfare and that it subordinates the latter to the former. That is, because of its exclusive emphasis on the values of individual liberty and initiative, it disregards the well-being of society as a whole, and especially of its neediest members.

Against such criticisms, however, the liberal individualist has argued that neither economic equality nor social cooperation can be legislated, since to enforce them would be incompatible with individual freedom of choice. Rather, they must be left to voluntary decision and the free market. Further, it has been argued in defense of this individualism that the welfare of society, and even the well-being of its neediest members, is best served by the pursuit of individual self-interest and by the efficiency of a free market that reflects the unrestricted liberty and initiative of individuals rather than by the constraints on this liberty that a welfare state would impose. The critics' response to this defense in turn has been either to argue that the free market is a myth in that the market economy is manipulated by the most powerful economic interests in their own favor, or to argue that the free market is itself instrumental in leading to and exacerbating economic inequalities. In either case, it is argued that such economic inequalities undercut political equality and thus the very equal liberties and rights of individuals that liberal individualism proposes as its primary value.

My own criticism of liberal individualism as it is developed in this book has a somewhat different focus from these classical criticisms. It deals principally with the concept of negative freedom, or freedom from external constraint or interference, which underlies the liberal individualist theory of democracy. I show how such negative freedom, while it is a necessary condition for the development of full or concrete free-

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dom, is insufficient in itself and needs to be supplemented or enlarged by a conception of positive freedom, as freedom of self-development.

Socialist theory, which developed in part in response to what were perceived as the failings of liberal individualism, emphasized the values of social and economic equality and social cooperation. It saw social and economic inequality and exploitation as arising from the institutions of private property and capitalist competition, for which liberal individualism was held to provide the ideological support. The socialist critique argued that the liberal individualist values of liberty and political democracy remain empty or merely formal if the material means of well-being are lacking or are so inequitably distributed that some individuals are totally dependent on others for their livelihood. Further, in contrast with the liberal individualist conception of individual self-interest as the principal motive of action, socialist theory emphasizes the centrality of social or collective interest – whether as class interest or as human solidarity – as a motive for action. Thus, socialist theory proposes social and economic equality and social cooperation as norms for the good society. It is therefore not principally a theory of political democracy, as liberal individualism tends to be, but it bears on the development of the conception of democracy, both in its critique and in the alternative it poses.

With respect to the question of how to implement the norms of equality and social cooperation, socialist theory has had several interpretations. The dominant one, which has also served to guide the practice of most actually existing socialist societies, posits the need for a strong and centralized state power and for centralized planning of the economy. Such political control of the economy and of planning is seen as necessary for the development of production to meet the needs for material well-being and for the development of a system of distribution that will satisfy the norm of equality. The furtherance of social cooperation is seen as stemming from increasingly collectivized forms of work, while the state

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itself is seen as the representation or expression of the social whole or the collective interest.

The main problem with these interpretations of socialist theory and with the attendant practices, as critics have pointed out, is that they have condoned and led to authoritarian state power and the repression of individual liberty and political democracy. In theoretical terms, this has meant the subordination of individual rights to the requirements of social and economic equality and social cooperation. Individual freedom, in this context, has often been regarded either as “petty bourgeois individualism” – a luxury for some to satisfy their needs without regard for the social and economic unfreedom of the majority – or, in any richer sense of freedom, as something that would have to wait for its realization until after the achievement of equality. Further inadequacies of this socialist view that reveal themselves in practice are, first, that it fails to live up to its own theoretical norm of social and economic equality and instead leads to new forms of social and economic hierarchy and stratification. These consist in the large discrepancies with respect to social status and economic power and privilege between those in authority and those not. Second, the central planning and command economies characteristic of these societies have been inefficient in the very project of increasing production to provide the conditions for well-being and in meeting the goal of equalizing distribution.

It may seem from this account that the problems with socialist theory arise only with respect to the implementation of its norms and the interpretations to which this has given rise. However, there are inadequacies that may be noted in the basic theoretical structure itself, though even here, one must be careful to distinguish the work of Karl Marx himself from the interpretations and extensions of it in the most prevalent forms of socialist theory.<sup>3</sup> In such socialist theory, there is a tendency to counterpose sociality and individuality, and to posit the primacy of the social whole over individuals. Such holism, as I will argue later, leads to the disregard of individ-



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ual differences and of the requirements of individual liberty, and in practice serves to legitimate the overarching authority of the state over its citizens. Finally, the theory has often tended to be reductionistic in the interpretation of all social phenomena as, in the last instance, economic in their determination. This economistic tendency has led to the denigration of other dimensions of social life and in particular of political freedom and democracy.

