

What is Inclusive Democracy?

The contours of Inclusive Democracy*

THE EDITORIAL COMMITTEE[^]

Inclusive democracy is a new conception of democracy, which, using as a starting point the classical definition of it, expresses democracy in terms of direct political democracy, economic democracy (beyond the confines of the market economy and state planning), as well as democracy in the social realm and ecological democracy. In short, inclusive democracy is a form of social organisation which re-integrates society with economy, polity and nature. The concept of inclusive democracy is derived from a synthesis of two major historical traditions, the classical democratic and the socialist, although it also encompasses radical green, feminist, and liberation movements in the South. Within the problematique of the inclusive democracy project, it is assumed that the world, at the beginning of the new millennium, faces a multi-dimensional crisis (economic, ecological, social, cultural and political) which is caused by the concentration of power in the hands of various elites, as a result of the establishment, in the last few centuries, of the system of market economy, representative democracy and the related forms of hierarchical structure. In this sense, an inclusive democracy, which involves the equal distribution of power at all levels, is seen not as a utopia (in the negative sense of the word) but as perhaps the only way out of the present crisis.

The conception of inclusive democracy

A fruitful way to define inclusive democracy may be to distinguish between the two main societal realms, the public and the private, to which we may add an "ecological realm", defined as the sphere of the relations between the natural and the social worlds. In this conception, the public realm, contrary to the practice of many supporters of the republican or democratic project (Hannah Arendt, Cornelius Castoriadis, Murray Bookchin et al) includes not just the political realm, but also the economic realm as well as a 'social' realm; in other words, any area of human activity in which decisions can be taken collectively and democratically. The political realm is defined as the sphere of political decision-taking, the area in which political power is exercised. The economic realm is defined as the sphere of economic decision-taking, the area in which economic power is exercised with respect to the broad economic choices that any scarcity society has to make. Finally, the social realm is defined as the sphere of decision-taking in the workplace, the education place and any other economic or cultural institution which is a constituent element of a democratic society.

It is therefore obvious that the extension of the traditional public realm to include the economic, ecological and 'social' realms is an indispensable element of an inclusive democracy. Correspondingly, we may distinguish between four main constituent elements

of an inclusive democracy: the political, the economic, "democracy in the social realm" and the ecological. The first three elements constitute the institutional framework which aims at the equal distribution of (respectively) political, economic and social power; in other words, the system which aims at the effective elimination of the domination of human being over human being. Similarly, ecological democracy is defined as the institutional framework which aims at the elimination of any human attempt to dominate the natural world, in other words, the system which aims to reintegrate humans and nature.

Political or direct democracy

In the political realm there can only be one form of democracy: what we may call political or direct democracy, in which political power is shared equally among all citizens. Political democracy is, therefore, founded on the equal distribution of political power among all citizens, the self-instituting of society. This means that the following conditions have to be satisfied for a society to be characterised as a political democracy:

1. that democracy is grounded on the conscious choice of its citizens for individual and social autonomy and not on any divine or mystical dogmas and preconceptions, or any closed theoretical systems involving natural or economic "laws", or tendencies determining social change.
2. that there are no institutionalised political **processes** of an oligarchic nature. This implies that all political decisions (including those relating to the formation and execution of laws) are taken by the citizen body collectively and without representation;
3. that there are no institutionalised political **structures** embodying unequal power relations. This means, for instance, that where authority is delegated to segments of the citizen body for the purpose of carrying out specific duties (e.g., serving in popular courts, or regional and confederal councils, etc.), the delegation is assigned, on principle, by lot and on a rotational basis, and it is always recallable by the citizen body. Furthermore, as regards delegates to regional and confederal bodies, the mandates should be specific.
4. that all residents of a particular geographical area (which today can only take the form of a geographical community), beyond a certain age of maturity (to be defined by the citizen body itself) and irrespective of gender, race, ethnic or cultural identity, are members of the citizen body and are directly involved in the decision-taking process.

However, the institutionalisation of direct democracy in terms of the above conditions is only the necessary condition for the establishment of democracy. The sufficient condition refers to the citizens' level of democratic consciousness, in which a crucial role is played by **paedeia** – involving not simply education but character development and a well-rounded education in knowledge and skills, i.e. the education of the individual as citizen, which alone can give substantive content to the public space.

