

The Most Stable Just Regime

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Abstract: According to Rawls, social justice does not require that we make important decisions in economic life through democratic processes. In this paper, I argue that even if Rawls is right about this, his theory still implies that we have powerful reasons for adopting a form of economic democracy. The reasons stem from the value of stability. Our institutions should not only conform to the principles of justice, but they should continue to do so, even when society faces challenges such as globalization, economic downturns and natural disasters. I argue that a just property-owning democracy would be more stable if it incorporated elements of the corporatist model of economic government that we see in European social democracies. An arrangement along these lines would generate a stronger and more widespread commitment to social justice, and it would limit the influence of factions in society that are not motivated by justice. So by the lights of Rawls's own conception of stability, we have good reason to adopt a more democratic system of economic governance.

Rawls's sketch of a just property owning-democracy remains largely silent on the question of whether we should introduce democratic forms of government into economic life. He notes that a property-owning democracy would be fully compatible with worker-managed firms (at least as these are envisioned by John Stuart Mill), and that if people prefer to work in firms of this kind, then worker-managed firms may eventually eclipse traditional capitalist firms as the dominant mode of production.ⁱ But his sketch does not incorporate any measures to encourage worker-managed firms or any measures to foster economic democracy through other means. I take it that Rawls limits his sketch in this way for the simple reason that justice, on his view, does not require any form of economic democracy. Societies may choose to foster democratic forms of decision-making in the economy if they wish, but justice itself does not require that they do so.

I will not challenge Rawls's interpretation of social justice here. Instead, I will argue that, even if Rawls is right about what justice requires, his theory still implies that we have powerful reasons for adopting a form of economic democracy. The reasons I have in mind stem from the value of stability. It is important not only that our institutions conform to the principles of justice, but also that they continue to conform to these principles over time. I will argue that Rawls's own account of stability implies that a just social arrangement that incorporates a form of economic democracy will be more likely to preserve its just character in the long run.ⁱⁱ

1. Two forms of property-owning democracy

My argument will focus on a comparison between two forms of property-owning democracy (POD). Call these a *liberal market POD* and a *democratic corporatist POD* respectively. Both arrangements share the basic features of a POD, including private ownership of the means of production, protections for the basic liberties, and an educational system designed to minimize the effects of class origin and family background. But they differ in the way that they organize the labor market.

The liberal market version of POD comes closer to the institutional arrangement that we see in the United States today. Capital and labor interact with each other under this arrangement primarily as individual workers and individual firms negotiating contracts in the open market. The democratic corporatist version of POD differs from the liberal market version in two respects: (1) it fosters the formation of a limited number of secondary associations to represent the perspective of major segments of the population in various rule-making forums and (2) it takes steps to ensure that changes to the rules of

economic competition come about through a process of deliberation and reasoned agreement among the relevant associations.

A democratic corporatist POD essentially introduces a form of corporatist deliberation into economic life. Under this arrangement, there would be a number of encompassing associations in each industry or sector of the economy to officially represent the interests of capital and labor, and these associations would meet regularly to establish the parameters for competition between firms. The German “codetermination” system provides a helpful real-world illustration.ⁱⁱⁱ Under the laws of codetermination, large corporations must reserve half of the seats on their supervisory boards for labor representatives. Along with shareholder representatives, these representatives vote on a range of corporate policy issues, including the hiring and firing of executive officers. At the same time, the codetermination system empowers industry-wide unions, such as IG Metall and IG Chemie, to bargain on behalf of all the workers in their respective industries and to appoint representatives to the supervisory boards of all of the large corporations in them. These powers enable unions to engage manufacturing associations in corporatist bargaining processes that establish the groundrules for economic competition between firms. These groundrules cover a range of issues, including compensation, pensions, work-hours, job training, and worker retention. For the German system to fully realize the democratic corporatist ideal, representative associations on both sides would have to be transparent and responsive to their memberships, and the decision-making process would have to take the form of deliberation rather than mere bargaining.

