

How to Democratize the Economy

Combining Democratic Theory and Critical Political Economy

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►► **Abstract:** This issue of *Democratic Theory* aims to contribute to critical social science by bridging the gap between democratic theory and critical political economy (CPE). Despite a common grounding in a normative commitment to emancipation, these fields have lately spoken past each other. Democratic theory is relatively voluntarist, focusing on the realization of normative principles through institutional design. However, it has often overlooked capitalism's influence on democracy, and accepted the artificial separation of the political and economic realms in ways that constrain the possibilities for democratic expansion. CPE, on the other hand, has developed realist and historical analyses of capitalist constraint and dynamism. It can offer a structural compass for democratic theories' interventionist energies, while also being moved beyond pure critique by them. The central theme of this issue, "democratizing the economy," shifts the focus toward a deeper exploration of the potential for democratic designs to transform economic structures.

►► **Keywords:** capitalism, critical political economy, democratic theory, economic democracy, participatory and deliberative democracy, social reproduction

This special issue of *Democratic Theory* seeks to establish a closer conversation between the fields of democratic theory and critical political economy. As scholars concerned with both fields, we think that, in combination, the perspectives they offer can help cover several of their respective blind spots.

On one hand, democratic theory has evolved into a mostly norms-driven and interventionist field, informing proposals for institutional design that usually seek to move government institutions toward the uptake of a range of techniques for citizen engagement such as deliberative mini publics, participatory budgeting, and citizen oversight committees. Meanwhile, democratic theory continues to take capitalism for granted



(Pateman and Smith 2019) by not going much further than mentioning the problematic sociostructural conditions that have adverse impacts on democratic processes rather than developing concrete and prescriptive solutions about how to democratically address the crises of capitalism.

By contrast, critical political economy (CPE) has a rich theoretical and empirical history of defining the dynamic social relations and structures of capitalism across different political, institutional, and geographical systems and scales. It favors realist, historical, and materialist analyses that are broadly focused on understanding the dynamics and evolution of social formations within, and beyond, capitalism. Thus, an injection of critical political economy can serve to produce a form of democratic theorizing that does not accept capitalism as an immutable background condition (Pateman 2012) but one that questions how capitalism's existing organization shapes and even threatens democracy (Davidson and Judah 2023) and how democracy contributes, and might contribute, to reshaping or transcending capitalism.

However, CPE has its own omissions concerning the capitalist economy and democracy. On the one hand, a large body of feminist literature critiques the field's rather limited understanding of paid labor and work, in favor of recognizing how social reproduction is vital to capitalist development (Bakker 2007). In response, social reproduction theory has broadened the scope of the discipline to take on such concerns (Battacharya 2017; for a review and critique see Rey-Araujo 2023). This has also influenced Nancy Fraser's work, which heavily influences our take on democratizing the economy. On the other hand, political economy analyses often rely on "minimalist" (Przeworski 1999) accounts of representative democracy that do not fully grasp the dynamic nature of democratic systems (Hall 2021), especially as they interact with different forms of popular participation beyond electoral institutions (Dryzek 1996). The literature that comes closest to CPE from a democratic standpoint focuses on economic democracy (e.g., Block and Hockett 2022; Cumbers 2020; Harris and Jervis in this issue; Thorpe and Gaventa 2020). Nonetheless, while the economic democracy strand of CPE has presented more expansive notions of economic governance, it has only really begun to engage with what is perhaps the major subfield of democratic theory, that is, participatory and deliberative democratic (PDD) scholarship.

Despite democratic theory and CPE speaking past each other, there is an opportunity to think about what we would want both fields to learn from one another so that they may move forward with an integrated approach to address pressing challenges. We think that democratic theory, which offers both obvious junctures (e.g., participatory and deliberative practices) as well as numerous hidden abodes of practice (e.g., subtle but

radical acts of worker resistance to capital owners), can help CPE move beyond a focus on critique and constraint. Our hope is that, in so doing, CPE can “land” its systemic focus by considering which kinds of designs and initiatives – drawn from a deeply pluralist framework for democratic theory¹ – can increase democracy and freedom in, for example, existing workplaces, financial instruments, and economies at various scales.