The above conditions are obviously not met by parliamentary democracy (as it functions in the West), soviet democracy (as it functioned in the East) and the various fundamentalist or semi-military regimes in the South. All these regimes are therefore forms of political oligarchy, in which political power is concentrated in the hands of various elites (professional politicians, party bureaucrats, priests, military and so on). Similarly, in the

past, various forms of oligarchies dominated the political domain, when emperors, kings and their courts, with or without the co-operation of knights, priests and others, concentrated political power in their hands.

However, several attempts have been made in history to institutionalise various forms of direct democracy, especially during revolutionary periods (for example, the Parisian sections of the early 1790s, the Spanish collectives in the civil war etc.). Most of these attempts were short-lived and usually did not involve the institutionalisation of democracy as a new form of political *regime* which replaces, and not just complements, the State. In other cases, democratic arrangements were introduced as a set of procedures for local decision-making. Perhaps the only real parallel which can be drawn with respect to Athenian democracy is that of some Swiss cantons which were governed by assemblies of the people (*Landsgemeinden*) and, in their day, were sovereign states. The only historical example of an *institutionalised* direct democracy in which, for almost two centuries (508/7 BC- 322/1 BC), the state was subsumed into the democratic form of social organisation, is that of Athenian democracy. Of course, Athenian democracy was a *partial* political democracy. But, what characterised it as partial was not the political institutions themselves but the very narrow definition of full citizenship adopted by the Athenians — a definition which excluded large sections of the population (women, slaves, immigrants) who, in fact, constituted the vast majority of the people living in Athens.

Economic Democracy

If we define political democracy as the authority of the people (*demos*) in the political sphere — which implies the existence of political equality in the sense of equal distribution of political power — then economic democracy could be correspondingly defined as the authority of *demos* in the economic sphere — which implies the existence of economic equality in the sense of equal distribution of economic power. And, of course, we are talking about the *demos* and not the state, because the existence of a state means the separation of the citizen body from the political and economic process. Economic democracy therefore relates to every social system which institutionalises the integration of society and the economy. This means that, ultimately, the *demos* controls the economic process, within an institutional framework of *demotic* ownership of the means of production.

In a more narrow sense, economic democracy also relates to every social system which institutionalises the minimisation of socio-economic differences, particularly those arising out of the unequal distribution of private property and the consequent unequal distribution of income and wealth. Historically, it is in this narrow sense that attempts were made by socialists to introduce economic democracy. Therefore, in contrast to the institutionalisation of political democracy, there has never been a corresponding example of an institutionalised economic democracy in the broad sense defined above. In other words, even when socialist attempts to reduce the degree of inequality in the distribution of income and wealth were successful, they were never associated with meaningful attempts to establish a system of equal distribution of economic power. This has been the case, despite the fact that in the type of society which has emerged since the rise of the market economy, there has been a definite shift of the economy from the private realm into what Hannah Arendt called the "social realm", to which the nation-state also belongs. But, it is this shift which makes any talk about democracy, which does not also refer to the question of economic power, ring hollow. In other words, to talk today about the equal sharing of

political power, without conditioning it on the equal sharing of economic power, is meaningless.

On the basis of the definition of political democracy given earlier, the following conditions have to be satisfied for a society to be characterised as an economic democracy:

1. that there are no institutionalised economic **processes** of an oligarchic nature. This means that all "macro" economic decisions, namely, decisions concerning the running of the economy as a whole (overall level of production, consumption and investment, amounts of work and leisure implied, technologies to be used, etc.) are taken by the citizen body collectively and without representation, although "micro" economic decisions at the workplace or the household levels are taken by the individual production or consumption unit and

2. that there are no institutionalised economic **structures** embodying unequal economic power relations. This implies that the means of production and distribution are collectively owned and controlled by the **demos**, the citizen body directly. Any inequality of income is therefore the result of additional voluntary work at the individual level. Such additional work, beyond that required by any capable member of society for the satisfaction of **basic needs**, allows only for additional consumption, as no individual accumulation of capital is possible, and any wealth accumulated as a result of additional work is not inherited. Thus, **demotic ownership** of the economy provides the economic **structure** for democratic ownership, whereas direct citizen participation in economic decisions provides the framework for a comprehensively democratic control process of the economy. The community, therefore, becomes the authentic unit of economic life, since economic democracy is not feasible today unless both the ownership and control of productive resources are organised at the community level. So, unlike the other definitions of economic democracy, the definition given here involves the explicit negation of economic power and implies the authority of the people in the economic sphere. In this sense, economic democracy is the counterpart, as well as the foundation, of direct democracy and of an inclusive democracy in general.