2. The nature and value of stability

A democratic corporatist POD extends democratic forms of government into the economy in a way that the liberal market POD does not. Under democratic corporatism, the rules of economic competition are determined through a process of public deliberation between organizations that meaningfully represent the outlooks of both workers and owners. In the rest of this paper, I will argue that Rawls's own account of stability implies that the democratic corporatist version of POD would be more stable than the liberal market version. In order to make my case, I must first address two questions: What is stability? And why is it important?

According to Rawls, a just social arrangement is a configuration of the basic rules of social cooperation that conforms to the demands of his two principles of justice. Much like any other kind of social arrangement, a just arrangement will have a complex relationship with society. On the one hand, the rules of the arrangement will shape the political movements that emerge in society by shaping the fundamental motivations of citizens—for example, it will shape their motivations by shaping their education and early childhood experiences. On the other hand, the rules of the arrangement will themselves be shaped by the political movements that emerge in society—for example, the rules will be shaped by the legislative changes enacted by successful political movements. This two-way relationship forms the basis for stability. A just social arrangement is stable when it creates social conditions such that if something threatens the just character of the basic rules of social cooperation, political forces will emerge in society to preserve or restore the just character of these rules.^{iv}

Here is an example to illustrate. Suppose that changes in birth rates and internal migration patterns lead to a situation in which one region of the country has many times the population of other regions. But suppose that this region still has the same level of resources devoted to the education of its people. Without any intervention, it is likely that the conditions of fair equality of opportunity would no longer hold in society, as a talented and motivated child born into the overpopulated region would have worse life prospects than a similarly talented and motivated child born into some other region. If we are living under a just social arrangement that is stable, the unfairness of the educational system would engage the concerns of the people, and political forces would emerge in society to change educational funding policy and restore the conditions of fair equality of opportunity.

Stability is a social value in the sense that, other things being equal, we should adopt the most stable social arrangement that conforms to the principles of justice. A more stable arrangement will be more likely to weather stressful conditions, such as a rapidly aging population, a natural disaster, or an increasingly globalized economy, without sliding into injustice or collapsing into anarchy. So if justice itself is an important social value, then stability is also an important social value, and we should adopt the most stable justice arrangement we can (other things being equal).^v

Two main factors determine the stability of a just social arrangement. The first is the effect that an arrangement has on the *internal motivations of the people*. Within each individual, we find a sense of justice, that is, a desire to comply with the rules of a just arrangement and a desire “to work for [...] the setting up of just institutions, and for the reform of existing ones when justice requires it.”^{vi} We also find various impulses to act

unjustly. If a just arrangement tends to generate a strong sense of justice and weak impulses to act unjustly, then it is much more likely that political forces will emerge in society to sustain the just character of society's basic institutions when this just character is threatened. But if the arrangement generates a weak sense of justice and strong impulses to act unjustly, then it is much less likely that the right kind of political forces will emerge in the face of a threat.

The other main determinant of stability is the effect that the arrangement has on the *external circumstances* that shape the political influence of different groups. Among the most important of these circumstances is organization. Suppose, for instance, that a just social arrangement tends to generate a favorable set of internal motivations: most people living under the arrangement grow up to be reliably motivated by their sense of justice. The fact that most people will be reliably motivated in this way does not mean, however, that *everyone* will, so we can expect that a potentially significant minority in society will be attracted to goals that are incompatible with social justice. It follows that whether a just arrangement is stable or not will depend in part on whether the minority attracted to unjust ends will be able to shape the rules of social cooperation. The history of the twentieth century offers us many examples of relatively small factions of society that were able to overcome their lack of numbers and advance an unjust legislative agenda. Perhaps the most extreme example is that of the *Nazis* in Germany, where a disciplined, highly motivated group was able to undermine the just (or at least decent) character of society's basic institutions, and then to prevent the majority from restoring the just character of these institutions, even though the members of the group formed only a small proportion of the overall population. Given that external circumstances can enable

even a small group to have an effect on the rules of social cooperation, the effect that an arrangement will have on these circumstances is also important to stability.