Critical political economy, on the other hand, can provide a useful structural compass for democratic theory so that it may focus on areas of life that are socially consequential but have been conventionally beyond the remit of the reform ambitions developed in the field (Bua 2022). This, for example, includes the distribution of effective political and social rights in workplaces and meaningful participation in economic regulation.² But to facilitate a useful and forward-thinking learning exchange, the main goal should be about more than democratizing existing economic institutions within a western liberal democratic model. Both democratic theory and CPE are moving in novel directions, the former toward redefining what democracy is from a plural, cross-cultural perspective, and the latter away from traditional economic processes, toward elevating hidden abodes like care work, home life, and the environment.

We have chosen “democratizing the economy” as the theme for this exchange, because it is an area of inquiry that necessarily confronts democratic theory with capitalism, shifting the kinds of practical proposals for institutional reform developed in the field to an arena that promises a more substantial deepening of democracy. In this introductory article, we make the case for a closer integration of *Kapitalkritik* and democratic theory. We then consider what it means to “democratize the economy,” arguing for an expanded understanding of aspects of the economy that need to be democratized. This work builds on Nancy Fraser’s (2022) topography of the capitalist social formation most recently articulated in *Cannibal Capitalism*. This is due to its prescient historical analysis and mordant accuracy of what is presently at stake politically, economically, and socially. Lastly, we point toward how different facets of the economy might involve the public in making important decisions about them in different economic and non-economic spheres, even undoing them through competition from vibrant democratic cooperatives and community-driven land and food sovereignty projects.³

The Need for Integrating *Kapitalkritik* and Democratic Theory

Kapitalkritik is an epistemological method for critiquing capitalist political economy that builds on the work of Karl Marx. While we do not delve

deeply into this literature, it is worth noting that *Kapitalkritik* (or the critique of capitalism) aims to go beneath the surface of economic processes to uncover the inner workings of the capitalist system that might lead to conceiving of a world that is quite different from the present (McNally 2006). *Kapitalkritik* starts from an understanding that capitalism is not static but dynamic and constantly evolving, like a virus (Fernando 2020; Ladha and Kirk 2016). The ongoing transformation of capitalism is rooted in social relations, which leaves open new opportunities to reinterpret and reformulate the foundations of the capitalist system (Harvey 2018).

Kapitalkritik proliferated in the twentieth century but seems to have waned in the new millennium. One reason for this decline is that it has heavily relied on dense and overly abstract academism that un-ironically took certain background conditions of capitalism for granted. Nonetheless, there has been a push toward expanding the base of what CPE entails, along with a concerted focus on concrete, practical local democratic solutions to capitalism's problems (see, for example, Kelly and Howard 2019). "But Fraser (2014) highlighted that this had not primarily been the case, noting a conundrum with the reappearance of capitalism in the last decade:

Capitalism is back! After decades in which the term could be found outside the writings of Marxian thinkers, commentators of varying stripes now worry openly about its sustainability ... Nevertheless, the current boom in capitalism talk remains largely rhetorical ... Thanks to decades of social amnesia, whole generations of younger activists and scholars have become sophisticated practitioners of discourse analysis while remaining utterly innocent of the traditions of *Kapitalkritik*.

Fraser offers an engaging observation, that specifically targets democratic theory. That is, there has been a proliferation of scholarship on discourse analysis and deliberative democracy, but this literature offers no substantive contribution to a critical theory of why capitalism fails to meet human needs and what democracy and deliberative discourse might do about it (Pateman and Smith [2019] raised similar concerns). Fraser leads us toward a modern notion of *Kapitalkritik*, something that is multidimensional and that can go beyond the "official" economy. She not only strives to understand economic processes and relations within workplaces and broader systems of production and exchange but expands these into "hidden abodes," such as reproductive work, which we will delve into below, and she also considers how these interconnections overlap with democracy and decision-making.

While the early-mid twentieth century was a unique period in western history because the shifting tides of working-class political power

facilitated a conducive environment for the theoretical development of a more democratic economy, the interests and strength of capital managed to rearrange the political terrain in favor of market privatization, deregulation, and financialization (Streeck 2013). We think this concomitantly impacted the ability of democratic theorists – themselves caught in this political torrent – to create new normative foundations against the rising tide of neoliberalism and corporate capitalism.