A model of economic democracy, as an integral part of an inclusive democracy, is described in the first book-length description of Inclusive Democracy which was published in 1997 (see further reading).

Briefly, the dominant characteristic of this model, which differentiates it from similar models of centralised or decentralised Planning, is that, although it does not depend on the prior abolition of scarcity, it does secure the satisfaction of the basic needs of all citizens, without sacrificing freedom of choice, in a stateless, moneyless and marketless economy. The preconditions of economic democracy are defined as follows:

- community self-reliance
- community (**demotic**) ownership of productive resources, and
- confederal allocation of resource

The third condition in particular implies that the decision mechanism for the allocation of scarce resources in an inclusive democracy should be based at the confederal rather than the community level, i.e. at the level of the confederation of communities (**demoi**). This is in order to take into account the fact that in today's societies many problems cannot be

solved at the community level (energy, environment, transportation, communication, technology transfer etc.). The mechanism proposed to allocate scarce resources aims to replace both the market mechanism and the central planning mechanism.

The former is rejected because it can be shown that the system of the market economy has led, in the last two hundred years since its establishment, to a continuous concentration of income and wealth at the hands of a small percentage of the world population and, consequently, to a distorted allocation of world resources. This is because in a market economy the crucial allocation decisions (*what* to produce, *how* and *for whom* to produce it) are conditioned by the purchasing power of those income groups which can back their demands with money. In other words, under conditions of inequality, which is an inevitable outcome of the dynamic of the market economy, the fundamental contradiction with respect to the market satisfaction of human needs becomes obvious: namely, the contradiction between the *potential* satisfaction of the basic *needs* of the whole population versus the *actual* satisfaction of the *money-backed wants* of part of it.

The latter is rejected because it can be shown that centralised planning, although better than the market system in securing employment and meeting the basic needs of citizens (albeit at an elementary level), not only leads to irrationalities (which eventually precipitated its actual collapse) and is ineffective in covering non-basic needs, but it is also highly undemocratic.

The system of allocation proposed by the Inclusive Democracy project aims to satisfy the twofold aim of:

- meeting the basic needs of all citizens-- which requires that basic macro-economic decisions are taken democratically and
- securing freedom of choice-- which requires the individual to take important decisions affecting his/her own life (what work to do, what to consume etc.).

Both the macro-economic decisions and the individual citizens' decisions are envisaged as being implemented through a combination of democratic planning – which involves the creation of a feedback process between workplace assemblies, community assemblies and the confederal assembly– and an artificial "market" which secures real freedom of choice, without incurring the adverse effects associated with real markets. In a nutshell, the allocation of economic resources is made first, on the basis of the citizens' collective decisions, as expressed through the community and confederal plans, and second, on the basis of the citizens' individual choices, as expressed through a voucher system. The general criterion for the allocation of resources is not efficiency as it is currently defined, in narrow techno- economic terms. Efficiency should be redefined to mean effectiveness in satisfying human needs and not just money-backed wants. As far as the meaning of needs is concerned, a distinction is drawn between basic and non-basic needs and a similar one between needs and 'satisfiers' (the form or the means by which these needs are satisfied). What constitutes a need –basic or otherwise– is determined by the citizens themselves democratically. Then, the level of need-satisfaction is determined collectively and implemented through a democratic planning mechanism, whereas the satisfiers for both basic and non-basic needs are determined through the revealed preferences of consumers, as expressed by the use of vouchers allocated to them in exchange for their "basic" and "non-basic" work. **Basic vouchers** (BVs – allocated in exchange for "basic" work, i.e. the

number of hours of work required by each citizen in a job of his/her choice so that basic needs are met) are used for the satisfaction of basic needs. These vouchers – which are personal and issued on behalf of the confederation – entitle each citizen to a given level of satisfaction for each particular type of need which has been characterised (democratically) as "basic", but do not specify the particular type of satisfier, so that choice may be secured.