2. Democratic corporatism leads to better internal motivations

Return now to the comparison between a democratic corporatist POD and a liberal market POD. Which of the two arrangements would be more stable? I argue that a democratic corporatist POD that meets the demands of justice as fairness would be more stable because (1) it would generate a more favorable set of internal motivations in citizens and (2) it would generate a more favorable set of external circumstances.

A democratic corporatist POD would generate a more favorable set of internal motivations in citizens mainly by generating a stronger and more widespread sense of justice. Rawls conceives of society as a “social union of social unions,” that is, an encompassing association that contains many particular associations within it. These particular associations include organizations such as schools, churches, firms, and the like. Within each particular association, there is a shared conception of what is appropriate conduct for those who occupy various positions within it. People born into a just and well-ordered society develop a sense of justice through a process in which they develop a desire first to conform to the various ideals connected to the roles that they play in social life, and then eventually, after having played many different social roles, they develop a desire to live in a social order regulated by the two principles of justice.

The process of internalizing the shared ideals of society has three stages.^{vii} At the first stage, people are born into families, where the bond of love and trust that they form with their parents leads them to form a desire to conform to the rules that parents set out

in the home. At the second stage, people mature and venture out into the social world, where they join various associations. Here they form bonds of friendship and admiration with the other members of these associations, and these bonds lead them to form a desire to live up to the ideals associated with the various roles that they play. Finally, at the third stage, people take part in political life. As legislators, judges and voters, they have to consider the interests of different groups in society and adjust the rules of the social order in light of the two principles of justice. In performing these tasks, people come to see how they and the people they care about benefit from a social order regulated by the two principles of justice. Seeing what the social order has done for them, people respond by forming an attachment to this order, and they want to protect and preserve it by ensuring that it conforms to its organizing principles.

Rawls's account of moral development places special emphasis on participation in political life, and it is this feature of his account that implies that the sense of justice would be stronger and more widespread if society were organized along the lines of a democratic corporatist POD.

The key here is the transition between the second and third stages in Rawls's three-stage process. In *Democracy in America*, Alexis de Tocqueville describes a particular state of mind that he calls "individualism." As he understands it, individualism is not a form of egoism or excessive concern for one's own self-interest, but rather "a calm and considered feeling which disposes each citizen to isolate himself from the mass of his fellows and withdraw into the circle of his family and friends...."^{viii} In a society permeated by individualism, each person withdraws from public life into a private sphere, and "with this little society formed to his taste, he gladly leaves the greater society to look

after itself.”^{ix} Individualists do not see themselves as having a duty to respond to the issues that affect society in general, and since these issues rarely affect their children or close personal friends, they are generally unmoved by them. It follows that individualism is a threat to the stability of a just society, as individualists do not see themselves as having a duty to respond to social injustice and they would not react to it unless it directly affected someone in their circle of family and friends.

At stage two of Rawls’s account of the development of a sense of justice, people in a well-ordered society are in a state that closely resembles individualism. People at this stage have formed bonds of love and trust with their family, and bonds of friendship and admiration with the people they interact with in associational life, but each person’s circle of family, friends and associates encompasses only a small fraction of society. Moreover, people at stage two have formed an attachment to the ideals associated with the various roles they play in social life, and since society is both just and well-ordered, these associational ideals are consistent with the underlying objective of maintaining a social order regulated by the two principles of justice. But at stage two, people do not actually care about the fact that their social order is regulated by these principles.^x What they care about, ultimately, is winning the approval of their family, friends and associates. It just so happens that in the circumstances of a just and well-ordered society the way to do this is by doing things that maintain the just character of the social order.

Consider, for example, the case of someone born into a just and well-ordered society who joins the legal profession. This individual will form collegial bonds with the other members of his firm, and these bonds will lead him to want to be a good lawyer. Since society is just and well-ordered, the ideal of being a good lawyer will be defined in

such a way that good lawyers do the sorts of things necessary to secure the basic liberties, particularly the liberties connected with the rule of law—e.g. good lawyers will present evidence in fair trials, ensure that people are only punished when legal offenses have been committed, and so on.^{xi} But at stage two, our lawyer does not care about the just character of the social order as such. If he acts in ways that sustain the just character of society, he does so because he wants to win the approval of his family, friends and associates by being a good lawyer. Insofar as he does not care about the just character of his society for its own sake, he remains immersed in a sphere of private concerns.