Both liberal individualist and socialist theories have been revised in response to the criticisms made of them, as well as in response to historical changes in social, political, and economic practices. Such theoretical developments as the pluralist approaches of Schumpeter or of Dahl, the contractarianism of Rawls, and the libertarianism of Nozick may all be regarded as in some sense modifications or revisions of liberal individualism. Similarly, traditional socialist theories have been considerably revised in such approaches as that of democratic socialism (e.g., in the work of the Yugoslav *Praxis* group), or that of the theory of communicative action of Jürgen Habermas. And some political theorists have explicitly attempted to mediate between the values of the alternative traditions of liberal individualism and socialism. Here, one may mention the theories of democracy of C.B. Macpherson and Carole Pateman.

These recent theories will be critically discussed at various points in subsequent chapters, in the course of developing my own proposal for a new democratic theory. However, it may be useful to note these theories here and to suggest briefly the ways in which they fail to resolve the original tension between individual freedom, on the one hand, and equality and social cooperation, on the other.

Pluralist theories, such as those of Schumpeter or Dahl,<sup>4</sup> generally make the claim to being value-free descriptions or empirically based accounts of how actual democracies function in fact, rather than as they have been ideally or normatively proposed. Pluralism differs from classical liberal individualism in taking politics as an arena of the conflicting interests of groups in a society, rather than of the representa-



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tion of the choices of individuals, each of whom pursues his or her separate interests. Democracy is seen as a functional system in which an equilibrium among conflicting groups is established by means of the mechanism of periodic elections. This electoral procedure is understood as a competition among elites for political power which is achieved by gaining the support of various groups or coalitions of such groups, rather than as an expression of the popular will. This view eschews any notion of a common good as anything more than a political myth. It may be noted parenthetically that Dahl in a later work has himself assessed the problems and defects in pluralist democracy<sup>5</sup> and has also presented a sympathetic account of workers' self-management in a recent book.<sup>6</sup>

Pluralist theories may be criticized on several points relevant to my argument: First, this approach not only leaves untouched the inequalities outside the political sphere (as does liberal individualism generally), but it introduces these inequalities ("realistically," to be sure) as systemic features of the competition for political power among conflicting groups. It may be claimed that in such competition, in which elites need the support of diverse groups for political power, these elites would be responsive to the needs of socially and economically disadvantaged groups whose support they seek. However, those groups that have access to wealth or economic power have a clear advantage in influencing the electoral process and political decision-making by their access to, and use of, the media, lobbying, etc., which require great outlays of money in contemporary political contexts. Second, in regarding democracy as a method by which elites compete for political power, this view denigrates representation and participation in politics as at best instrumentalities for the election of elites and at worst as a threat to social stability. Of course, pluralist theory, as noted, claims to be merely descriptive and value-free and hence realistic in its account of actual democracies. But, as a number of critics have pointed out, such descriptivism serves, in effect, to justify the status quo by redefining democracy in these terms and making competition

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among elites for political power appear acceptable as a fact of life or, indeed, as the best possible alternative.<sup>7</sup>

A third criticism of this pluralist approach is that it fails to give an adequate account of sociality or cooperation, for its characterization of groups takes them to be no more than temporary aggregates of individuals bound only by their individual self-interest, which they pursue instrumentally through the group. In thus reducing social cooperation to the vector-sum of individual self-interests, pluralism, as I will argue, does not resolve the antithesis between individuality and sociality.

John Rawls's contractarian theory addresses the claim not only of political liberty but also of economic equality within the context of a theory of distributive justice.<sup>8</sup> His theory, like pluralism, may be seen as a contemporary revision of liberal individualism, but one that takes as a major value the amelioration of social and economic inequalities. In this respect, one may characterize it as welfare liberalism. Like liberal individualism, Rawls's theory posits equal basic liberties, including civil liberties and political rights, in his first principle of justice. In this sense, it implies a theory of political democracy. Again, in the tradition of classical liberal individualism, Rawls uses the procedural model of a contract, based on equal rationality, to establish his principles of justice. However, Rawls goes beyond the limits of traditional liberal individualism to address the problems of social and economic inequality as questions of justice. He proposes as a second principle of justice the requirement of fair equality of opportunity and what he calls the difference principle according to which inequalities in the distribution of social and economic goods are justified only if such inequalities work to the benefit of the least advantaged. He claims that the application of such a principle would result in a tendency to equality and that it is compatible with either capitalism or market socialism. Another contrast with the traditional liberal individualist view and its conception of society as the domain of the pursuit of individual self-interest is Rawls's view that there are genuinely common or shared aims among individuals