Non-basic vouchers (NBVs – allocated in exchange for non-basic work) are used for the satisfaction of non-basic needs (non-essential consumption) as well as for the satisfaction of basic needs beyond the level prescribed by the confederal assembly. NBVs, like BVs, are also personal but are issued on behalf of each community, rather than on behalf of the confederation. Work by citizens over and above the 'basic' number of hours is voluntary and entitles them to NBVs, which can be used towards the satisfaction of non-essential needs. "Prices" in this system, instead of reflecting scarcities relative to a skewed income and wealth pattern (as in the market economy system), function as rationing devices to match scarcities relative to citizens' desires, i.e. as guides for a democratic allocation of resources. Therefore, prices, instead of being the cause of rationing – as in the market system – become the effect of it and are assigned the role of equating demand and supply in an artificial "market" which secures the sovereignty of both consumers and producers. The "prices" formed in this way, together with a complex "index of desirability" drawn on the basis of citizens' preferences as to the type of work which citizens wish to do, determine a "subjective" rate of remuneration for non basic work, in place of the 'objective' rate suggested by the labour theory of value.

As the above brief description of the model of economic democracy makes clear, the project for an inclusive democracy refers to a future international political economy which transcends both the political economy of state socialism, as realised in the countries of the ex "actually existing socialism" in Eastern Europe, and the political economy of the market economy, either in its mixed economy form of the social democratic consensus, or in its present neo-liberal form.

Democracy in the social realm

The satisfaction of the above conditions for political and economic democracy would represent the re-conquering of the political and economic realms by the public realm – that is, the re-conquering of a true social individuality, the creation of the conditions of freedom and self-determination, both at the political and the economic levels. However, political and economic power are not the only forms of power and, therefore, political and economic democracy do not, by themselves, secure an inclusive democracy. In other words, an inclusive democracy is inconceivable unless it extends to the broader social realm to embrace the workplace, the household, the educational institution and indeed any economic or cultural institution which constitutes an element of this realm.

Historically, various forms of democracy in the social realm have been introduced, particularly during this century, usually in periods of revolutionary activity. However, these forms of democracy were not only short-lived but seldom extended beyond the workplace (e.g. Hungarian workers' councils in 1956) and the education institution (e.g. Paris student assemblies in 1968).

The issue today is how to extend democracy to other forms of social organisation, like the

household, without dissolving the private/public realm divide. In other words, how, while maintaining and enhancing the autonomy of the two realms, such institutional arrangements are adopted which introduce democracy to the household and the social realm in general and –at the same time– enhance the institutional arrangements of political and economic democracy. In fact, an effective democracy is inconceivable unless free time is equally distributed among all citizens, and this condition can never be satisfied as long as the present hierarchical conditions in the household, the workplace and elsewhere continue. Furthermore, democracy in the social realm, particularly in the household, is impossible, unless such institutional arrangements are introduced which recognise the character of the household as a needs-satisfier and integrate the care and services provided within its framework into the general scheme of needs satisfaction.

Ecological Democracy

If we see democracy as a process of social self-institution in which there is no divinely or "objectively" defined code of human conduct there are no guarantees that an inclusive democracy would secure an ecological democracy in the sense defined above. Therefore, the replacement of the market economy by a new institutional framework of inclusive democracy constitutes only the **necessary** condition for a harmonious relation between the natural and social worlds. The **sufficient** condition refers to the citizens' level of ecological consciousness. Still, the radical change in the dominant social paradigm which will follow the institution of an inclusive democracy, combined with the decisive role that paedeia will play in an environmentally-friendly institutional framework, could reasonably be expected to lead to a radical change in the human attitude towards Nature. In other words, there are strong grounds for believing that the relationship between an inclusive democracy and Nature would be much more harmonious than could ever be achieved in a market economy, or one based on state socialism. The factors supporting this view refer to all three elements of an inclusive democracy: political, economic and social.

At the political level, there are grounds for believing that the creation of a public space will in itself have a very significant effect on reducing the appeal of materialism. This is because the public space will provide a new meaning of life to fill the existential void that the present consumer society creates. The realisation of what it means to be human could reasonably be expected to throw us back toward Nature.

Also, at the economic level, it is not accidental that, historically, the process of destroying the environment en masse has coincided with the process of marketization of the economy. In other words, the emergence of the market economy and of the consequent growth economy had crucial repercussions on the society-Nature relationship and led to the rise of the ideology of growth as the dominant social paradigm. Thus, an 'instrumentalist' view of Nature became dominant, in which Nature was seen as an instrument for economic growth, within a process of endless concentration of power. If we assume that only a confederal society could secure an inclusive democracy today, it would be reasonable to assume further that once the market economy is replaced by a democratically run confederal economy, the grow-or-die dynamics of the former will be replaced by the new social dynamic of the latter: a dynamic aiming at the satisfaction of the community needs and not at growth per se. If the satisfaction of community needs does not depend, as at present, on the continuous expansion of production to cover the "needs" which the market creates, and if the link between economy and society is restored, then there is no reason why the present

instrumentalist view of Nature should continue to condition human behaviour.