Comparative historical research did take capitalism and democracy as something requiring critical social scientific research rather than normative thinking (Moore 1966; Rueschmeyer et al. 1992). This literature provides empirical examples of how class coalitional alliances and democratic mobilization within cabinets and legislatures determines the different social and economic policy trajectories across OECD countries (Esping-Anderson 1990; Korpi and Palme 2003). This type of research had a prolific foundation until the end of the 1990s.

After the fall of the Berlin Wall, there was a brief interregnum where the post-socialist condition brought about a need to analyze the possible connections and contradictions of the relationships between democracy, the state, politics, and economics (for example, see Dryzek 1996; Fraser 1997). However, in the democratic theory of the time, this incipient reappearance of a critical and materialist tradition was elided in a debate between two dominant approaches to democratic theory: deliberative and agonistic conceptions of participation.

On one hand, deliberative democracy (Bohman 1996) has evolved into a sophisticated research program focused on institutional design (Elstub and Escobar 2019; Smith 2009). Perhaps mirroring the Habermasian distinction between “system” and “lifeworld” where issues of economic management are conceptualized as part of a largely self-regulating “system,” which can be affected by the lifeworld through democratic legal processes (Habermas 1996; for a critique, see Klein, 2020), the deliberative agenda has focused mainly on government institutions often based on proceduralist understandings of democracy. On the other hand, radical pluralists such as Chantal Mouffe (1999) have critiqued deliberative theory for oppressing difference through its pursuit of (false) consensus. Based on a “post-Marxist” critique of class analysis (Laclau and Mouffe 1985), the approach views the institutionalization of democratic agonism across multiple and fluid identities as a motor for democratic progress. While its proposals for institutional design are not as developed as in the case of deliberative democratic theory, the focus on politics and conflict arguably gives agonism more traction when applied to real world settings, as in the paradigmatic case of the Spanish party Podemos’s populist political strategy (Errejon and Mouffe 2016). However, the post-materialist

ontology and rejection of class agonism constitutes an “oblivion of political economy” (Rey-Araujo 2019), which severely weakens political strategy because of the lack of a theory of capitalist dynamics that can be used to identify and explain shifting configurations of political windows of opportunity (Cancela and Rey-Araujo 2023).

The upshot of this rejection of political economy is that much democratic theory labors under a “politicism” (Fraser 2018; see also this volume) that blinds it to the causal force of extra-political factors, especially those considered to form part of the “economic” realm. This perpetuates the artificial separation of the political from the economic, a mystification that is foundational to the molding of democracy to private accumulation (Wood 1995).

We therefore think that there is a need for an integration of the traditions of critical political economy and democratic theory. Critical political economy can provide important theoretical and strategic orientation for the impressive reforming energies of democratic theory. It can help unveil how capitalism molds the contours of democracy, underscoring how economic power dynamics affect democratic processes and the exercise of citizenship thus aiding in our comprehension of (de)democratization dynamics. Further to this, it can help democratic theory better identify and analyze power dynamics and associated windows of opportunity, increasing its ability to develop interventions that can move democracy beyond existing confines and deepen it where it already exists (see Bua and Bussu 2021, 2023).

At the same time, engagement with democratic theory can be productive for critical political economy. Many CPE analyses focus on identifying structural constraint and movement. While this is essential to charting terrains for effective politics, it can convey a capital-centric view of the world, which confers too much power upon it (Gipson-Graham 2006). This can reduce space for democratic agency and produce fatalism (e.g., Fischer 2009; Streeck 2016). Moreover, critiquing the empirical and normative structures of capitalist relations, institutions, and processes, while an important intervention, is not enough for current circumstances. The sharpening and overlapping economic, political, and ecological crises (Callinicos 2023) demand both critique and proposition. While numerous indigenous and non-western models of democratic practice can help here, participatory and deliberative democratic theory can arguably help the most as they are not only more developed in terms of conventional academic focus, but they are also more widely known and thus generally accepted.

