

# Philosophical Aspects of Shared Capitalism

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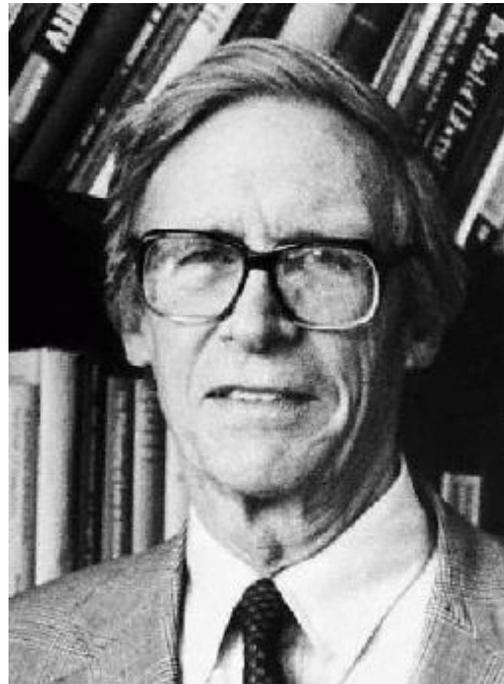
# Introduction

- What can philosophers – specifically, normative theorists – add to discussions of shared capitalism?
- Plenty.
  - Philosophers can learn from these discussions as well.
- People interested in shared capitalism are concerned about the distribution of productive resources and the structure of productive organizations.
- Philosophers are concerned about these things too.
  - John Rawls’s theory of justice.
  - Workplace democracy.

# John Rawls

- The most important political philosopher of the 20<sup>th</sup> century is:

- John Rawls.



# John Rawls

- In *Justice as Fairness: A Restatement* (2001), he rejects welfare state and laissez-faire capitalism on the grounds that they leave control of the economy in the hands of a wealthy few.
- He favors either *property-owning democracy* or *liberal socialism*. Both disperse productive resources broadly in society. In the latter, firms are worker-managed.
- Why? Rawls thinks that this system better satisfies his principles of justice, which require (among other things) equal liberty, the fair value of political liberties, and fair equality of opportunity.

# John Rawls

- What's the relevance to shared capitalism?
- My fellowship (the Kelso) is for the “study of the broadened ownership of capital.” Rawls would be sympathetic to this, and to shared capitalism, insofar as it is consistent with this end.
- So, Rawls's theory may be a source of arguments for shared capitalism.

# Workplace Democracy

- Philosophers have long been concerned about workplace democracy, understood as ultimate control of the firm by its workers.
- Different types of arguments:
  - Autonomy (Archer 1996; Gould 1988)
  - Character formation (Pateman 1970; Cohen 1989)
  - Interest protection (Brenkert 1992; Hsieh 2005, 2008)
  - Parallel case (Dahl 1985; Walzer 1983)

# Workplace Democracy

- What's the relevance to shared capitalism?
- Shared capitalism emphasizes increased employee ownership of firms (and increased employee wealth through profit and gain sharing).
- Traditionally, one of the “incidents” of ownership is control (Honore, 1961).
- So philosophers' arguments for workplace democracy provide support for this aspect of shared capitalism.

# Efficiency, Wealth and Other Values

- At this conference, arguments for shared capitalism tend to point to its effects on firm performance and/or employee wealth.
- These matter, and may be a source of additional support for Rawls's views and workplace democracy.
- But philosophers typically justify their views by appealing to a variety of other considerations (autonomy, democracy, liberty, opportunity).
- These considerations provide additional grounds to argue for, and possibly against, shared capitalism.



# Summary

- Philosophers are concerned about the distribution of productive resources (Rawls) and the structure of productive organizations (workplace democracy).
- So are people interested in shared capitalism.
- They tend to emphasize different considerations in support of their views.
- So, philosophers and people interested in shared capitalism have plenty to say to each other.