What brings people out of their immersion in the sphere of private concerns, according to Rawls, is their participation in *political life*. In a well-ordered society, “citizens who take an interest in political affairs, and those holding legislative and judicial and other similar offices, are constantly required to apply and to interpret [the principles of justice].”

They often have to take up the point of view of others, not simply with the aim of working out what they will want and probably do, but for the purpose of striking a reasonable balance between competing claims and for adjusting the various subordinate ideals of the morality of association.^{xii}

When citizens occupy political offices, they have to step out of the concerns that occupy them in their private lives, and consider larger issues that affect the interests of various groups. As they consider these issues, people come to see how they and the people they care about benefit from a social order that answers to the two principles of justice. Coming to see how the social order has cared for them and their loved ones leads people to

become attached to this order. They now want to preserve the social order by ensuring that it remains true to its organizing principles. So they now care about violations of the principles of justice, even when these violations would not affect anyone in their circle of family, friends and associates (though the fact that a violation would harm someone they care about would certainly heighten their indignation).^{xiii} And they want to prevent the violation of these principles, even in cases where they would not win any form of public recognition for trying to do so.

The problem with a liberal market POD is that only a small fraction of society is likely to spend any significant amount of time engaging in political activities under this arrangement. The number of legislators and judges in a modern society is relatively small, and even if we include other significant positions in the government bureaucracy (e.g. leading officials in agencies, such as the Department of Justice and the Federal Trade Commission), the total number of dedicated political offices is still quite small. Perhaps the most important political office in society is the office of “citizen” which all competent adults occupy. Rawls’s account of the development of a sense of justice seems to rely on participation in electoral politics to draw most people out of their sphere of private concerns. But he himself admits that, “in a well-governed state only a small fraction of persons may devote much of their time to politics.”^{xiv} In fact, a large body of evidence supports this pessimistic observation, both in terms of actual participation in electoral politics (e.g. voting, running for office) and virtual participation (e.g. knowing about candidates, party platforms, and so on). Taking the argument one step further, even if we could expect people to be more involved in electoral politics, it would still be doubtful that participation of this kind could pull them out of their immersion in the

sphere of private concerns. Electoral politics in a mass democracy is an especially weak form of socialization, and if people “quit their state of dependence just long enough to choose their masters,”^{xv} it is hard to see how this momentary involvement in public affairs could generate a fundamental change in their character.

Under a democratic corporatist POD, however, the sphere of political activity is greatly expanded. Most adults in a modern society are involved in the moneyed economy, and in a democratic corporatist regime, workers, managers and owners in an industry would participate in rule-making activities that would structure economic competition between firms. Participants in these activities would have to formulate a conception of their *legitimate interests*, that is, the interests that they could legitimately ask others to recognize within the context of a social order regulated by the two principles of justice, and this would require them to interpret and apply these principles. For example, when manufacturing associations and workers’ associations deliberate about job training and worker retention policies, they will have to formulate a conception of what they can legitimately claim of others in the context of a society that is committed to the ideal of fair equality of opportunity. Higher-level officials in representative associations would obviously have to engage in this kind of reasoning, but rank and file members would have to do so as well when they elect these officials.

The expansion in the scope of political activity under a democratic corporatist POD would substantially increase the degree to which people emerged out of the sphere of private concerns. As individuals deliberate about the merits of different ways of structuring the rules of competition within their industry, they come to see how they and their associates benefit from a social order governed by the principles of justice. Moreover,

they would see this in an especially concrete and specific way, as their deliberations would lead them to see how particular firms and particular workers benefit from these broader patterns of activity. The fact that these deliberations concern economic life is also quite important because of the prominent place that work occupies in people's lives. The experience of seeing how your career and the careers of your coworkers are sustained and supported by a just social order will have an especially powerful effect on your commitment to that order. As more people come to see how they and their associates benefit from a just social order under democratic corporatism, a much larger proportion of the population will form a deeper sense of commitment to a social order regulated by the principles of justice.