Participatory and deliberative democratic theory provides a rich legacy of thought on the opportunities and difficulties of realizing democratic processes in real life circumstances. It has developed answers to

important questions such as: formalizing participatory input and what public decision-making encompasses (Courant 2022); creating inclusive spaces that reflect racial and demographic diversity (Pin 2020); generating epistemic conditions for learning and informed decision-making (Suiter et al. 2021); ensuring that public spaces avoid domination of underrepresented populations (Özçelik 2022; Schäfer and Merkel 2023); striking a balance between disagreement and constructive dialogue (Maia et al. 2020); mitigating power imbalances between elites (economic, political, or bureaucratic) and a participating public (Bherer et al. 2016); decision-making processes and the implementation of final outcomes (Scudder 2020); and reconciling the endemic concerns about geographical scale and the representation or inclusion of broad populations (Vlahos 2023a).

There is therefore great scope for research and practice at the intersection of CPE and contemporary democratic theory. One of the aims of this issue is to exemplify this potential. We now turn to explaining the possibilities this intersection opens when thinking about democratizing the economy.

What Does “Democratizing the Economy” Mean?

Ellen Wood (1995) convincingly argues liberalism’s claim to democratic status rests on bracketing off the economic realm from citizenship into an autonomous and supposedly self-regulating sphere. The paradoxical nature of this is demonstrated, for example, by Yi-Ting Wang’s (2023) establishment of a close association between support for democracy and economic performance. Various scholars have argued that the full realization of democracy requires the rearrangement of economic relations (Macpherson 1942), because capitalism has prevented the promise of political democracy (equality before the law, adult franchise, periodical elections, responsible government, freedom of speech, etc.) from fully securing people’s self-development (Dahl 1986). The consequent devaluation of democracy generates problems that democratic theorists have often tried to solve through recourse to economic democracy.

Economic democracy has coincided with calls for an expansive welfare state, understanding that state intervention in the market had lessened aspects of economic inequality. Yet by and large there has not been any substantive democratization of economic governance. Herein lies one difference between advocates of the best way to address the capitalist economy: for some, there must be the full socialization of productive property, and for others, democratic states should increase their

regulatory control over all spheres of economic activity and therefore make economic power more publicly rather than privately distributed.

For C. B. Macpherson, both approaches contain nuanced challenges in practice. Regarding the former, there are potential issues with the ability to establish and maintain a democratic order if any significant redistribution of property were to take place, and in terms of the latter, the assumption of greater state control could lead to problems with greater concentrations of executive power. Ultimately, Macpherson advocates for a participatory model at both the political and the industrial level that involves developing units of democratic organization with a wide scope of empowerment, involving the state, workers, and unions (for one take on democratizing state-owned enterprises, see Whiteside and McBride in this issue).

The role of a political economy in Macpherson's definition of economic democracy is prescient because over time there has been a large emphasis on cooperative enterprise and industrial democracy without a larger focus on the political arena and the role of the state in facilitating a more democratic economy. Democracy in the workplace is indeed a crucial pillar of a democratic economy. Its importance in social life led democratic theory pioneer Carole Pateman (1970) to choose it to test arguments related to the democratic value of participation. But it is by no means the only one. Contemporary work on democratizing the economy casts a wider gaze. For example, Nadia Johannisova and Stephan Wolf (2012) define economic democracy as a "system of checks and balances on economic power and support for the right of citizens to actively participate in the economy regardless of social status, race, gender, etc." They place an emphasis on regulating market mechanisms and corporate activities, supporting social enterprises, addressing the role of money creation and banking, and reclaiming the commons. Johannisova and Wolf indicate the need for participation to be placed at the center of a definition of economic democracy, though an outline of what that participation entails is not fully developed.

Recently, Jodie Thorpe and John Gaventa (2020) specifically focused on participation in economic governance with the intention of establishing a more people-centered economy. They focus on participation in business decision-making, in government economic policymaking, and in community-based and cooperative economies. Gaventa and Thorpe use dozens of case studies to determine enabling conditions for participation in economic governance, including distributed authority and decentralization of decision-making rights, mobilization via individuals and social movements to create or open governance spaces, and then

working together through networks and coalitions that span across geography. Relatedly, Andrew Cumbers (2020) developed an economic democracy index deriving from 32 OECD countries, including variables concerning gender rights, workplace participation, firm level collective bargaining, industrial democracy, and participation in public policy formation. Thus, the ambit of what economic democracy must include is now much broader than in the past, and moreover, the types of participation in these realms of economic decision-making are also being increasingly explored and defined.