Furthermore, democracy in the broader social realm could also be reasonably expected to be environmentally-friendly. The phasing out of patriarchal relations in the household and hierarchical relations in general should create a new ethos of non-domination which would embrace both Nature and Society. In other words, the creation of democratic conditions in the social realm should be a decisive step in the creation of the sufficient condition for a harmonious nature-society relationship.

Finally, the fact that the basic unit of social, economic and political life in a confederal democracy would be the community might also be expected to enhance its environmentally-friendly character. It is reasonable to assume – and the evidence of the remarkable success of local communities in safeguarding their environments is overwhelming – that when people rely directly on their natural surroundings for their livelihood, they will develop an intimate knowledge of those surroundings, which will necessarily affect positively their behaviour towards them. However, the precondition for local control of the environment to be successful is that the community depends on its natural surroundings for its long-term livelihood and that it, therefore, has a direct interest in protecting it – another reason why an ecological society is impossible without economic democracy.

A new conception of citizenship

The above conditions for democracy imply a new conception of citizenship: economic, political, social and cultural. Thus, **political citizenship** involves new political structures and the return to the classical conception of politics (direct democracy). **Economic citizenship** involves new economic structures of community ownership and control of economic resources (economic democracy). **Social citizenship** involves self-management structures at the workplace, democracy in the household and new welfare structures in which all basic needs (to be democratically determined) are covered by community resources, whether they are satisfied in the household or at the community level. Finally, **cultural citizenship** involves new democratic structures of dissemination and control of information and culture (mass media, art, etc.), which allow every member of the community to take part in the process and at the same time develop his/her intellectual and cultural potential.

Although this sense of citizenship implies a sense of political community, which, defined geographically, is the fundamental unit of political, economic and social life, still, it is assumed that this political community interlocks with various other communities (cultural, professional, ideological, etc.). Therefore, the community and citizenship arrangements do not rule out cultural differences or other differences based on gender, age, ethnicity and so on but simply provide the public space in which such differences can be expressed; furthermore, these arrangements institutionalise various safety valves that aim to rule out the marginalisation of such differences by the majority. What, therefore, unites people in a political community, or a confederation of communities, is not some set of common values, imposed by a nationalist ideology, a religious dogma, a mystical belief, or an ‘objective’ interpretation of natural or social ‘evolution’, but the democratic institutions and practices, which have been set up by citizens themselves.

It is obvious that the above new conception of citizenship has very little in common with the liberal and socialist definitions of citizenship which are linked to the liberal and socialist conceptions of human rights respectively. Thus, for the liberals, the citizen is simply the individual bearer of certain freedoms and political rights recognised by law which, supposedly, secure equal distribution of political power. Also, for the socialists, the citizen is the bearer not only of political rights and freedoms but, also, of some social and economic rights, whereas for Marxists the citizenship is realised with the collective ownership of the means of production. The conception of citizenship adopted here, which could be called a democratic conception, is based on the above definition of inclusive democracy and presupposes a 'participatory' conception of active citizenship, like the one implied by the work of Hannah Arendt. In this conception, political activity is not a means to an end, but an end in itself. It is, therefore, obvious that this conception of citizenship is qualitatively different from the liberal and social-democratic conceptions which adopt an 'instrumentalist' view of citizenship, i.e. a view which implies that citizenship entitles citizens with certain rights which they can exercise as means to the end of individual welfare.

Applications

A well-developed body of knowledge already exists regarding inclusive democracy and its applications. Crucial matters such as strategy of transition to an inclusive democracy, the relationship of science and technology to democracy, the significance of the rise of irrationalism with respect to the democratic project, the interrelationship between culture, mass media and democracy, and class divisions today have all been explored in *Democracy & Nature*, *The International Journal of Inclusive Democracy* (see further reading).

Further reading:

[*Democracy & Nature, The International Journal of Inclusive Democracy*](#), Theoretical articles and dialogue on inclusive democracy and related topics.

Fotopoulos, Takis, (1997) [*Towards An Inclusive Democracy: The Crisis of the Growth Economy and the Need for a New Liberatory Project*](#), (London: Cassell). The definitive exposition of Inclusive Democracy.

See also, [The Inclusive Democracy Network](#).

* - This article constitutes the Inclusive Democracy entry to the Routledge Encyclopedia of International Political Economy (ed. By Barry Jones), 2001.

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