A natural objection that might be raised at this point is that if people do not participate in electoral politics at the national level today, why should we think that they would participate in rule making at the industry level? Why wouldn't people just sit back and allow officials in various associations make the rules for them? Note first that even if the level of participation in corporatist rule-making processes is the same as the level of participation that we see in legislative deliberations today, democratic corporatism would still represent an important step forward because it would greatly multiply the number of forums in which people would be called on to interpret and apply the principles of justice. But setting this point aside, I think that we *can* expect greater rates of participation in industrial rule making. Work occupies a central role in the lives of individuals in a modern society, and unlike deliberations about laws and policies at the national level, deliberations about the structure of an industry bear directly on the shape of people's work lives. This makes these deliberations *continuous* with the activities and concerns that occupy

most people for most of their waking hours. This continuity suggests that the rate of participation in industry-level rule making will be higher, as people will see these activities as an aspect of their job or career.

3. Democratic corporatism leads to better external circumstances

Recall that there are two main determinants of stability: the internal motivations of citizens and the external circumstances that shape the political impact that various groups will have. I have argued that a democratic corporatist POD would generate a more favorable set of internal motivations, and I will now argue that this type of arrangement would also generate a more favorable set of external circumstances.

The main way that a democratic corporatist POD would generate a more favorable set of external circumstances is by reducing the impact that unjust factions would have on the character of society's basic institutions.^{xvi} By an "unjust faction" here, I mean a group of people that is not adequately motivated by considerations of justice. In the most extreme case, an unjust faction will aim to deprive some portion of the population of their basic liberties—think here of the segregation movement in the United States. But in the less extreme case, an unjust faction simply seeks advantages that are inconsistent with the principles of justice. For example, manufacturers in a certain industry constitute an unjust faction when they seek legislation that would allow them to lower the wages of workers in their industry below the minimum level consistent with the principles of distributive justice. Even when our institutions generate a favorable set of internal motivations in the population, there will always be some people in society who are not

adequately motivated by considerations of justice, and this means that there will always be unjust factions in society.

Under most circumstances, unjust factions do not pose a threat: their lack of numbers makes it difficult for them to have an impact on the rules of social cooperation. But given the right external circumstances, unjust factions can pose a significant threat. Again, it will help to introduce an idea from de Tocqueville. Aristocratic societies typically contain many stable networks of associated individuals, tied together by bonds of loyalty and common concern.^{xviii} Feudal lords and noblemen sit at the head of a large organization, not unlike a family or clan, where large numbers of people stand ready to follow their orders. These networks are not always beneficial to those involved in them, but they serve as an important counterweight to the power of the state. Let's call a society that lacks significant networks of associated individuals who can act together in a coordinated way a *disaggregated society*. De Tocqueville believes that it is dangerous for society to fall into a disaggregated condition because the absence of organized groups will naturally lead to an oppressive expansion of state power. But disaggregation is dangerous for other reasons as well.

When society is in a disaggregated condition, unjust factions in society pose a greater threat to the just character of society's basic institutions. We can distinguish three different dangers. The first danger is that the unjust faction will simply overwhelm the rest of society. To advance a legislative agenda in a modern society, you have to mobilize a large number of people, and this requires an organization of individuals that is capable of acting together in a coordinated way. Suppose an unjust faction builds itself into an effective political organization in an otherwise disaggregated society. Once the faction

organizes itself, it will be in a position to advance its agenda, and since no one else in society is organized, the faction may succeed in advancing its agenda, despite the fact that most everyone else in society disapproves, simply because no one is organized enough to mount an effective opposition.

The second danger is that the unjust faction will be able to advance its agenda in secret. Governments in modern democracies are very complex, particularly at the level of various agencies and the various branches of state and local government. It is nearly impossible for an individual citizen to keep track of the whole apparatus and determine if society's basic institutions are evolving in ways that are compatible with the principles of justice. But in a disaggregated society, each individual must rely mainly on his own efforts to monitor the government. This opens perhaps the most important avenue for an unjust faction to advance its agenda: instead of trying to pass major national legislation, it may simply influence rule-making and rule-application at the level of, say, the Food and Drug Administration, the National Labor Relations Board, or the Occupational Health and Safety Administration. In taking this avenue, the unjust faction relies on the fact that people in a disaggregated society will not be able to keep track of all of the various facets of government, and so the faction's activities will go largely unnoticed.