The approaches above, however, portray a tendency to think about the economy in traditional notions of production, exchange, and distribution. Instead, we call for an expanded approach that focuses on the relationship between capitalism and other features of the social totality. Whereas traditional economic liberalism theorizes “the economy” as separate from “non-economic” areas, we rely on a broader conceptualization of the economy that recognizes that economic activities are deeply embedded within social relationships, power dynamics, cultural norms, nature, and so forth. Most obviously, workers require social reproduction through caring work; nature necessitates replenishment, market exchange demands state regulation, and taxation’s outcomes require both greater transparency and accountability – perhaps even direct control by taxpayers themselves (Gagnon et al. 2022).

In this respect, we follow Fraser’s (2022) depiction of capitalism as a social order oriented toward profit, enabled by a range of background and foundational conditions that make its existence possible but with which it has a contradictory relationship (see Bonfert in this issue for more). The capital-labor relation and questions of production are certainly central to our concerns. Indeed, it is an enduring insight of Marxism that the exploitative nature of capitalist social relations must be understood by going beyond the surface of economic exchange, to the “hidden abode” of production. However, we heed Fraser’s (2014) call to look “behind Marx’s hidden abode” where we find capitalism’s relation to the historical and continued appropriation/expropriation of gendered, indigenous, and racialized labor as well as the environment. Fraser (2022) argues that these traditionally “non-economic” spheres produce enabling conditions that are essential to the existence of “the economy.” It is a key task of contemporary critical theory to understand their imbrication, or, how they overlap to form structure(s) and dynamic(s).

The hunt for profit drives capital to extend its influence beyond economic boundaries and into spheres of life usually considered to be

non-economic. Left to its own devices, capitalism cannibalistically feeds upon its background conditions of possibility in ways that generate myriad crises (Fraser 2022; Jobin 2023). It does so by expanding and deepening commodification, advancing in disregard for the reproductive necessities of the political, natural, and social systems that embed economic production and exchange. These systems are turned into inputs that are not necessarily replenished. In their consequent depletion lies much of capitalism's destructive character (Fraser 2022).

The hunt for profit is at best impervious to the influence of, and at worst actively promotes the imposition of, economically rational logics arising from capitalist social relations upon the social totality. As such, it has played a colonizing role, casting the experience and institutions developed by colonized peoples as backward and irrelevant to modernity and progress, and spreading an economic rationality that is corrosive of tradition and culture as well as of democracy (Dryzek 1996). By contrast, we can reorient our relationships and embed them within communities by drawing upon other epistemologies. For example, Shalene Wuttunee Jobin (2023) describes the *nehiyawak* (Cree Peoples) economic relationships through concepts like *wâhkohtôwin* (norms guiding relationships, such as in trade or taking from the land), *miyo-wîcihitowin* (living well together), and *mâmwî-hitêyihitamowin* (thinking about all in any action). As Jobin writes, the *nehiyawak* approach leads economics to not be about extraction or surplus revenue and the accumulation of capital. Rather, Jobin argues that economic relations should be about whether help can be offered to those in need (such as a neighboring nation who might starve in winter due to a crop or resource failure earlier in the growing moons), about whether great grandchildren will have clean water to drink and healthy soils to grow their food from, about whether specific ceremonial cycles were conducted and the right prayers said and rituals of respect performed when taking from the earth during, for example, a hunt or harvest. These cycles, prayers, and rituals are often designed to rein in, limit, and even deny human interference in the environments in which they live.

Such a conception of the economy advances the reproductive necessities of political, natural, and social systems. Here, economic activity is at the service of background conditions (rather than the opposite), forging a harmonious relationship with them. It seeks to de-commodify life, allowing individuals to exercise agency without depending on the circulations of capital. Thus, a comprehensive view of democratizing the economy will involve normative theorizing and prescriptive analysis of the economy and its background conditions of possibility areas as well as what Fraser (2022) refers to as boundary struggles.

What Type of Democratic Participation Is Needed in the Economy?