The third danger is that an unjust faction will be able to secure its legislative victories against widespread opposition. Suppose that an unjust faction succeeds in advancing its legislative agenda in a disaggregated society. Even if the majority of people oppose the changes that the faction has made, they may not be in a position to respond effectively because they are isolated individuals who do not belong to organizations capable of coordinated action. Notice also that it takes time and energy to build isolated

individuals into an effective political organization, and especially in the early stages, organization efforts are vulnerable to disruption. This means that once a faction succeeds in making changes to society's basic institutions, it could secure these victories by using tactics such as intimidation and cooptation to prevent the majority from coalescing into an effective political movement.

Now the problem with a liberal market POD is that it takes no concrete steps to prevent disaggregation. Rawls believes once a framework of protections for the basic liberties is in place, people will develop a rich associational life as they each pursue their various conceptions of the good.^{xviii} This may be what leads him to think that no special measures are necessary to foster the formation of secondary associations in the economy. But modern capitalist democracies have seen a significant decline in associational life over the course of the latter half of the twentieth century, even in countries that have relatively strong protections for the basic liberties.^{xix} And even if we could rely on people's natural aspirations to produce a strong associational life within the framework of protections for the basic liberties, there is no guarantee that this process would lead to associations of the right kind. People may, for example, naturally form a civil society consisting of many manufacturing associations and almost no labor associations, and this would not be favorable to stability. Social institutions can play an important role in shaping the process of association so that it will produce a body of associations that can serve the purposes of stability and social justice,^{xx} but a liberal market POD does almost nothing to prevent disaggregation or to encourage the formation of associations of the right kind.

A democratic corporatist POD, by contrast, takes concrete steps to prevent disaggregation and to foster the formation of the right sorts of associations. The arrangement

explicitly encourages the formation of encompassing organizations that can represent the interests of important segments of society in various rule-making forums. These organizations can also coordinate the activities of their members, and by fostering the formation of a wide range of these organizations in civil society, democratic corporatism inoculates society's basic institutions against the three dangers associated with unjust factions.

Take each of the dangers in turn. First, under a democratic corporatist POD, it is much less likely that an unjust faction will be able to overwhelm the rest of society. Since society is not disaggregated, it does not consist of isolated individuals, but of many organizations that are capable of coordinating the efforts of their members. If an unjust faction builds itself into a capable political organization, it will have to contend with other capable organizations that can prevent the slide towards injustice. Second, under a democratic corporatist POD, it is much less likely that an unjust faction will be able to advance its legislative agenda in secret. Encompassing organizations that represent workers and owners have the resources to monitor the activities of rule-making bodies at many different levels of government, and this helps to close an important route that an unjust faction may take to advance its agenda. Finally, under a democratic corporatist POD, it is much less likely that an unjust faction would be able to secure its victories against widespread opposition. When society consists of many significant organizations, it is much easier for the majority to coalesce into an effective political movement because the process of self-organization does not start with isolated individuals, but large and established organizations.

4. Conclusion

I have argued that a democratic corporatist POD is preferable to a liberal market POD from the standpoint of Rawls's own conception of stability. First, a democratic corporatist arrangement would generate a stronger and more widespread commitment to the principles of justice because it would expand the sphere of political activity in society and thereby draw more people out of their immersion in the sphere of private concerns. Second, it would limit the political influence of unjust factions because it would increase the overall level of political organization in society and thereby make it harder for an unjust faction to advance its legislative agenda. It follows that even if Rawls is right that a liberal market POD is compatible with the principles of justice, his theory still implies that we have a powerful reason to adopt a democratic corporatist POD that conforms to the principles of justice because this arrangement is more likely to preserve its just character in the face of a wide array of challenges, such as a globalization, economic downturns, and natural disasters.