Democracy offers a powerful source of solutions for addressing challenges associated with modern capitalist economies. By drawing knowledge and input from all segments of society into regulation and policy, democratic processes and regulation can check or prevent the reckless depletion of the background conditions that make economic production possible. Contemporary democratic theory is useful insofar as it moves beyond the understanding of democracy as merely representative government and periodic elections. Democracy also embodies the ideals of participation by all (including nonhumans, see Asenbaum et al, [2023]), radical inclusivity, and collective agency, emphasizing the importance of decisions being made collectively, with meaningful input and control over the decision-making process by all affected. It promotes open dialogue, deliberation, contestation, and negotiation, fostering an environment where diverse perspectives and interests are respected across various social contexts. From personal relationships to workplaces and communities, involving private and common ownership, it invites us to find the kinds of politics and institutional forms that can best carry this emancipatory potential.

One immediate way for democratic theory to inform how we might better think about democratizing these spheres of economic and non-economic processes is to take a participatory and deliberative democratic approach to thinking about how to design and govern various facets of a capitalist economy. Some examples of this include examining the role of the public in governing affordable housing via community land trusts (DeFillipis 2004), land planning and development through anchor institutions and digital platforms (Valance et al. 2020), sortition in workplaces, cooperatives, and stakeholder initiatives (Pek 2023), democratizing finance (Mellor 2022), democratizing supply chains (Reinecke and Donaghey 2021), establishing systemic deliberative political economies (Vlahos 2022), devising tools for publicly determined taxation spending (Gagnon et al. 2022), national participatory budgeting of capital investment (Falanga 2023), municipal budgeting and policy generation via online platforms such as *decidim* (Balcells et al. 2023), and grassroots food sovereignty actions such as Hawai'i SEED. The diversity of practices ranges from open participation in neighborhood forums, municipal policy generation, and national budgeting allocations, to sortitional processes within industrial spaces and relations at domestic and international levels.

The amorphous nature of the different spheres of the economy raise inevitable questions about what types of participation are needed for

certain contexts. The use of deliberative minipublics has been one of the increasingly talked about mechanisms for establishing informed publics and having cross-sections of geographical communities deliberate and make recommendations on important issues. Tetsuki Tamura (2023) has outlined the normative conditions for sortition to be used to reconcile contradictions between capitalism and democracy specifically thinking about a potential conflict in shifting from class-based party mobilization to the participation of randomly selected individuals that might not share the same viewpoints on the economy. By contrast, the open forums that are used in online platforms like *decidim*, participatory budgeting, community land trusts, and other land planning and development practices led by credible anchor institutions indicate that these different types of situations, contexts, and scales bring up a plethora of lessons regarding how to involve the public in forms of decision-making, and possibly how to combine multiple democratic innovations to serve overlapping needs (e.g., Hendriks 2023).

Some of the lessons are design challenges in terms of how to do outreach, whether that includes encouraging people with a vested interest in a local, regional, or national community to show up to participate in open spaces or by engaging in a public forum through a random selection process. Other lessons involve linking different types of formal and informal networks to each other to cut across boundaries, sectors, and geographical scales. The political and geographical nature of space and place brings up questions of how to both connect people across jurisdictions, but also to think about ways decentralized forums and centralized frameworks allow for differently embedded systems of decision-making. Moreover, we still need to normatively outline the foundations of what we would expect empowered participation in the economy to entail, including how to avoid marginalization, how to engage underrepresented groups, mitigating elite expectations/capture, preventing the creep of external influences within participation spaces, securing actual agenda setting and implementation authority, and so forth.

Another way for democratic theory to contribute to democratizing the economy is to outline spheres of activity that require injections of horizontal decision-making. Building on Fraser (2022), these include an economic sphere, a cultural and reproductive sphere, a natural sphere, and lastly, a political sphere.

First, the “economic sphere” is directly related to the broad array of (sectoral) institutions, processes, and relations that govern the production, distribution, and consumption of services and goods. For our purposes, it encompasses the transactions and relations that occur at the

point of production and exchange. This includes the internal organization of enterprises from “shopfloor” to higher level managerial decisions. We might see proposals for full worker ownership to different kinds of consultation in firm decision-making, alternative forms of enterprise arising from, for example, the social and solidarity economy (Utting 2015) and other community-driven economic initiatives. In a democratic economy, the economic sphere is subject to democratic governance, ensuring that economic decisions prioritize the well-being of individuals and communities rather than profit maximization.

Second, the “cultural and reproductive sphere” involves the norms, customs, ideologies, and practices related to human interactions, care, sexuality, reciprocity, and identity, such as race, ethnicity, and gender. It encompasses values and practices that influence economic behavior, such as attitudes toward consumption, work ethic, and social expectations regarding economic success. It recognizes that while cultural factors are influenced by economic relations, they also shape the economy. In this sense, a democratic economy is one that does not subjugate culture to economic or status hierarchies, but one that facilitates equal interchange between identities and groups, enabling cultural inclusion, and the recognition of diverse perspectives. Importantly, it is one that provides socially reproductive goods and time outside productive and socially reproductive activities without relying on commodification or hierarchies based on status or gender to distribute goods such as free time, education, social networks, and other forms of cultural capital.

Third, the “natural sphere” refers to the natural environment and ecosystems that provide resources and services essential for economic activities. At the most abstract, it relates to the tensions and crises originating from the metabolic rift between humanity and nature that capitalism has produced (Malm 2015). It thus recognizes the interdependence between the economy and the environment, and captures environmental and ecological concerns, including climate change, green growth, degrowth (see Cohen and Durrant in this issue), and the preservation of nature. Given the interest that people have in a thriving, livable planet, we can expect preservation and the sustainable use of resources to be paramount in a democratic economy. Participatory processes here have aimed to address environmental challenges, promote sustainability, and ensure responsible management of natural resources. Examples include climate action planning, participatory environmental impact assessments, and community-driven ecological restoration projects.

Finally, the “political sphere” relates to the processes and institutions through which binding collective decisions are made and enforced. This

category includes state regulation of the economy, from rules concerning the employee–employer relationship to macro-economic policy, and the rules establishing practices and roles within economy, state, and community. The political sphere has an important role because it carries collective forms of power that can regulate accumulation and enforce cultural norms. For this reason, it has been a key focus of the energies of democratic reformers, from struggles to abolish slavery, to struggles over the length of the working day, the establishment of collective provisions though the welfare state and current struggles to institute green forms of socioeconomic development.

By adopting an expansive view of both democracy and the economy we recognize the intricate interplay of individual and collective agency within various economic and non-economic spheres. “Democratizing the economy” then emerges as a deeply transformative and de-commodifying endeavor (Vlahos 2023b). If participation in various social and economic spheres have a formative way to transmit and implement ideas in collectively determined ways (Dryzek 2010), it can reshape the economic landscape to align with democratic principles, whereby power is distributed, decisions are collective, and the well-being of individuals and communities takes precedence over profit-driven imperatives. There is hope to improve people’s impressions of their political system, which may participate in the calming of both populism and polarization (Park-Ozee 2023). But, as Nancy Fraser (in these pages) highlights, to democratize the large project of decision making about how to draw the line between the market and the state, we must broaden the scope of consequential choices that often concern only delimited economic domains toward thinking about the totality of societal design. In this way, “democratizing the economy” stands as a vital step toward reorienting our societal values and priorities, ensuring a more equitable, democratic, and sustainable future.

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► NOTES

1. For more on this pluralist framework for democratic theory, see the ECPR's short essay series on the "sciences of the democracies." *The Loop: ECPR's Political Science Blog*. <https://theloop.ecpr.eu/?s=%F0%9F%A6%8B> (accessed 10 February 2024).
2. See the recent Citizen Economic Council on the Cost of Living, held in the UK, which gave participants the opportunity to deliberate on in depth questions of economic policy making (Holmes et al. 2023).
3. For example, the Semco corporation in Brazil, the Cree8 Worker Cooperative in Flying Dust, Saskatchewan, and Democracy Collaborative's work in the United States. It should be noted that a recent survey of 14 cooperatives in Germany by Ronald Hartz, Markus Tümpel, Melanie Hühn, and Irma Rybnikova (2023) found that all are imperfect democracies "where members need to process the social and economic dimension and negotiate the democratic spirit in face of oligarchic tendencies and market pressures" (section 2, paragraph 5). However, further research needs to be done to see if similar dynamics exist among cooperatives outside the German legal context.

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