I want to conclude by considering a pair of objections. The first objection draws attention to the fact that a social arrangement can expand the scope of political activity and increase the level of social organization through measures that operate outside of the economic sphere. For example, instead of expanding the scope of political activity through corporatist deliberation, an arrangement could do so by encouraging civic engagement in town hall meetings, local school councils, and community based policing efforts.^{xxi} And instead of increasing social organization by encouraging the formation of associations that represent capital and labor, an arrangement could do so by encouraging

the formation of various ethnic, religious and cultural organizations. With this in mind, someone might argue that a liberal market PDO could be as attractive as a democratic corporatist POD from the standpoint of stability, so long as the arrangement adopted the rights sorts of measures to expand political activity and increase social organization outside of the economic sphere.

The problem with this objection is that it does not come to terms with the fact that the economic sphere occupies a distinctive position in modern social life. Most people spend most of their waking hours at work, and they form many of their most important relationships there. An expansion of political activity in relatively peripheral arenas, such as town hall meetings and local school councils, is not likely to have as powerful an effect on people's motivations as an expansion of political activity in the work world. By the same token, the power to shape the rules of social cooperation is strongly connected in our society with the ability to control economic resources. As such, it is hard to see how a society could control the influence of unjust factions without taking special measures to prevent them from dominating the economic arena. The basic point is that measures to expand the scope of political activity and to increase the level of social organization must penetrate the economic sphere in order to have a substantial impact on stability.

The second objection accepts that the economic sphere is distinctively important, but takes issue with the measures I have described for expanding the scope of political activity and increasing the level of social organization in this sphere. In particular, the objection contends that a social arrangement should incorporate measures to encourage workplace democracy and worker-managed firms, neither of which figure as elements of

a democratic corporatist POD.^{xxii} Here I will only say that democratic corporatism presents us with a realistic model for how we might expand political activity and increase social organization in the economic sphere. We know that this model can be implemented in advanced capitalist democracies on a large scale because many countries in Europe already incorporate elements of it into their basic institutions. There is also empirical evidence that societies that adopt elements of democratic corporatism tend to distribute economic resources in a more just way.^{xxiii} To make the case for workplace democracy, its advocates would have to show that these mechanisms add something to the model. Democracy in the workplace would have to make an appreciable contribution to stability, either in terms of generating a stronger commitment to social justice or in terms of controlling the influence of unjust factions. Given the extent to which democratic corporatism already expands the scope of political activity in the economy and fosters the organization of different groups, it is not clear what exactly workplace democracy would add.

ⁱ John Rawls, *Justice as Fairness: A Restatement* (Cambridge, MA: Harvard University Press, 2001), 178-9.

ⁱⁱ Rawls sometimes says that where social justice is silent, practical considerations should guide us. In *A Theory of Justice*, for example, he says that the principles of justice as fairness are compatible with both public and private ownership of the means of production, so the choice between these alternatives should be made in light of a practical assessment of society's actual "circumstances, institutions, and historical traditions" (John Rawls, *A Theory of Justice*, revised edition (Cambridge, MA: Harvard University Press, 1999), 248). But Rawls also acknowledges that more substantive considerations may figure into our reasoning when justice itself is silent. In *Justice as Fairness*, Rawls considers the Marxist view that a POD is objectionable because it does not give prominence to democratic forms of government in the firm or the economy more generally. His response is not that practical considerations should decide the issue, but that considerations of stability may be relevant here:

"Would there be advantages from [subsidizing worker-managed firms] that could be justified in terms of the political values expressed by justice as fairness [...] For example, would worker-managed firms be more likely to encourage the democratic political virtues needed for a constitutional regime to endure? If so, could greater democracy within capitalist firms achieve much the same result? I shall not pursue these questions. I have no idea of the answers, but certainly these questions call for careful examination. The long-run prospects of a just constitutional regime may depend on them." (Rawls, *Justice as Fairness*, 178-9).

ⁱⁱⁱ For the basic features of the codetermination system, see Herbert Wiedemann, "Codetermination by Workers in German Enterprise," *The American Journal of Comparative Law* 28 (1980): 79-82; Sigurt Vitol, "Varieties of Corporate Governance: Comparing Germany and the U.K.," in *Varieties of Capitalism*, ed. Peter A. Hall and David Soskice (Oxford: Oxford University Press, 2001): 337-60; and Jonathan Charkham, *Keeping Better Company: Corporate Governance Ten Years On*, 2nd ed (Oxford: Oxford University Press, 2005).

^{iv} Here I adapt Rawls's description of a stable equilibrium state. See *A Theory of Justice*, 399-401.

^v Stability is a derivative value in the sense that we have reason to value stability in social arrangements that are valuable for other reasons. For example, we have reason to value stability in a just regime because justice is important, but we have no reason to value stability in an unjust regime. In fact, we should choose a *less* stable unjust regime over a more stable one, since the injustice is more likely to collapse over time.

^{vi} Rawls, *A Theory of Justice*, 415.

^{vii} Rawls, *A Theory of Justice*, 405-19.

^{viii} De Tocqueville, Alexis, *Democracy in America*, ed. J. P. Mayer, trans. George Lawrence (New York: Harper & Rowe, 1969), 506.

^{ix} De Tocqueville, *Democracy in America*, 506.

^x Rawls, *A Theory of Justice*, 414.

^{xi} Rawls, *A Theory of Justice*, 206-13.

^{xii} Rawls *A Theory of Justice*, 414.

^{xiii} Rawls *A Theory of Justice*, 416.

^{xiv} Rawls *A Theory of Justice*, 200.

^{xv} De Tocqueville, *Democracy in America*, 693.

^{xvi} James Madison famously discusses the problem of faction in *Federalist 10*. He argues that a large and diverse democracy is less susceptible to the dangers posed by unjust factions because it is harder for any kind of majority coalition to emerge and make changes to the laws in a society where there are many different groups with very different goals and values. (See James Madison, "The Federalist No. 10," in *The Federalist* (Cambridge: Cambridge university Press, 2003): 40-46). Madison does not pay much attention to the danger posed by unjust *minority* factions because he believes that majoritarian institutions will limit the impact of minority groups. But, as I have argued, there are many examples in the twentieth century of minority factions that were able to advance unjust legislative agendas because society was in a relatively disaggregated condition. Democratic corporatism addresses the danger posed by minority factions by empowering more groups in society to assert themselves in the political forum, thereby making it harder for any minority group to advance its agenda when the rest of society disapproves.

^{xvii} De Tocqueville, *Democracy in America*, 514.

^{xviii} Among the factors that generate a rich associational life are (1) the social nature of many human goods, (2) the role of the Aristotelian principle in guiding us to more complex and demanding activities, and (3) the role that social recognition plays in supporting our self-respect. See *A Theory of Justice*, especially §§65, 67 and 79.

^{xix} For the decline of associational life, see Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000).

^{xx} Cohen and Rogers also emphasize the importance of taking measures to foster the right kind of secondary associations in civil society. See Joshua Cohen and Joel Rogers, "Secondary Associations and Democratic Governance," ed. Erik Olin Wright, *Associations and Democracy* (London: Verso, 1995): 7-98.

^{xxi} The classic study of democracy in town councils is Jane Mansbridge, *Beyond Adversary Democracy* (Chicago: University of Chicago Press, 1983). For a discussion of local school councils and community based policing, see Archon Fung, *Empowered Participation: Reinventing Urban Democracy* (Princeton: Princeton University Press, 2004).

^{xxii} For a discussion of worker managed firms and workplace democracy, see John Stuart Mill, *Principles of Political Economy* (Oxford: Oxford University Press, 1994), book IV, chapter VII; Carol Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1976); and Carol Gould, *Rethinking Democracy: Freedom and Social Cooperation in Politics, Economics and Society* (Cambridge: Cambridge University Press, 1989).

^{xxiii} See Arend Lijphart, *Patterns of Democracy* (Yale University Press, 1999), especially 293-300; and Peter A. Hall and David Soskice "Introduction" in *Varieties of Capitalism*.